

Princess Private Equity Holding Limited

Directors:

Mr Brian Human (Managing Director)
Mr Graham Hall
Mr Andreas Billmaier
Mr Urs Wietlisbach

Registered Office:

Level Three
Tudor House
Le Bordage
St Peter Port
Guernsey
Channel Islands

7 March 2007

To: The Holders of Ordinary Shares in Princess Private Equity Holding Limited (the “Company”)

Dear Shareholder,

Annual General Meeting

It is proposed that the annual general meeting of the Company will be held on 12 April 2007 at 11am at the registered office of the Company being Level Three, Tudor House, Le Bordage, St Peter Port, Guernsey, Channel Islands to deal with the following:

- (a) to amend the Articles of Association of the Company (the “Articles”) to allow communications with Shareholders to be sent electronically;
- (b) to cancel the amount standing to the credit of the share premium account of the Company and to convert such amount into a distributable reserve;
- (c) to authorise the Company to purchase its own shares;
- (d) to approve the Directors Report and Audited Accounts for the year ended 31 December 2006;
- (e) to authorise the payment of a dividend of €2.74 per Ordinary Share to be conditional on the share premium reduction being approved by the Royal Court of Guernsey;
- (f) to appoint auditor’s to the Company to hold office until the next annual general meeting;
- (g) to accept the resignation of Brian Human as a director and if thought fit to re-appoint him as a director of the Company;
- (h) to ratify the appointment of Andreas Billmaier as a director of the Company; and
- (i) to approve the previous minutes of the meeting of shareholders of the Company held on 29 June 2006.

Please note that unless otherwise defined herein, defined terms used in this circular have the same meaning given to them in the Prospectus of the Company dated 8 December 2006.

Amendment to Articles of Association of the Company

The Company intends to offer its shareholders electronic dissemination of shareholder information, e.g. materials relating to annual general meetings of shareholders. The German Transparency Directive Implementation Act (Act on the implementation of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2005 on the harmonisation of transparency requirements for information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC) that came into force on 20 January 2007 and to which the Company is subject due to its stock exchange listing in Germany, requires, as a prerequisite for communications with shareholders to be sent electronically, approval from the annual meeting of shareholders for this type of information transmission, in addition to the individual shareholder’s approval. For this reason it is proposed at the Meeting to amend the Articles of Association of the Company to allow submission of information by the Company to its shareholders, subject to their prior approval, by way of remote

data transmission.

The proposed amended Articles of Association will be available for inspection from the date of despatch of this circular until the close of business of the Meeting (including any adjourned Meeting) at (i) the offices of Sal.Oppenheim jr. & Cie. KGaA, Untermainanlage 1, 60329 Frankfurt am Main, Germany; (ii) at the location of the Meeting (for at least 15 minutes prior to the Meeting as well as during the Meeting), and (iii) at Level Three, Tudor House, Le Bordage, St Peter Port, Guernsey, Channel Islands during normal business hours Monday to Friday (public holidays excepted).

Share Premium Reduction

At the Meeting a special resolution will be proposed to authorise the cancellation of the amount standing to the credit of the share premium account of the Company. The amount of share premium so cancelled shall be credited as a distributable reserve to be established in the accounts of the Company which shall be able to be applied in any manner in which the Company's profits available for distribution are able to be applied, including the purchase of the Company's own shares and the payment of dividends.

Once the resolution is passed the Company must apply to the Royal Court of Guernsey for an order confirming the reduction. The creditors of the Company must consent to the granting of the order. The Company must advertise, in La Gazette Officielle, its intention to reduce the share premium account on two occasions falling in successive weeks prior to the court hearing. If the application is successful then the amount standing to the credit of the share premium account shall be converted to a distributable reserve and such monies will be used to pay the dividend referred to below.

Authority to purchase own shares

At the Meeting an ordinary resolution will be proposed to authorise the Company, in accordance with the Companies (Purchase of Own Shares) Ordinance, 1998 (the "**Ordinance**"), to make market purchases of its own shares (as defined in that Ordinance) provided that:

- (a) the maximum number of shares authorised to be purchased is up to 14.99% of the shares in issue on the date of the resolution;
- (b) the minimum price which may be paid for a share is €0.01;
- (c) the maximum price which may be paid for a share is an amount equal to 105% of the average middle market quotation for an ordinary share for the five business days immediately preceding the day on which ordinary shares are contracted to be purchased;
- (d) such authority shall expire at the annual general meeting of the Company in 2008 unless such authority is varied, revoked or renewed prior to such date by a resolution of the Company in a general meeting;
- (e) the Company may make a contract to purchase shares under such authority prior to its expiry which will or may be executed wholly or partly after its expiration and the Company may make a purchase of shares pursuant to any such contract.

If this resolution is passed the Company will have the authority to purchase its own shares in accordance with the Ordinance and the parameters set out above. However, the Company will not, by virtue of the above resolution, be obliged to purchase its own shares.

Directors Report and Audited Accounts

The Directors Report and the Audited Accounts for the year ended 31 December 2006 are

attached in Appendix 2.

An ordinary resolution to approve the Directors Report and the Audited Accounts will be proposed at the Meeting.

Payment of Dividend

At a meeting of the board of directors on 22 February 2007 the directors recommended that a dividend of €2.74 per Ordinary Share be declared, subject to share premium reduction application being approved by the Royal Court of Guernsey.

An ordinary resolution will be proposed at the Meeting to declare a dividend of €2.74 per Ordinary Share, to be paid on 30 April 2007, conditional on the share premium reduction being approved by the Royal Court of Guernsey.

Auditors

The current auditors of the Company are PricewaterhouseCoopers CI LLP of National Westminster House, St Peter Port, Guernsey (“PWC”).

An ordinary resolution will be proposed at the meeting to appoint PWC as auditors of the Company to hold office until the next annual general meeting of the Company.

Directors

In accordance with the retirement by rotation provisions in the Articles, at the Meeting Brian Human will tender his resignation as a director of the Company and will stand for re-election as a director. An ordinary resolution will be proposed at the meeting appointing Brian Human as a director of the Company with immediate effect.

Andreas Billmaier was appointed as a director of the Company on 5 December 2006 by the board of directors. An ordinary resolution will be proposed at the meeting confirming the appointment of Andreas Billmaier as a director of the Company.

Approval of previous minutes

An ordinary resolution will be proposed at the Meeting approving the minutes of the meeting of the shareholders of the Company held on 29 June 2006. The minutes of the meeting held on 29 June 2006 will be available for inspection from the date of despatch of this circular until the close of business of the Meeting (including any adjourned Meeting) at (i) the offices of Sal.Oppenheim jr. & Cie. KGaA, Untermainanlage 1, 60329 Frankfurt am Main, Germany (ii) at the location of the Meeting (for at least 15 minutes prior to the Meeting as well as during the Meeting), and (iii) at Level Three, Tudor House, Le Bordage, St Peter Port, Guernsey, Channel Islands during normal business hours Monday to Friday (public holidays excepted).

Directors’ recommendation

The Directors of the Company consider that the resolutions set out above are beneficial to the Company and the Shareholders as a whole and recommend that Shareholders vote in favour of the proposed resolutions.

The Meeting and the Resolutions

The Meeting of Shareholders of the Company is being called for 11am on 12 April 2007. Notice of the Meeting is set out in Appendix 1. The Notice sets out the Special and Ordinary Resolutions to be proposed at the Meeting.

The Meeting will be chaired by Mr Brian Human or, in his absence, Mr Graham Hall in his capacity as a Director of the Company.

The quorum for the Meeting of Shareholders of the Company is two or more Shareholders present in person or by proxy. A majority of not less than seventy-five per cent. (75%) of the total number of votes cast is required to pass each of the Special Resolutions. The majority required for the passing of the Ordinary Resolutions is fifty per cent. (50%) or more of the total number of votes cast for and against each resolution.

The Chairman of the Meeting will ask for a poll to be taken for each of the Special Resolutions and the Ordinary Resolutions.

If, within half an hour from the appointed time for the Meeting, a quorum is not present, then the Meeting will be adjourned until the same time on 19 April 2007 at the same address. At any adjourned Meeting, Shareholders present in person or by proxy will form a quorum whatever their number and the number of Ordinary Shares held by them. Again, at any adjourned Meeting a majority of not less than seventy-five per cent. (75%) of the total number of votes cast is required to pass each of the Special Resolutions and a majority of not less fifty per cent. (50%) of the total number of votes cast for and against each Ordinary Resolution is required for the passing of the Ordinary Resolutions.

If the Special Resolutions and the Ordinary Resolutions are duly passed at the Meeting, and other necessary formalities are completed, this will result in all of the proposed resolutions becoming binding on each Shareholder in the Company whether or not they voted in favour of the resolutions, or voted at all.

Action Required of Shareholders¹

The registered shareholder of the Ordinary Shares is required to complete the attached proxy form on behalf of the beneficial owner and to fax them to Princess Private Equity Holding Limited on fax number +44 (0)1481 730947 by 11am on 10 April 2007.

The original proxy form should then be sent to: Princess Private Equity Holding Limited, PO Box 477, St Peter Port, Guernsey GY1 1BT, Channel Islands. To avoid the inconvenience of calling a meeting that is subsequently adjourned due to lack of a quorum, please ensure that the original proxy forms are received by the Company not later than 48 hours before the time of the Meeting.

Alternatively you are welcome to attend the Meeting in person and vote. If you intend to do so please contact Mr Brian Human on +44 (0) 1481 730946 beforehand in order that appropriate arrangements can be made. Filing a proxy will not preclude you from attending and voting in person at the Meeting.

If you have any questions regarding these instructions, or the other contents of this circular, please do not hesitate to contact Mr Brian Human on +44 (0)1481 730946.

Further Information

¹ Please see the additional information for holders of Ordinary Registered Shares deliverable in the form of co-ownership interests in a global bearer certificate issued by Clearstream Banking AG, Frankfurt am Main.

When considering what action you should take in relation to this circular, please consult your stockbroker, bank manager, solicitor, accountant or other financial advisor.

Finally, I would like to take this opportunity on behalf of the Directors to express our sincere appreciation for the support of all of our shareholders.

Yours faithfully

Mr Brian Human
Managing Director



PRINCESS PRIVATE EQUITY HOLDING LIMITED
(the "Company")

**NOTICE OF A MEETING OF THE HOLDERS OF ORDINARY
SHARES IN THE COMPANY**

This notice is important. It requires your immediate attention. If you are in doubt about its contents, please consult your stockbroker, bank manager, solicitor, accountant or other financial advisor.

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the holders of Ordinary Shares in the Company, will be held at Level Three, Tudor House, Le Bordage, St Peter Port, Guernsey, Channel Islands on 12 April 2007 at 11am for the purpose of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

THAT the Articles of Association of the Company be and are hereby amended by inserting at the end of Article 32.1 the following sentence:

"Notwithstanding any other provision of these Articles any notice required to be given to any Member pursuant to these Articles may be sent by electronic means in accordance with the Article 32.10 and shall be deemed to have been received in accordance with Article 32.6."

THAT subject to the approval of the Royal Court the amount standing to the credit of the share premium account of the Company be cancelled in accordance with The Companies (Guernsey) Law, 1994 (as amended) and the amount of the share premium account so cancelled be credited as a distributable reserve to be established in the books of account of the Company which shall be able to be applied in any manner in which the Company's profits available for distribution are able to be applied, including the purchase of the Company's own shares and payment of dividends.

ORDINARY RESOLUTIONS

THAT the Company be authorised in accordance with the Companies (Purchase of Own Shares) Ordinance, 1998 (the "**Ordinance**") to make market purchases (as defined in the Ordinance) on the following conditions:

- (a) the maximum number of shares authorised to be purchased is up to 14.99% of the shares in issue on the date of this resolution;
- (b) the minimum price which may be paid for a share is €0.01;
- (c) the maximum price which may be paid for a share is an amount equal to 105% of the average middle market quotation for an ordinary share for the five business days immediately preceding the day on which ordinary shares are contracted to be purchased;
- (d) such authority shall expire at the annual general meeting of the Company in 2008 unless such authority is varied, revoked or renewed prior to such date by a resolution of the Company in a general meeting;
- (e) the Company may make a contract to purchase shares under such authority prior to its expiry

which will or may be executed wholly or partly after its expiration and the Company may make a purchase of shares pursuant to any such contract.

THAT the Directors Report and Audited Accounts for the year ended 31 December 2006 be and are hereby approved.

THAT subject to the approval by the Royal Court of the share premium reduction application for the Company a dividend of €2.74 be paid on each Ordinary Share on 30 April 2007.

THAT PricewaterhouseCoopers CI LLP, of National Westminster House, St Peter Port, Guernsey be and are hereby appointed as auditors to the Company to hold office until the next annual general meeting of the Company.

THAT Brian Human be and is hereby appointed a director of the Company with immediate effect.

THAT the appointment of Andreas Billmaier as a director of the Company on 5 December 2006 be and is hereby ratified.

THAT the minutes of meeting of the annual general meeting of the Company held on 29 June 2006 be and are hereby approved.

Notes:

- 1 A Shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a Shareholder.
- 2 To be valid a proxy form and any power of attorney or other authority under which the form of proxy is signed (or a notarially certified copy thereof) must be lodged with the Company not less than 48 hours before the time for holding the Meeting or any adjournment thereof.
- 3 The quorum for the Meeting of the Company is at least two Shareholders present either in person or by proxy. The majority required for the passing of each of the Special Resolutions is seventy-five per cent. (75%) or more of the total number of votes cast for and against such resolution. The majority required for the passing of the Ordinary Resolutions is fifty per cent. (50%) or more of the total number of votes cast for and against such resolution.
- 4 At the Meeting the votes will be taken by poll. On a poll, every Shareholder who is present in person or by proxy shall have one vote for every Ordinary Share so held. A Shareholder entitled to more than one vote need not, if he votes, use all of his votes or cast all of the votes which he uses in the same way.
- 5 If, within half an hour from the appointed time for the respective Meeting, a quorum is not present, then the Meeting will be adjourned to the same time on 19 April 2007 at the same address. At the adjourned Meeting, those Shareholders present in person or by proxy will form a quorum whatever their number and the number of Ordinary Shares held by them. Again, a majority of not less than seventy-five per cent. (75%) of the total number of votes cast is required to pass each of the Special Resolutions. The majority required for the passing of the Ordinary Resolutions is fifty per cent. (50%) or more of the total number of votes cast for and against such resolution.

- 6 At the time of giving this notice of meeting, the Company's issued and outstanding share capital totals 7,010,000 Ordinary Registered Shares each with a nominal value of EUR 0.01 with 7,009,999 of those deliverable in the form of co-ownership interests in a global bearer certificate issued by Clearstream Banking AG, Frankfurt am Main and 1 held as a certificated share, with an even number of shares being entitled to attend and vote.

**Additional Information for holders of Ordinary Registered Shares
deliverable in the form of co-ownership interests in a global bearer certificate
issued by Clearstream Banking AG, Frankfurt am Main**

– ISIN DE000A0LBRM2 / WKN A0LBRM –

As a rule, Clearstream Banking AG, Frankfurt am Main ("Clearstream"), will not exercise the voting rights arising from the Ordinary Registered Shares that are held by it as underlying for the co-ownership interests. On demand, however, Clearstream will cause a Proxy Form to be issued to the eligible co-owner or a third party indicated by it with respect to the number of Ordinary Registered Shares represented by the co-ownership interests held by such co-owner.

Proxy Forms as well as additional information for the holders of Ordinary Registered Shares deliverable in the form of co-ownership interests can be obtained free of charge from the following address:

WM-Datenservice
Hauptversammlungsservice
Email: help-desk@wmdaten.com

To be valid, the duly completed Proxy Forms must be returned to the depositary banks no later than 3 April 2007 (receipt by depositary bank).

Holders of Ordinary Registered Shares deliverable in the form of co-ownership interests who wish to attend the Meeting in person are requested to indicate their attendance in the Proxy Form as provided therein. In such event the Proxy Form, which will be held by the Company at the Meeting, will serve as entrance card for the Meeting.

Guernsey, March 2007

The Board of Directors

PROXY FORM

For holders of Ordinary Shares deliverable in the form of co-ownership interests in a global bearer certificate issued by Clearstream Banking AG (“Clearstream”) of Princess Private Equity Holding Limited in connection with its Meeting of Shareholders

For use by such holders in connection with the Meeting of the Shareholders of Ordinary Shares of Princess Private Equity Holding Limited (the “Company”), to be held on 12 April 2007 at 11am and at any adjournment thereof.

With this Proxy Form you may instruct the Nominee (as defined below) to appoint a proxy for the Meeting acting on your behalf and instruct the proxy to cast the votes in respect of the proposed resolutions as you wish.

Please see the notes on page 4!

Registered Name of Shareholder: ^(see note 1)	VIDACOS NOMINEES LIMITED (“Nominee”)	
Address:	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	
Name of Holder of Co-ownership Interests: ^(see note 2)	_____	
Address:	_____	
Name of Depositary Bank:	_____	
Bank Code of Depositary Bank:	_____	
Depositary Account Number:	_____	
Number of co-ownership interests held:	_____	
Verification by Depositary Bank: ^(see note 3)	<input type="checkbox"/>	_____
	[Seal / Signature]	
<p>We, VIDACOS NOMINEES LIMITED, acting as Nominee for Clearstream in connection with the issue of a global bearer certificate representing Ordinary Shares of the Company, hereby appoint the Chairman of the Meeting or ^(see note 4)</p> <p>_____</p> <p>to act as our proxy at the Meeting of the Shareholders of Ordinary Shares in the Company to be held on 3 April 2007 (and at any adjournment thereof) and to vote for us and in our name on the resolution set out in the Notice of Meeting dated [] March 2007 as indicated below. To allow effective constitution of the Meeting, if it is apparent to the Chairman that no Shareholders will be present in person or by proxy, other than by proxy in the Chairman’s favour, then the Chairman may appoint a substitute to act as proxy in his stead for any Shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.</p>		
VOTING INSTRUCTIONS ^(see note 5)		
SPECIAL RESOLUTIONS:		
THAT the Articles of Association of the Company be and are hereby amended by inserting at the end of Article 32.1 the following sentence: "Notwithstanding any other provision of these Articles any notice required to be given to any Member pursuant to these Articles may	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>

be sent by electronic means in accordance with the Article 32.10 and shall be deemed to have been received in accordance with Article 32.6."		
THAT subject to the approval of the Royal Court the amount standing to the credit of the share premium account of the Company be cancelled in accordance with The Companies (Guernsey) Law, 1994 (as amended) and the amount of the share premium account so cancelled be credited as a distributable reserve to be established in the books of account of the Company which shall be able to be applied in any manner in which the Company's profits available for distribution are able to be applied, including the purchase of the Company's own shares and payment of dividends.	<input type="checkbox"/>	<input type="checkbox"/>
ORDINARY RESOLUTIONS:	FOR	AGAINST
THAT the Company be authorised in accordance with the Companies (Purchase of Own Shares) Ordinance, 1998 (the " Ordinance ") to make market purchases (as defined in the Ordinance) on the following conditions: (a) the maximum number of shares authorised to be purchased is up to 14.99% of the shares in issue on the date of this resolution; (b) the minimum price which may be paid for a share is €0.01; (c) the maximum price which may be paid for a share is an amount equal to 105% of the average middle market quotation for an ordinary share for the five business days immediately preceding the day on which ordinary shares are contracted to be purchased; (d) such authority shall expire at the annual general meeting of the Company in 2008 unless such authority is varied, revoked or renewed prior to such date by a resolution of the Company in a general meeting; (e) the Company may make a contract to purchase shares under such authority prior to its expiry which will or may be executed wholly or partly after its expiration and the Company may make a purchase of shares pursuant to any such contract.	<input type="checkbox"/>	<input type="checkbox"/>
THAT the Directors Report and Audited Accounts for the year ended 31 December 2006 be and are hereby approved.	<input type="checkbox"/>	<input type="checkbox"/>
THAT subject to the approval by the Royal Court of the share premium reduction application for the Company a dividend of €2.74 be paid on each Ordinary Share on 30 April 2007.	<input type="checkbox"/>	<input type="checkbox"/>
THAT PricewaterhouseCoopers CI LLP, of National Westminster House, St Peter Port, Guernsey be and are hereby appointed as auditors to the Company to hold office until the next annual general meeting of the Company.	<input type="checkbox"/>	<input type="checkbox"/>

<p>THAT Brian Human be and is hereby appointed a director of the Company with immediate effect.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>THAT the appointment of Andreas Billmaier as a director of the Company on 5 December 2006 be and is hereby ratified.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>THAT the minutes of meeting of the annual general meeting of the Company held on 29 June 2006 be and are hereby approved.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Signatures: <small>(See Note 6)</small></p>		
<p>_____</p>	<p>_____</p>	
<p>(Vidacos)</p>	<p>(Vidacos)</p>	
<p>Dated: <small>(See Note 7)</small></p>		
<p>_____ 2007</p>		

Notes:

- 1 Due to the Ordinary Shares being certificated in the form of co-ownership interests in a global bearer certificate issued by Clearstream, Clearstream, through its Nominee VIDACOS NOMINEES LIMITED, is the registered shareholder of the underlying Ordinary Shares of the Company. For this reason, the name of the Nominee has already been inserted as registered shareholder.
- 2 Please insert your name, address and account information as indicated. In the case of joint holders of co-ownership interests both names have to be included.
- 3 Your depositary bank will verify your information regarding the number of co-ownership interests held and, in the event of the information given being incorrect, state the correct figure as recorded in its books and records.
- 4 **Only if you wish to attend the meeting in person or wish to appoint someone other than the Chairman of the Meeting who attends the meeting in person, please delete “the Chairman of the Meeting, or” and insert in the place provided your name or the name and address of your appointee. In such case you or your appointee will automatically be appointed as proxy for the Nominee and this Proxy Form, which will be held by the Company at the Meeting, will then serve as entrance card. If you attend the Meeting in person, you do not have to indicate how you wish to vote in accordance with note 5 below.**
- 5 Please indicate with a cross in the appropriate box below how you wish your votes to be cast by the proxy in respect of the resolutions. If you do not give a voting instruction, the proxy may vote or abstain at his discretion.
- 6 Due to the Nominee being the registered shareholder, the Proxy Form must be signed by it. Please do not sign the Proxy Form.
- 7 Please do not insert the date of the Proxy Form. To be valid the duly completed Proxy Form must be received by your depositary bank no later than 3 April 2007. The depositary bank will then forward the Proxy Form to the Company.

PRINCESS PRIVATE EQUITY HOLDING LIMITED

THE COMPANIES (GUERNSEY) LAW 1994 AS AMENDED

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
MEMORANDUM

AND

ARTICLES OF ASSOCIATION

of

PRINCESS PRIVATE EQUITY HOLDING LIMITED

Registered 12 May 1999

As adopted by Special Resolution dated 24 June, 1999 and as subsequently amended by Special Resolutions dated 21 September 1999, 5 December 2006 [and 12 April 2007]

CAREY OLSEN

7 New Street
St. Peter Port
Guernsey
GY1 4BZ
Tel: 01481 727272
Fax: 01481 711052

THE COMPANIES (GUERNSEY) LAW 1994 AS AMENDED

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION

of

PRINCESS PRIVATE EQUITY HOLDING LIMITED

1. The name of the Company is "Princess Private Equity Holding Limited".
2. The Registered Office of the Company will be situate in Guernsey.
3. The objects for which the Company is established are:
 - 3.1 To carry on business as an investment holding company and for that purpose to purchase or otherwise acquire any shares, stocks, certificates, bills, monetary instruments, units, participations, debenture stocks, bonds, obligations, policies of assurance, currencies, securities and other property or estates of any kind or nature whatsoever and to hold and from time to time to vary and dispose of any such investments and to acquire any such securities or investments as aforesaid in the name of the Company or its nominees by original subscription tender purchase exchange or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof and powers or realising capital or earning income in respect thereof or incidental thereto.
 - 3.2 To borrow or raise money in any manner and to secure the repayment of any money borrowed raised or owing by assignment, charge, hypothecation, pledge or mortgage on all or any of the property or rights of the Company present future vested or contingent including uncalled capital.
 - 3.3 To invest the capital and other moneys of the Company in the purchase of land or any interest in land, buildings or hereditaments of any tenure and to develop and turn the same to account in any manner that may seem expedient.
 - 3.4 To advance, lend or deposit money or give credit to or with any company, firm or person on such terms as may be thought fit whether on an interest free or subordinated basis or otherwise and whether with or without security.
 - 3.5 To guarantee, assure or become liable for or to indemnify against any loss, damage or obligation of any person whether or not connected or associated in any manner with

the Company (including without limitation any holding or subsidiary company of the Company and any subsidiary of any such holding company) and whether for direct or indirect consideration benefit or advantage and in connection with or support of such arrangements to assign charge hypothecate, mortgage or pledge all or any of the undertaking and property of the Company (including uncalled capital) and to enter into any contracts or other transactions in relation to any such arrangements.

- 3.6 To accept payment for any property right or undertaking sold or disposed of or dealt with by the Company either in cash or in shares or other securities whether with or without deferred or preferred rights or in debentures securities or mortgages or in any other manner.
- 3.7 To issue and deposit any shares or securities which the Company may issue by way of charge, hypothecation, pledge or mortgage to secure any sum less than the nominal amount of such shares or securities and also by way of security for the performance of any obligations or liabilities of the Company or of any person whether or not the Company has an interest in such person or his business.
- 3.8 To accumulate capital for any of the purposes of the Company and to appropriate any property or rights for specific purposes conditionally or unconditionally and to allow any person having dealings with the Company to share in the Company's profits or any other advantages or benefits.
- 3.9 To pay all or any expenses incurred in connection with formation and promotion of the Company or to contract with any other person to pay the same and to pay commissions to brokers and others for underwriting placing selling or guaranteeing the subscription of any shares or securities of the Company or of any other entity promoted by the Company.
- 3.10 To enter into arrangements with any state, government or authority national local or otherwise and to obtain therefrom all rights concessions or privileges conducive to the Company's objects and to oppose the grant to any other person of similar rights concessions and privileges.
- 3.11 To make gifts to any persons in such circumstances and whether of cash or other property or rights as may be considered directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any person introducing or doing business to or with the Company.
- 3.12 To subscribe or guarantee money for charitable or benevolent objects and to aid in the establishment and support of associations for the benefit of persons at any time employed by or having dealings with the Company or the dependants or families of such persons and to establish and support associations institutions funds and trusts to benefit employees (including Directors) and their respective dependants and families

at any time and to grant pensions and allowances and to make payments towards insurances for the purpose of indemnifying the Company in respect of claims for any risks or accidents to any officers or employees of the Company whether in the course of their employment or not and to pay premiums on any such insurances including insurance against illness accident or death or for any other purpose.

- 3.13 To draw, make, accept, endorse, issue, discount and execute deeds, agreements, arrangements, cheques, promissory notes, bills of exchange and lading warrants, securities, debentures and all other negotiable and transferable instruments or transactions whatsoever.
- 3.14 To enter into any joint ventures or arrangements or agreements for sharing profits with any persons.
- 3.15 To distribute *in specie* among the Members by way of dividend or bonus or on a return of capital any property or rights of the Company or any proceeds of sale.
- 3.16 To effect insurances and reinsurances against risks of every description whether of the Company or any other person.
- 3.17 To amalgamate with any other company whose objects are or include objects similar to those of the Company whether by sale or purchase (for full or partly paid shares or otherwise) of the undertaking or by sale or purchase (for full or partly paid shares or otherwise) of all or a controlling interest in the shares of the Company or any such other company or partnership or any arrangement in the nature of partnership or in any other manner.
- 3.18 To procure the Company to be recognised or registered anywhere and to carry on all or any part of the Company's business anywhere whether or not the Company has established an office or is so recognised or registered and as principals agents contractors trustees nominees or otherwise and by or through such persons and either alone or in conjunction with others.
- 3.19 To do all such other things as the Company may think incidental to or connected with any of the above objects or conducive to their attainment or otherwise likely in any respect to be advantageous to the Company.

And it is declared that the word "**person**" in this Memorandum (except in reference to the Company) shall include any individual partnership or other body of persons whether incorporated or not and any government state or authority and further that the objects specified in each paragraph shall be treated as independent and accordingly in no way limited or restricted by reference to or inference from any other paragraph or from the name of the Company and may be carried out as fully and construed as widely as if each paragraph defined the objects of a separate and independent company.

4. The liability of the Members is limited to the amount (if any) for the time being unpaid on the shares held by each of them respectively.
5. The share capital of the Company is €200,100 divided into 20,010,000 Shares of 1 euro cent each.
 - 5.1 The Company has power to increase or reduce its capital and to attach to any shares in the initial or increased or reduced capital any preferential, deferred, qualified or special rights, privileges or conditions or to subject the same to any restrictions or limitations.
 - 5.2 Furthermore, the rights for the time being attached to the shares in the initial capital and/or to any shares having preferential, deferred, qualified or special rights, privileges or conditions attached thereto, may be altered or dealt with in accordance with the Articles of Association for the time being.
6. The Company has power by ordinary resolution to raise share capital of such amount to be divided into shares of such nominal value as may be prescribed in the resolution and to attach to any shares in the initial or increased or reduced capital any preferred deferred qualified or special rights privileges and conditions or to subject the same to any restrictions or limitations and to consolidate or sub-divide all or any of its shares into shares of a larger or smaller denomination.
7. The rights for the time being attached to any shares and to any shares having preferred, deferred, qualified or special rights privileges and conditions may be altered or dealt with in accordance with the Articles of Association.
8. The shares shall be paid for according to the terms of allotment or otherwise by calls as the Board shall think fit.
9. Shares in the capital of the Company may be issued in payment or part payment of the purchase consideration for any property purchased by the Company or in consideration of any services rendered to the Company by any person in assisting the Company to carry out any of its objects and for shares so issued no money payment shall be made or required save in so far as by the terms under which any of such shares may be issued a cash payment may be required.
10. The Company may give financial assistance, as defined by Section 2 of The Companies (Financial Assistance for Acquisition of Own Shares) Ordinance, 1998 (the "Ordinance"), directly or indirectly for the purpose of or in connection with the acquisition of its shares or the shares of any company of which the Company is a subsidiary, as defined in Section 8 of the Ordinance.
11. The common signature of the Company may be either:-

11.1 " Princess Private Equity Holding Limited"

with the addition of the signature(s) of one or more officer(s) of the Company authorised generally or specifically by the Directors for such purpose, or such other person or persons as the Directors may from time to time appoint; or

11.2 if the Directors resolve that the Company shall have a common seal, the common seal of the Company affixed in such manner as the Articles of Association of the Company may from time to time provide;

as the Directors may from time to time determine either generally or in any particular case.

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THE COMPANIES (GUERNSEY) LAW 1994 AS AMENDED

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

of

PRINCESS PRIVATE EQUITY HOLDING LIMITED

1. **DEFINITIONS**

In these Articles the following words shall bear the following meanings if not inconsistent with the subject or context:-

Words	Meanings
Articles	These Articles of Association as now framed and at any time altered.
at any time	At any time or times and includes for the time being and from time to time.
Auditor	The auditor for the time being of the Company.
Board	The Directors at any time or the Directors present at a duly convened meeting at which a quorum is present or, as the case may be, the Directors assembled as a committee of such Board.
Business Day	A weekday (other than a Saturday or Sunday) on which the majority of banks in London and Guernsey are open for normal banking business.
Director	A Director of the Company for the time being.
dividend	Includes bonus.
Executor	Includes administrator.
Extraordinary Resolution	A resolution of the Members in general meeting passed by a majority of not less than three quarters of the votes recorded, including, where there is a poll, any votes cast by proxy.
Fair Market Value	The term "Fair Market Value" shall mean the fair market value as determined in good faith at the sole

discretion of the Chief Executive Officer or the Board of Directors of the Company.

Group	Any holding company of the Company and any subsidiary of such holding company and any subsidiary of the Company.
Laws	Every Order in Council, Act or Ordinance for the time being in force concerning companies registered in Guernsey and affecting the Company.
Liquidator	Any liquidator of the Company appointed at any time under the Laws.
Member	In relation to shares means the person whose name is entered in the Register as the holder of the shares and includes any person entitled on the death, disability or insolvency of a Member.
Memorandum	The Memorandum of Association of the Company.
month	Calendar month.
Office	The registered office at any time of the Company.
proxy	Includes attorney.
Register	The register of Members kept pursuant to the Laws.
Secretary	Includes a temporary or assistant secretary and any person appointed by the Board to perform any of the duties of secretary of the Company.
Treasury Shares	Means those shares held by the Company in treasury in accordance with the Companies (Purchase of Own Shares) (Treasury Shares) Ordinance, 2006.
Trust	Any trust provided for in Article 7.
Trustee	The Person unaffiliated with the Company that is appointed by the Board to serve as trustee to the Trust.
Uncertificated	A unit of a Guernsey security, title to which is recorded on the relevant register of securities as being held in uncertificated form, and title to which may be transferred by means of an electronic settlement system; and “Certificated” means a unit of a Guernsey security which is not an Uncertificated unit.
United Kingdom	The United Kingdom of Great Britain and Northern Ireland.

US Investment Company Act

The US Investment Company Act of 1940, as amended.

INTERPRETATION

- 1.1 The singular includes the plural and *vice versa*.
- 1.2 The masculine includes the feminine.
- 1.3 Words importing persons include corporations.
- 1.4 Expressions referring to writing include any mode of representing or reproducing words (but only to the extent that (a) the Board so resolves, either generally or in relation to particular categories of document, and (b) the recipient (if not the Company) has requested or agreed) including electronic communication.
- 1.5 References to enactments shall include references to any modifications or re-enactments thereof for the time being in force.
- 1.6 The word "**may**" shall be construed as permissive and the word "**shall**" shall be construed as imperative.
- 1.7 Subject to the above, any words defined in the Laws shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.
- 1.8 The headings are inserted for convenience only and shall not affect the interpretation of these Articles.
- 1.9 The expression "**officer**" shall include a Director, manager and the Secretary, but shall not include an auditor.
- 1.10 The expressions "**communication**" and "**electronic communication**" shall have the same respective meanings as in the United Kingdom Electronic Communications Act 2000, the latter including, without limitation, e-mail, facsimile, CD-Rom, audio tape and telephone transmission and (in the case of electronic communication by the Company in accordance with Article 32.6) publication on a web site.
- 1.11 The expression "**address**" shall include, in relation to electronic communication, any number or address used for the purposes of such communication.

2. **BUSINESS**

Any branch or kind of business which by the Memorandum or by these Articles is either expressly or impliedly authorised to be undertaken may be undertaken or suspended at any time by the Board whether commenced or not.

3. SHARE CAPITAL AND SHARES

- 3.1 The capital of the company is €200,100 divided into 20,010,000 shares of 1 euro cent each.
- 3.2 Subject to the terms and rights attaching to shares already in issue and these Articles, any new shares shall be of such class and amount and have such preference or priority as regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class whether then issued or not or be subject to such stipulations deferring them to any other shares with regard to dividends or in the distribution of the assets as the Board may determine.
- 3.3 Subject to the terms and rights attaching to shares already in issue and these Articles, the Board before the issue of any new shares may resolve that all or some of them shall be offered to the Members in proportion to their existing shares at such price as the Board may fix and such offer shall be made by notice specifying the number of shares to which the Member is entitled and limiting a time within which the offer if not accepted will be deemed to be declined; and after the expiration of such period or on the receipt of an intimation from the Member that he declines, the Board may offer the same on similar terms to such of the other Members as they may select including the Directors or dispose of them in such manner as they think fit. For the purpose of giving effect to this Article, the Board shall be entitled to disregard fractions.
- 3.4 Where subscription monies are not an exact multiple of the subscription price a fraction of a share shall be allotted to the subscriber who shall be registered as the holder of such fraction **PROVIDED THAT** any holding of shares is a multiple of 1/1,000 part of a share.
- 3.5 Any preference shares may, with the sanction either of the Board or an ordinary resolution, be issued on terms that they are at the option of the Company or the holder liable to be redeemed on such terms and in such manner as the Company before the issue may by ordinary resolution determine and subject to and in default of such determination as the Board may determine.
- 3.6 The Company may from time to time, subject to the provisions of the Laws, purchase its own shares (including any redeemable shares) in any manner authorised by the Laws. The Company may hold any shares purchased by it as Treasury Shares.
- 3.7 If at any time the shares of the Company are divided into different classes, all or any of the rights for the time being attached to any share or class of shares (and notwithstanding that the Company may or may be about to be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters of the capital committed or agreed to be committed in

respect of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in these Articles, but so that the quorum at such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one third of the capital committed or agreed to be committed in respect of the issued shares of the class in question.

- 3.8 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by (a) the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto or (b) the purchase or redemption by the Company of any of its own shares.
- 3.9 The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other special rights shall not be deemed to be varied by the exercise of any powers under Article 5.
- 3.10 For the avoidance of doubt, it is hereby declared that a resolution to increase the authorised share capital of the Company shall not be regarded or deemed as varying, modifying or abrogating the special rights conferred upon the holders of any shares issued with preferred, deferred or other special rights.
- 3.11 Subject to the provisions of these Articles, the unissued shares and any Treasury Shares shall be at the disposal of the Board which may allot, grant options over (including, without limitation, by way of granting phantom stock, stock appreciation rights or other similar rights) or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines but so that the amount payable on application on each share shall be fixed by the Board.
- 3.12 The Company may pay commission in money or shares to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares in the Company or procuring or agreeing to procure subscriptions whether absolute or conditional for any shares in the Company provided that the rate or amount of commission shall be fixed by the Board and disclosed in accordance with the Laws. The Company may also pay brokerages.
- 3.13 The Board may at any time after the allotment of any share but before any person has been entered in the Register as the holder:
- 3.13.1 recognise a renunciation thereof by the allottee in favour of some other person and accord to any allottee of a share a right to effect such renunciation; and/or
- 3.13.2 allow the rights represented thereby to be one or more participating securities,

in each case upon and subject to such terms and conditions as the Board may think fit to impose.

3.14 For the purposes of Section 29 of the Laws, the minimum subscription shall be 2 shares.

4. **COMPANY NOT OBLIGED TO RECOGNISE ANY TRUST**

Except as ordered by a court of competent jurisdiction or as required by law the Company shall not be affected or bound by or be compelled in any way to recognise (even when having notice) any equitable contingent future or partial interest in any share or fraction or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety in the registered holder and whether or not such share shall be entered in the Register as held in trust nor shall the Company be bound to see to the execution of any trust to which any share may be subject.

5. **POWER TO REQUIRE DISCLOSURE OF BENEFICIAL INTEREST**

5.1 The Board shall have power by notice in writing to require any Member to disclose to the Company the identity of any person other than the Member (an "**interested party**") who has any interest in the shares held by the Member and the nature of such interest.

5.2 Any such notice shall require any information in response to such notice to be given in writing within such reasonable time as the Board shall determine.

5.3 The Company shall maintain a register of interested parties to which the provisions of Sections 55 and 58 of the Laws shall apply *mutatis mutandis* as if the register of interested parties was the Register of Members and whenever in pursuance of a requirement imposed on a Member as aforesaid the Company is informed of an interested party the identity of the interested party and the nature of the interest shall be promptly inscribed therein together with the date of the request.

5.4 The Board may be required to exercise its powers under Article 5.1 above on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company.

5.5 A requisition under Article 5.4 must:-

5.5.1 state that the requisitionists are requiring the Company to exercise its powers under this Article;

5.5.2 specify the manner in which they require those powers to be exercised;

5.5.3 give reasonable grounds for requiring the Company to exercise those powers in the manner specified; and

- 5.5.4 be signed by the requisitionists and deposited at the Office.
- 5.6 A requisition may consist of several documents in like form each signed by one or more requisitionists.
- 5.7 On the deposit of a requisition complying with this section it is the Board's duty to exercise its powers under Article 5.1 in the manner specified in the requisition.
- 5.8 If any Member has been duly served with a notice given by the Board in accordance with Article 5.1 and is in default for the prescribed period in supplying to the Company the information thereby required, then the Board may in its absolute discretion at any time thereafter serve a notice (a "**direction notice**") upon such Member.
- 5.9 A direction notice may direct that, in respect of:-
- 5.9.1 any shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "**default shares**"); and
- 5.9.2 any other shares held by the Member;

the Member shall not be entitled to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company.

- 5.10 Where the default shares represent at least 0.25% of the class of shares concerned, the direction notice may additionally direct that in respect of the default shares:-
- 5.10.1 any dividend or part thereof which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Member;
- 5.10.2 no transfer other than an approved transfer (as set out in Article 5.14.3) of the default shares held by such Member shall be registered unless:-
- (a) the Member is not himself in default as regards supplying the information requested; and
- (b) when presented for registration the transfer is accompanied by a certificate by the Member in a form satisfactory to the Board to the effect that after due and careful enquiry the Member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

- 5.11 The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but failure or omission by the Company to do so shall not invalidate such notice.
- 5.12 If shares are issued to a Member as a result of that Member holding other shares in the Company and if the shares in respect of which the new shares are issued are default shares in respect of which the Member is for the time being subject to particular restrictions, the new shares shall on issue become subject to the same restrictions whilst held by that Member as such default shares. For this purpose, shares which the Board procures to be offered to Members *pro rata* (or *pro rata* ignoring fractional entitlements and shares not offered to certain Members by reason of legal or practical problems associated with offering shares outside Guernsey) shall be treated as shares issued as a result of a Member holding other shares in the Company.
- 5.13 Any direction notice shall have effect in accordance with its terms for as long as the default, in respect of which the direction notice was issued, continues but shall cease to have effect in relation to any shares which are transferred by such Member by means of an approved transfer as set out in Article 5.14.3(c). As soon as practical after the direction notice has ceased to have effect (and in any event within 7 days thereafter) the Board shall procure that the restrictions imposed by Articles 5.9 and 5.10 shall be removed and that dividends withheld pursuant to Article 5.10.1 are paid to the relevant Member.
- 5.14 For the purpose of this Article:-
- 5.14.1 a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- 5.14.2 the prescribed period in respect of any particular Member is 28 days from the date of service of the said notice in accordance with Article 5.1 except where the default shares represent at least 0.25% of the class of shares concerned in which case such period shall be 14 days;
- 5.14.3 a transfer of shares is an approved transfer if but only if:-
- (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a public offer made to acquire all the issued shares in the capital of the Company not already owned by the offeror or connected person of the offeror in respect of the Company; or

- (b) the Board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the Member and with other persons appearing to be interested in such shares; or
- (c) the transfer results from a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000, as amended) or any stock exchange outside the United Kingdom on which the Company's shares are listed or normally traded.

For the purposes of this sub paragraph any person referred to in Article 20.7 in relation to Directors shall, *mutatis mutandis*, be included amongst the persons who are connected with the Member or any person appearing to be interested in such shares.

- 5.15 Any Member who has given notice of an interested party in accordance with Article 5.1 who subsequently ceases to have any party interested in his shares or has any other person interested in his shares shall notify the Company in writing of the cessation or change in such interest and the Board shall promptly amend the register of interested parties accordingly.

6. **CERTIFICATES AND REGISTER OF MEMBERS**

- 6.1 Subject to the Laws, the Board may issue shares as Certificated shares or as Uncertificated shares in its absolute discretion.
- 6.2 Subject to Article 6.1, the Company shall issue:-
 - 6.2.1 without payment one certificate to each person for all his shares of each class and when part only of the shares comprised in a certificate is sold or transferred a balance certificate; or
 - 6.2.2 upon payment of such sum as the Board may determine several certificates each for one or more shares of any class.
- 6.3 Any certificate issued shall specify the shares to which it relates and the amount paid up and the distinguishing numbers (if any).
- 6.4 All forms of certificate for shares or debentures or representing any other form of security (other than letters of allotment scrip certificates and other like documents) may if determined by the Board be issued under the common signature of the Company and may be signed mechanically.
- 6.5 If a share certificate is issued and is defaced lost or destroyed it may be replaced or renewed without charge (other than exceptional out of pocket expenses) on such terms (if any) as to evidence and indemnity as the Board thinks fit.

- 6.6 Shares of any class may be traded through an electronic settlement system and held in Uncertificated form in accordance with such arrangements as may from time to time be permitted by any statute, regulation, order, instrument or rule in force affecting the Company. Amendments to these Articles which may be necessary or expedient for this purpose may be made by special resolution but will not be deemed to vary the rights of any class of shares.
- 6.7 The Company shall keep the Register at the Office in accordance with the Laws. The Register may be closed during such periods as the Board think fit not exceeding in all 30 days in any year.
- 6.8 The Company shall not be bound to register more than 4 persons as the joint holders of any share or shares. In the case of a Certificated share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

7. **LIEN**

- 7.1 The Company shall have a first and paramount lien (extending to all dividends payable) on all shares (not being fully paid) for all moneys whether presently payable or not called or payable at a fixed time in respect of those shares and for all the debts and liabilities of the holder to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person (other than such holder) and whether the time for payment or discharge shall have arrived or not and notwithstanding that the same are joint debts or liabilities of such holder and any other person (whether a Member or not).
- 7.2 For the purpose of enforcing such lien, the Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been served on the holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the shares. For the purpose of giving effect to any such sale the Board may authorise some person to transfer to the purchaser thereof the shares so sold.
- 7.3 The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. The purchaser shall be registered as the holder of the shares so transferred and he shall not

be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in relation to the sale.

8. CALLS ON SHARES

- 8.1 The Board may at any time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value or by way of premium and not by the conditions of allotment made payable at fixed times) and each Member shall pay to the Company at the time and place appointed the amount called. A call may be revoked or postponed.
- 8.2 Joint holders shall be jointly and severally liable to pay calls.
- 8.3 If a sum called in respect of a share is not paid before or on the day appointed the person from whom the sum is due shall pay interest from the day appointed to the time of actual payment at such rate (not exceeding 15 per cent per annum) as the Board may determine but the Board shall be at liberty in any case or cases to waive payment of such interest wholly or in part.
- 8.4 Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in the case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 8.5 The Board may, if it thinks fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him beyond the sums actually called up thereon as payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may (until the same would, but for such advance, become presently payable) pay interest at such rate as the Member paying such sum and the Board agrees upon **PROVIDED THAT** any amount paid up in advance of calls shall not entitle the holder of the shares upon which such amount is paid to participate in respect thereof in any dividend until the same would but for such advance become presently payable.
- 8.6 The Board may on an issue of shares differentiate between holders as to amount of calls and times of payment.

9. FORFEITURE AND SURRENDER OF SHARES

- 9.1 If a Member fails to pay any call or instalment on the day appointed, the Board may at any time during such period as any part remains unpaid serve notice requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses which may have been incurred by the Company by reason of non-payment.
- 9.2 The notice shall state a further day on or before which the payment required by the notice is to be made and the place where the payment is to be made and that in the event of non-payment the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. If the requirements of any such notice are not complied with any share in respect of which the notice has been given may at any time before payment has been made be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.
- 9.3 Notice of forfeiture shall forthwith be given to the former holder and an entry of such notice and forfeiture shall forthwith be made and dated in the Register opposite the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make entry.
- 9.4 A forfeited share shall be deemed to be the property of the Company and may be sold re-allotted or otherwise disposed of on such terms as the Board shall think fit with or without all or any part of the amount previously paid on the share being credited as paid and at any time before a sale or disposition the forfeiture may be cancelled.
- 9.5 A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all monies which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon from the date of forfeiture until payment at such rate (not exceeding 15 per cent per annum) as the Board may determine and the Board may enforce payment without any allowance for the value of the shares at the time of forfeiture.
- 9.6 The Board may accept from any Member on such terms as shall be agreed a surrender of any shares in respect of which there is a liability for calls. Any surrendered share may be disposed of in the same manner as a forfeited share.
- 9.7 A declaration in writing by a Director or the Secretary that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on the date stated in the declaration shall be conclusive evidence of the facts therein as against all persons claiming to be entitled to the shares.

9.8 The Company may receive the consideration given for any share on any sale or disposition and may execute a transfer of the share in favour of the person to whom the same is sold or disposed of and he shall thereupon be registered as the holder and shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity or invalidity in forfeiture sale re-allotment or disposal.

10. **TRANSFER AND TRANSMISSION OF SHARES**

10.1 The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of an electronic settlement system.

10.2 Subject to such of the restrictions of these Articles as may be applicable:

10.2.1 any Member may transfer all or any of his Uncertificated shares by means of a relevant system authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Laws or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any relevant system and accordingly no provision of these Articles shall apply in respect of an Uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;

10.2.2 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; and

10.2.3 an instrument of transfer of a Certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a Certificated share need not be under seal.

10.3 Every instrument of transfer of a Certificated share shall be left at the Office or such other place as the Board may prescribe with the certificate of every share to be transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and certificate (if any) shall remain in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives. A new certificate shall be delivered free of charge to the transferee after the transfer is completed and registered on his application and when necessary a balance certificate shall be delivered if required by him in writing.

10.4 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in Certificated form or Uncertificated form which is not fully paid or on which the Company has a lien provided, in the case of a listed share, that this would not prevent dealings in the share from taking place on an open

and proper basis on the Frankfurt Stock Exchange. In addition, the Directors may refuse to register a transfer of shares if:-

- 10.4.1 it is in respect of more than one class of shares;
- 10.4.2 it is in favour of more than 4 joint transferees; and/or
- 10.4.3 having been delivered for registration to the Office or such other place as the Board may decide, it is not accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.
- 10.5 If the Board refuses to register the transfer of a share it shall, within 2 months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.
- 10.6 No fee shall be payable to the Company in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, instruction or other document relating to or affecting the title to any shares.
- 10.7 On the death of a Member, the survivors where the deceased was a joint holder and the executor or administrator of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to or interest in his shares; but nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.
- 10.8 A person so becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a Member or otherwise by operation of law (subject as hereinafter provided), upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, shall have the right to receive and may give a discharge for all dividends and other money payable or other advantages due on or in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company, or save as aforesaid, to any of the rights or privileges of a Member unless and until he shall be registered as a Member in respect of the share PROVIDED ALWAYS that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 days the Board may thereafter withhold all dividends or other monies payable or other advantages due in respect of the share until the requirements of the notice have been complied with.

11. **ALTERATION OF CAPITAL**

- 11.1 The Company at any time may by ordinary resolution resolve to raise share capital of such amount to be divided into shares of such nominal value as the resolution shall

prescribe and from time to time by ordinary resolution to increase such share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.

- 11.2 Subject to the terms and rights attaching to the ordinary shares and these Articles, any new shares authorised pursuant to Article 11.1 shall be of such class and amount and have such preference or priority as regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class whether then issued or not or be subject to such stipulations deferring them to any other shares with regard to dividends or in the distribution of the assets as the Board may determine.
- 11.3 Subject to the terms and rights attaching to the ordinary shares and these Articles, the Board before the issue of any new shares authorised pursuant to Article 11.1 may resolve that all or some of them shall be offered to the Members in proportion to their existing shares at such price as the Board may fix and such offer shall be made by notice specifying the number of shares to which the Member is entitled and limiting a time within which the offer if not accepted will be deemed to be declined; and after the expiration of such period or on the receipt of an intimation from the Member that he declines, the Board may offer the same on similar terms to such of the other Members as they may select including the Directors or dispose of them in such manner as they think fit. For the purpose of giving effect to this Article, the Board shall be entitled to disregard fractions. In the absence of any determination to the contrary, new shares may be dealt with as if they formed part of the original capital and shall be subject to these Articles.
- 11.4 Subject as provided elsewhere in these Articles, the Company may by ordinary resolution:-
- 11.4.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 11.4.2 subdivide all or any of its shares into shares of smaller amount than is fixed by the Memorandum so however that in subdivision the proportion between the amount paid and the amount if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that the resolution whereby any share is subdivided may determine that as between the holders of the shares resulting from subdivision one or more of the shares may have such preferred deferred or other rights over the others as the Company has power to attach to unissued or new shares;
- 11.4.3 cancel any shares which at the date of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled;

- 11.4.4 convert all or any of its fully paid shares into stock and reconvert that stock into paid-up shares of any denomination; and
- 11.4.5 convert all or any of its fully paid shares the nominal amount of which is expressed in a particular currency into fully paid shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other date as may be specified therein.
- 11.5 The Board on any consolidation of shares may deal with fractions of shares in any manner.
- 11.6 The Company may by special resolution reduce its share capital any capital redemption reserve fund or any share premium account in any manner and with and subject to any incident authorised and consent required by the Laws.

12. **GENERAL MEETINGS**

- 12.1 The first general meeting (being an annual general meeting) of the Company shall be held within such time as may be required by the Laws and thereafter general meetings (which are annual general meetings) shall be held once at least in each subsequent calendar year. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. General meetings shall be held in Guernsey or such other place as may be determined by the Board from time to time.
- 12.2 A Member shall not be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company unless all calls due from him in respect of that share have been paid.
- 12.3 A Member shall not, if the Board so determines, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a notice requiring the disclosure of Members' interests and given under the Articles within 14 days, in a case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.
- 12.4 A Member participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting shall be treated as forming part

of the quorum of that meeting provided that the Members present at the meeting can hear and speak to the participating Member.

- 12.5 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Members participates and all participants can hear and speak to each other shall be a valid meeting which shall be deemed to take place where the chairman is present unless the Members resolve otherwise.
- 12.6 Any general meeting convened by the Board, unless its time shall have been fixed by the Company in general meeting or unless convened in pursuance of a requisition may be postponed by the Board by notice in writing and the meeting shall, subject to any further postponement or adjournment, be held at the postponed date for the purpose of transacting the business covered by the original notice.
- 12.7 The Board may whenever it thinks fit and shall on the requisition in writing of one or more holders representing not less than one-tenth of the issued share capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an extraordinary general meeting.
- 12.8 The requisition shall be dated and shall state the object of the meeting and shall be signed by the requisitionists and deposited at the Office and may consist of several documents in like form each signed by one or more of the requisitionists.
- 12.9 If the Board does not proceed to cause a meeting to be held within 21 days from the date of the requisition being so deposited the requisitionists or a majority of them in value may themselves convene the meeting.
- 12.10 Any meeting convened by requisitionists shall be convened in the same manner (as nearly as possible) as that in which meetings are convened by the Board.

13. NOTICE OF GENERAL MEETINGS

- 13.1 Not less than 21 days notice specifying the time and place of any general meeting and specifying also in the case of any special business the general nature of the business to be transacted shall be given by notice sent by post by the Secretary or other officer of the Company or any other person appointed in that behalf by the Board to such Members as are entitled to receive notices provided that with the consent in writing of all the Members entitled to receive notices of such meeting a meeting may be convened by a shorter notice or at no notice and in any manner they think fit. In every notice there shall appear a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a Member.

- 13.2 The accidental omission to give notice of any meeting to or the non-receipt of such notice by any Member shall not invalidate any resolution (or any proposed resolution otherwise duly approved) passed or proceeding at any meeting.

14. PROCEEDINGS AT GENERAL MEETINGS

- 14.1 The ordinary business of a general meeting shall be to receive and consider the profit and loss account and the balance sheet of the Company and the reports of the Directors and the Auditors, to elect Directors and appoint Auditors in the place of those retiring, to fix the remuneration of the Directors and Auditors, to sanction or declare dividends and to transact any other ordinary business which ought to be transacted at such meeting. All other business shall be deemed special and shall be subject to notice as hereinbefore provided.
- 14.2 The quorum for a general meeting shall be two Members present in person or by proxy.
- 14.3 If within five minutes from the time appointed for the meeting a quorum is not present, the meeting if convened by or upon a requisition shall be dissolved. If otherwise convened it shall stand adjourned for 7 days at the same time and place or to such other day and at such other time and place as the Board may determine and (subject to Article 14.5) no notice of adjournment need be given. On the resumption of an adjourned meeting, those Members present in person or by proxy shall constitute the quorum.
- 14.4 At any general meeting the Chairman of the Board, failing whom a Deputy Chairman, failing whom any Director present and willing to act and, if more than one, chosen by the Directors present at the meeting, shall preside as chairman. If no Director is present within five minutes after the time appointed for holding the meeting and willing to act as chairman, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.
- 14.5 The chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting at any time and to any place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 14.6 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the

case of a resolution duly proposed as a special or Extraordinary Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

14.7 At any meeting, a resolution put to the vote shall be decided by a show of hands or by a poll at the option of the chairman. Nevertheless before or on the declaration of the result a poll may be demanded:-

14.7.1 by the chairman; or

14.7.2 by one Member present in person or by proxy provided he represents at least one-tenth of the subscribed capital; or

14.7.3 by two Members present in person or by proxy.

The demand for a poll may be withdrawn.

14.8 Unless a poll be demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded.

14.9 A poll if demanded shall be taken at the meeting at which the same is demanded or at such other time and place and in such manner (including the use of ballot or voting papers or tickets) as the chairman shall direct and the result shall be deemed the resolution of the meeting at which the poll was demanded.

14.10 The chairman may, in the event of a poll appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

14.11 A poll demanded on the election of a chairman and a poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman directs not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded.

14.12 In the case of an equality of votes on a poll the chairman shall have a second or casting vote in addition to any other vote he may have.

15. **VOTES OF MEMBERS**

15.1 Subject to any special rights or restrictions for the time being attached to any class of share:-

15.1.1 On a show of hands every Member present in person or by proxy shall have one vote.

- 15.1.2 On a poll every Member present in person or by proxy shall have one vote for each share held by him.
- 15.2 Where there are joint registered holders of any share such persons shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the Register shall alone be entitled to vote.
- 15.3 Any Member being under any legal disability may vote by his curator or other legal guardian. Any of such persons may vote either personally or by proxy.
- 15.4 On a poll votes may be given either personally or by proxy and a Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A proxy need not be a Member. An instrument of proxy may be valid for one or more meetings.
- 15.5 No Member shall be entitled to be present or take part in any proceedings or vote either personally or by proxy at any meeting unless all calls due from him have been paid. No Member shall be entitled to vote in respect of any shares unless he has been registered as their holder. For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes such person may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting.
- 15.6 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed shall be valid for all purposes. Any objection made in due time shall be referred to the chairman whose decision shall be final and binding.
- 15.7 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised.
- 15.8 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default unless the Board directs otherwise the instrument of proxy shall not be treated as valid.
- 15.9 The instrument appointing a proxy may be in any form which the Board may approve and may include an instruction by the appointor to the proxy either to vote for or against any resolution to be put to the meeting.

- 15.10 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and shall be as valid for any adjournment as for the meeting to which it relates.
- 15.11 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or disability of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death disability or revocation shall have been received by the Company at the Office before the commencement of the meeting or adjournment or the taking of the poll at which the proxy is used.
- 15.12 Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members or to approve any resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Member.

16. NUMBER AND APPOINTMENT OF DIRECTORS

- 16.1 Until otherwise determined by the Board, the number of Directors shall be not less than three nor more than seven. At no time shall a majority of Directors be resident in Switzerland or the United Kingdom.
- 16.2 The Board shall have power at any time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number (if any) fixed pursuant to these Articles.
- 16.3 At the first annual general meeting and at each annual general meeting thereafter: (a) any Director who was elected or last re-elected a Director at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation; and (b) such further Directors (if any) shall retire by rotation as would bring the number retiring by rotation up to one-third of the number of Director in office at the date of the notice of the meeting (or, if their number is not a multiple of three, the number nearest to but not greater than one-third);
- 16.4 No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than 7 nor more than 42 clear days before the date appointed for the meeting there shall have been left at the Office notice in writing signed by a Member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected.

- 16.5 The Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by appointing a person thereto by ordinary resolution and in default the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill the vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and lost. The Company at such meeting may also (subject to Article 16.2) fill up any other vacancies.
- 16.6 Without prejudice to the powers of the Board, the Company by ordinary resolution may appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these Articles. Any person so appointed by the Board shall hold office only until the next annual general meeting and shall then be eligible for election.
- 16.7 At a general meeting a motion for the appointment of two or more persons as Directors of the Company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

17. **QUALIFICATION AND REMUNERATION OF DIRECTORS**

- 17.1 A Director need not be a Member. A Director who is not a Member shall nevertheless be entitled to attend and speak at shareholders' meetings.
- 17.2 The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine provided that the amount paid to each Director by way of fees shall not exceed €100,000 in any financial year, or such higher amount as may be determined from time to time by ordinary resolution of the Company. Any fees payable pursuant to these Articles shall be distinct from and shall not include any salary, remuneration for any executive office or other amounts payable to a Director pursuant to any other provisions of these Articles and shall accrue from day to day. The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors, including expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company. If by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director, he may be paid such reasonable additional remuneration as the Board may determine.

- 17.3 The Directors shall also be entitled to be repaid all reasonable out of pocket expenses properly incurred by them in or with a view to the performance of their duties or in attending meetings of the Board or of committees or general meetings.
- 17.4 Any Director having been requested by the Board to render or perform extra or special services or to travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company shall be entitled to receive such sum as the Board may think fit for expenses and also such remuneration as the Board may think fit either as a fixed sum or as a percentage of profits or otherwise and such remuneration may as the Board shall determine be either in addition to or in substitution for any other remuneration which he may be entitled to receive.
- 17.5 The Directors shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

18. ALTERNATE DIRECTORS

- 18.1 Any Director may by notice in writing under his hand served upon the Company appoint any person approved by the Board as an alternate Director to attend and vote in his place at any meeting of the Board at which he is not personally present or to undertake and perform such duties and functions and to exercise such rights as he could personally and such appointment may be made generally or specifically or for any period or for any particular meeting and with and subject to any particular restrictions. Every such appointment shall be effective and the following provisions shall apply:-
- 18.2 Every alternate Director while he holds office as such shall be entitled:-
- 18.2.1 if his appointor so directs the Secretary, to notice of meetings of the Board; and
- 18.2.2 to attend and to exercise (subject to any restrictions) all the rights and privileges of his appointor at all such meetings at which his appointor is not personally present and generally at such meetings to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meetings the provisions of these Articles shall apply as if he (instead of his appointor) were a Director.
- 18.3 Every alternate Director shall *ipso facto* vacate office if and when his appointment expires by effluxion of time or his appointor vacates office as a Director or removes the alternate Director from office as such by notice in writing under his hand served upon the Company.

- 18.4 No alternate Director shall be entitled as such to receive any remuneration from the Company but every alternate Director shall be entitled to be paid all reasonable expenses incurred in the exercise of his duties.
- 18.5 A Director may act as alternate Director for another Director and shall be entitled to vote for such other Director as well as on his own account but no Director shall at any meeting be entitled to act as alternate Director for more than one other Director. He shall not be counted more than once for the purposes of the quorum.
- 18.6 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be indemnified to the same extent *mutatis mutandis* as if he were a Director.

19. **BORROWING POWERS OF THE BOARD**

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

20. **OTHER POWERS AND DUTIES OF THE BOARD**

- 20.1 The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting subject nevertheless to these Articles and to the Laws and to such regulations as may be prescribed by the Company in general meeting but no regulation so made shall invalidate any prior act of the Board. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
- 20.2 The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies and the Board may on behalf of the Company make such arrangements as it thinks advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing assisting or subsidising any such subsidiary company or guaranteeing its contracts obligations or liabilities.
- 20.3 The Board may establish any local boards or agencies for managing any of the affairs of the Company and may appoint any one or more of its number or any other persons to be members of such local Boards or any managers or agents and may fix their remuneration and may delegate to any local board manager or agent any of the powers authorities and discretion vested in the Board with power to sub-delegate and may authorise the members of any local board to fill any vacancies and to act

notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

- 20.4 The Board may at any time by power of attorney given under the hand of such person or persons duly authorised in that behalf appoint any person or any fluctuating body of persons whether nominated directly or indirectly by the Board to be the attorney of the Company for such purposes and with such powers and discretion and for such periods and subject to such conditions as the Board may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any attorney as the Board may think fit and may also authorise any attorney to sub-delegate all or any of his powers and discretion.
- 20.5 A Director who to his knowledge is in any way directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest at a meeting of the Board. In the case of a proposed contract such disclosure shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Board held after he became so interested. In a case where the Director becomes interested in a contract or arrangement after it is made, disclosure shall be made at the first meeting of the Board held after the Director becomes so interested. For the purpose of the foregoing a general notice given to the Board by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm shall be deemed to be a sufficient disclosure of interest if either it is given at a meeting of the Board or the Director takes reasonable steps to ensure that it is raised and read at the next meeting of the Board after it is given.
- 20.6 A Director may not vote (or be counted in the quorum) in respect of any resolution of the Board or committee of the Board concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him) is, to his knowledge, a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company) but, in the absence of some other material interest than is mentioned below, this prohibition does not apply to a resolution concerning any of the following matters:-
- 20.6.1 the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;

- 20.6.2 the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- 20.6.3 a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- 20.6.4 a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a member of the Group) in which he (and any persons connected with him) is interested and whether as an officer, shareholder, creditor or otherwise, if he does not to his knowledge hold an interest in shares representing one per cent. or more of either a class of the equity share capital (or of any third party company through which his interest is derived) or of the voting rights in the relevant company;
- 20.6.5 any contract, arrangement, transaction or proposal relating to an arrangement for the benefit of the employees of the Company or its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to which such arrangement relates concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme under which he may benefit and which either has been approved by or is subject to and conditional on approval by the Board of Inland Revenue of the United Kingdom for taxation purposes or relates to both employees and Directors of the Company (or any of its subsidiaries) and does not accord to any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; and
- 20.6.6 a contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.
- 20.7 For the purposes of this Article a person shall be treated as being connected with a Director if that person is:-
- 20.7.1 a spouse, child (under the age of eighteen) or step child (under the age of eighteen) of the Director; or
- 20.7.2 an associated body corporate which is a company in which the Director alone, or with connected persons, is directly or indirectly beneficially interested in 20% or more of the nominal value of the equity share capital or is entitled (alone or with

connected persons) to exercise or control the exercise of more than 20% of the voting power at general meetings; or

- 20.7.3 a trustee (acting in that capacity) of any trust, the beneficiaries of which include the Director or persons falling within Articles 20.7.1 or 20.7.2 above excluding trustees of an employees' share scheme or pension scheme; or
- 20.7.4 a partner (acting in that capacity) of the Director or persons described in Articles 20.7.1 to 20.7.3 above.
- 20.8 A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company, or whereat the terms of any such appointment are arranged or whereat any contract in which he is interested is considered, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof. Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the terms of appointment or its termination) of 2 or more Directors to offices or places of profit with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these provisions) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 20.9 A Director may hold any other office or place of profit under the Company (other than Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- 20.10 Any Director may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- 20.11 Any Director may continue to be or become a director, managing director, manager or other officer or member of any company promoted by the Company or in which the Company may be interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him as a director,

managing director, manager or other officer or member of any such company. The Board may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to themselves as directors, managing directors, managers or other officers of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in the manner aforesaid, notwithstanding that he may be or be about to be appointed a director, managing director, manager or other officer of such other company, and as such is or may become interested in the exercise of such voting rights in the manner aforesaid.

20.12 If a question arises at any time as to the materiality of a Director's interest or as to his entitlement to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fairly disclosed.

20.13 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed in such manner as the Board shall at any time determine.

20.14 The Board shall cause minutes to be made in books provided for the purpose:-

20.14.1 of all appointments of officers;

20.14.2 of the names of the Directors present at each meeting of the Board and of any committee;

20.14.3 of all resolutions and proceedings at meetings of the Company and meetings of the Board and of committees.

Any such minutes if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next succeeding meeting, shall be evidence of their proceedings.

20.15 A register of Directors' interests in shares shall be kept at the Office and shall be open to the inspection of any Member or holder of debentures of the Company between the hours of 10:00 a.m. and noon for a period beginning 14 days before and ending 3 days after the annual general meeting. The said register shall also be produced at the commencement of each annual general meeting and shall remain open and accessible during the continuance of the meeting to any person attending the meeting.

21. **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

- 21.1 The office of a Director shall *ipso facto* be vacated:-
- 21.1.1 if he (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his office by written notice signed by him sent to or deposited at the Office;
- 21.1.2 if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated;
- 21.1.3 if he becomes bankrupt, insolvent, suspends payment or compounds with his creditors;
- 21.1.4 if he is requested to resign by written notice signed by all his co-Directors;
- 21.1.5 if the Company by ordinary resolution shall declare that he shall cease to be a Director;
- 21.1.6 if he becomes resident in the United Kingdom or Switzerland and, as a result thereof, a majority of the Directors are resident in either the United Kingdom or Switzerland;
or
- 21.1.7 if he shall become prohibited by law from acting as a Director.

PROVIDED THAT there shall be no age limit for retirement.

- 21.2 If the Company by ordinary resolution removes any Director before the expiration of his period of office it may by an ordinary resolution appoint another person to be a Director in his stead who shall retain his office so long only as the Director in whose stead he is appointed would have held the same if he had not been removed. Such removal shall be without prejudice to any claims such Director may have for damages for breach of any contract of service between him and the Company.

22. **PROCEEDINGS OF DIRECTORS**

- 22.1 The Board may meet for the despatch of business adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman at the meeting shall not have a second or casting vote. All meetings of Directors shall take place outside of Switzerland and the United Kingdom and any decision reached or resolution passed by the Directors at any meeting held within Switzerland or the United Kingdom or at which a majority of Switzerland or United Kingdom resident Directors is present shall be invalid and of no effect.

- 22.2 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Directors participates and all participants can hear and speak to each other shall be a valid meeting PROVIDED THAT no Directors physically present in the United Kingdom at the time of any such meeting may participate in a meeting by means of video link, telephone conference call or other electronic or telephonic means of communication unless a majority of the Directors participating are physically present outside the United Kingdom. For the avoidance of doubt, no Director physically present in the United Kingdom shall count in the quorum for any such meeting.
- 22.3 The Board shall also determine the notice necessary for its meetings and the persons to whom such notice shall be given.
- 22.4 A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretion exercisable by the Board.
- 22.5 The continuing Directors may act notwithstanding any vacancy but if and so long as their number is reduced below the minimum number fixed pursuant to these Articles the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting but for no other purpose. If there be no Directors able or willing to act then any Member may summon a general meeting for the purpose of appointing Directors.
- 22.6 The Board may elect one of their number as chairman of their meetings and determine the period for which he is to hold office. If no such chairman be elected or if at any meeting the chairman be not present within five minutes after the time appointed for holding the same the Directors present may choose one of their number to be chairman of the meeting.
- 22.7 The Board may delegate any of their powers to committees consisting of such one or more Directors as they think fit. Such Committees shall meet only outside Switzerland and the United Kingdom. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.
- 22.8 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be three. For the purposes of this Article an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.
- 22.9 A resolution in writing signed by each Director (or his alternate) entitled to receive notice of a meeting of the Board or by all the members of a committee shall be as valid and effectual as a resolution passed at a meeting of the Board or committee. Such resolution may be contained in one document or in several documents in like

form each signed by one or more of the Directors or members of the committee and may be transmitted to the Company by facsimile. No such resolution shall be valid if a majority of the Directors sign the resolution in Switzerland or the United Kingdom.

23. **EXECUTIVE DIRECTOR**

23.1 The Board may at any time appoint one or more of their body (other than a Director resident in the United Kingdom) to be holder of any executive office including the office of managing Director on such terms and for such periods as they may determine.

23.2 The appointment of any Director to any executive office shall be subject to termination if he ceases from any cause to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

23.3 The Board may entrust to and confer upon a Director holding any executive office any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as it thinks fit either collaterally with or to the exclusion of their own powers and may at any time revoke withdraw alter or vary all or any of such powers.

24. **SECRETARY**

24.1 The Secretary shall be appointed (and may be removed) by the Board. Anything required or authorised to be done by or to the Secretary, may, if the office is vacant or there is for any other reason no Secretary capable of acting be done by or to any Assistant or Deputy Secretary or if there is no Assistant or Deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board PROVIDED THAT any provisions of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

24.2 No person shall be appointed or hold office as Secretary who is:-

24.2.1 the sole Director of the Company, or

24.2.2 a corporation the sole Director of which is the sole Director of the Company, or

24.2.3 the sole Director of a corporation which is the sole Director of the Company.

25. **THE SEAL**

25.1 The Company may have a common seal (the "**Seal**") and if the Board resolves to adopt a Seal the following provisions shall apply.

- 25.2 The Seal shall have the Company's name engraved on it in legible letters.
- 25.3 The Board shall provide for the safe custody of the Seal, which shall only be used pursuant to a resolution passed at a meeting of the Board, or a committee of the Board authorised to use the Seal, and in the presence either of two Directors or of one Director and the Secretary or of such person or persons as the Board may from time to time appoint, and such person or persons, as the case may be, shall sign every instrument to which the Seal is affixed.
- 25.4 The Company may have for use in any territory, district or place abroad an official seal which shall bear on its face the Company's name in legible characters with the addition of the name of the territory, district or place where it is to be used.

26. **AUTHENTICATION OF DOCUMENTS**

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the Company (including the Memorandum and these Articles) and any resolutions passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having their custody shall be deemed to be a person appointed by the Board as aforesaid.

27. **DIVIDENDS**

- 27.1 The Company may by ordinary resolution declare dividends but no dividend shall exceed the amount recommended by the Board.
- 27.2 No dividend shall be paid otherwise than out of the profits of the business of the Company.
- 27.3 Subject to Article 5, unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid.
- 27.4 The Board may at any time declare and pay such interim dividends as appear to be justified by the position of the Company.
- 27.5 Subject to the Laws, where any asset, business or property is bought by the Company as from a past date whether such date be before or after the incorporation of the Company profits and losses as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits and losses of the Company. Subject as aforesaid if any shares or securities are

purchased cum dividend or interest such dividend or interest may at the discretion of the Board be treated as revenue and it shall not be obligatory to capitalise all or part of the same.

- 27.6 The Board may deduct from any dividend payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
- 27.7 The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.
- 27.8 The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Member until such person has become a Member.
- 27.9 Any dividend or other moneys payable on or in respect of a share shall be paid to the Member or to such other person as the Member (or, in the case of joint holders of a share, all of them) may in writing direct. Such dividend or other moneys may be paid (i) by cheque sent by post to the payee or, where there is more than one payee, to any one of them, or (ii) by inter-bank transfer to such account as the payee or payees shall in writing direct, or (iii) by such other method of payment as the Member (or in the case of joint holders of a share, all of them) may agree to. Every such cheque shall be sent at the risk of the person or persons entitled to the money represented thereby, and payment of a cheque by the banker upon whom it is drawn, and any transfer or payment within (ii) or (iii) above, shall be a good discharge to the Company.
- 27.10 No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
- 27.11 All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having been declared or became due for payment shall be forfeited and shall revert to the Company.
- 27.12 Subject to the provisions of these Articles and to the rights attaching to any shares, any dividend or other moneys payable on or in respect of a share may be paid in such currency as the Board may determine, using such exchange rate for currency conversions as the Board may select.
- 27.13 The Company may cease to send any cheque, warrant or order by post for any dividend on any shares which is normally paid in that manner if in respect of at least two consecutive dividends payable on those shares the cheque, warrant or order has been returned undelivered or remains uncashed but, subject to the provisions of these Articles, shall recommence sending cheques, warrants or orders in respect of the

dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

- 27.14 If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.
- 27.15 Any resolution for the declaration or payment of a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.
- 27.16 The waiver in whole or in part of any dividend on any share shall be effective only if such waiver is in writing signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
- 27.17 With the authority of an ordinary resolution of the Company and on the recommendation of the Board, payment of any dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company. Where any difficulty arises with the distribution, the Board may settle the difficulty as it thinks fit and, in particular, may issue fractional certificates (or ignore fractions), fix the value for distribution of the specific assets or any part of them, determine that cash payments be made to any Members on the basis of the value so fixed in order to secure equality of distribution and vest any of the specific assets in trustees on such trusts for the persons entitled to the dividend as the Board may think fit.
- 27.18 The Board may, with the authority of an ordinary resolution of the Company, offer any holders of shares the right to elect to receive further shares, credited as fully paid, instead of cash in respect of all (or some part) of any dividend specified by the ordinary resolution (as “**scrip dividend**”) in accordance with the following provisions:
- 27.18.1 The ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period but

such period may not end later than five years after the date of the meeting at which the ordinary resolution is passed;

27.18.2 The basis of allotment shall be decided by the Board so that, as nearly as may be considered convenient, the value of the further shares, including any fractional entitlement, is equal to the amount of the cash dividend which would otherwise have been paid;

27.18.3 For the purposes of article 29.18.2, the value of the further shares shall be:

- (a) equal to the average middle-market quotation for (i) a fully paid share of the relevant class or (ii) a global depositary receipt representing one share, if the shares are traded in the form of global depositary receipts, in each case adjusted if necessary for the proposed dividend, as quoted by the Frankfurt Stock Exchange or as established from such other source as the Board considers appropriate for the five business days immediately preceding or following the announcement of the cash dividend to which the scrip dividend relates, as the Board may decide; or
- (b) calculated in such manner as may be determined by or in accordance with the ordinary resolution;

27.18.4 The Board shall give notice to the holders of shares of their rights of election in respect of the scrip dividend and shall specify the procedure to be followed in order to make an election;

27.18.5 The dividend or that part of it in respect of which an election for the scrip dividend is made shall not be paid and instead further shares of the relevant class shall be allotted in accordance with elections duly made and the Board shall capitalise a sum equal to the value of the shares to be allotted (as determined for the basis of any scrip dividend) out of such sums available for the purpose as the Board may consider appropriate;

27.18.6 The further shares so allotted shall rank *pari passu* in all respects with the fully paid shares of the same class then in issue except as regards participation in the relevant dividend;

27.18.7 The Board may decide that the right to elect for any scrip dividend shall not be made available to Members resident in any territory where, in the opinion of the Board, compliance with local laws or regulations would be unduly onerous;

27.18.8 The Board may do all acts and things as it considers necessary or expedient to give effect to the provisions of a scrip dividend election and the issue of any shares in accordance with the provisions of this Article 29.18, and may make such provisions as it things fit for the case of shares becoming distributable in fractions (including

provisions under which, in whole or in part, the benefit of fractional entitlements accrues to the Company rather than to the members concerned). To the extent that the entitlement of any holder of shares in respect of any dividend is less than the value of one new share (as determined for the basis of any scrip dividend) the Board may also from time to time establish or vary a procedure for such entitlement to be accrued and aggregated with any similar entitlement for the purposes of any subsequent scrip dividend;

27.18.9 The Board may from time to time establish or vary a procedure for election mandates, under which a holder of shares may, in respect of any further dividends for which a right of election pursuant to this article is offered, elect to receive shares in lieu of such dividend on the terms of such mandate;

27.18.10 The Board shall not make a scrip dividend available unless the Company has sufficient unissued shares and undistributed profits or reserves to give effect to elections which could be made to receive that scrip dividend.

28. RESERVES

28.1 The Board may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Board, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Board may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Board may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Laws.

28.2 The Board shall establish a capital reserve (the "**capital reserve**") and either carry to the credit of the capital reserve or apply in providing for depreciation or contingencies all capital appreciation arising on the sale, realisation, transposition, repayment or revaluation of any investments or other capital assets of the Company in excess of the book value thereof. Any loss realised on the sale, realisation, transposition, repayment or revaluation of any investments or other capital assets and any other sum incurred in connection with the assets of the Company, which in the opinion of the Board is reasonably and fairly apportioned to capital, may be carried to the debit of the capital reserve except in so far as the Board may in their discretion decide to make good the same out of other reserves of the Company. All sums carried and standing to the credit of the capital reserve may be applied for any of the purposes to which sums standing to any reserve are applicable except and provided that no part of the capital reserve or any other moneys in the nature of accretion to capital shall be transferred to revenue account or be applied in paying dividends on

any shares in the Company's capital. The Board may, subject to applicable legislation and practice, determine whether any amount received by the Company is to be dealt with as income or capital or partly one and partly the other.

29. ACCOUNTS

- 29.1 The Board shall cause proper books of account to be kept with respect to all the transactions assets and liabilities of the Company in accordance with the Laws.
- 29.2 The books of account shall be kept at the Office or at such other place as the Board shall think fit and shall at all times be open to the inspection of the Directors but no person other than a Director or Auditor or other person whose duty requires and entitles him to do so shall be entitled to inspect the books accounts and documents of the Company except as provided by the Laws or authorised by the Board or by the Company in general meeting.
- 29.3 A balance sheet shall be laid before the Company at its annual general meeting and such balance sheet shall contain a general summary of the assets and liabilities of the Company. The balance sheet shall be accompanied by a report of the Directors as to the state of the Company and as to the amount (if any) which they recommend to be paid by way of dividend and the amount (if any) which they have carried or propose to carry to reserve. The Auditors' report shall be attached to the balance sheet or there shall be inserted at the foot of the balance sheet a reference to the report.
- 29.4 A copy of every balance sheet and of all documents annexed thereto including the reports of the Directors and the Auditors shall at least 21 days before the date of the meeting be delivered or sent by post to each of the registered holders and to the Auditors. Any holder may by written notice served on the Company waive this requirement.

30. AUDITORS

- 30.1 A Director shall not be capable of being appointed as an Auditor.
- 30.2 A person other than a retiring Auditor shall not be capable of being appointed Auditor at an ordinary general meeting unless notice of intention to nominate that person as Auditor has been given by a Member to the Company not less than 14 days before the meeting and the Board shall send a copy of any such notice to the retiring Auditor and shall give notice to the Members not less than 7 days before the meeting provided that if after notice of the intention to nominate an Auditor has been so given a meeting is called for a date 14 days or less after such notice has been given the requirements of this provision as to time in respect of such notice shall be deemed to have been satisfied and the notice to be sent or given by the Company may instead of being sent or given within the time required by this Article be sent or given at the same time as the notice of the meeting.

- 30.3 The first Auditors shall be appointed by the Board before the first annual general meeting and they shall hold office until the first annual general meeting unless previously removed in which case the Members at such meeting may appoint the Auditors.
- 30.4 The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditors (if any) may act.
- 30.5 The remuneration of the Auditors shall be fixed by the Company in general meeting or in such manner as the Company may determine except that the remuneration of any Auditors appointed by the Board shall be fixed by the Board.
- 30.6 Every Auditor shall have a right of access at all times to the books accounts and documents of the Company and as regards books accounts and documents of which the originals are not readily available shall be entitled to rely upon copies or extracts certified by an officer of the Company and shall be entitled to require from the Board such information and explanations as may be necessary for the performance of their duties and the Auditors shall make a report to the Members on the accounts examined by them and the report shall state whether in their opinion the accounts give a true and fair view of the state of the Company's affairs and whether they have been prepared in accordance with the Laws.
- 30.7 Any Auditor shall be eligible for re-election.

31. **UNTRACEABLE MEMBERS**

- 31.1 The Company shall be entitled to sell at the best price reasonably obtainable the shares of a Member or any shares to which a person is entitled by transmission on death or bankruptcy if and provided that:-
- 31.1.1 for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Member or to the person so entitled to the share at his address in the Register or otherwise the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Member or the person so entitled provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final;
- 31.1.2 the Company has at the expiration of the said period of twelve years by advertisement in a newspaper circulating in the area in which the address referred to in Article 31.1.1 above is located given notice of its intention to sell such shares;
- 31.1.3 the Company has not during the period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person so entitled; and

31.1.4 if any part of the share capital of the Company is quoted on any stock exchange the Company has given notice in writing to the quotations department of such stock exchange of its intention to sell such shares. To give effect to any such sale the Board may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer of the said shares shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such shares and the title of the purchaser or other transferee shall not be effected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company) as the Board may from time to time think fit.

32. NOTICES

32.1 A notice may be given by the Company to any Member either personally or by sending it by prepaid post addressed to such Member at his registered address or if he desires that notices shall be sent to some other address or person to the address or person nominated for such purpose. Notices to be posted to addresses outside the Channel Islands and the United Kingdom shall so far as practicable be forwarded by prepaid airmail. Notwithstanding any other provision of these Articles any notice required to be given to any Member pursuant to these Articles may be sent by electronic means in accordance with the Article 32.10 and shall be deemed to have been received in accordance with Article 32.6.

32.2 The Company shall, where no other period is specified in these Articles, give all Members sufficient notice to enable them to exercise their rights or comply with the terms of the notice.

32.3 Any notice or other document, if served by post, shall be deemed to have been served twenty four hours after the time when the letter containing the same is posted (or such other mandatory period as may from time to time be specified by the Laws) and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted. A notice given by advertisement shall be published in at least one German national newspaper and one daily newspaper circulated widely in each of Guernsey and shall be deemed to have been served before noon the day on which the advertisement appears.

- 32.4 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.
- 32.5 Any notice or document delivered or sent by post to or left at the registered address of any Member shall notwithstanding the death, disability or insolvency of such Member and whether the Company has notice thereof be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.
- 32.6 Any document or notice which, in accordance with these Articles, may be sent by the Company by electronic communication shall, if so sent, be deemed to be received at the expiration of 24 hours after the time it was sent. Proof (in accordance with the formal recommendations of best practice contained in the guidance issued by the Institute of Chartered Secretaries and Administrators) that an electronic communication was sent by the Company shall be conclusive evidence of such sending.
- 32.7 The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.
- 32.8 A person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law, upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share, and upon supplying also a postal address for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the said Member would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent to any Member in pursuance of these Articles shall, notwithstanding that such Member be then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or first-named joint holder.
- 32.9 Where under these Articles a document requires to be signed by a Member or other person then, if in the form of an electronic communication, it must to be valid incorporate the electronic signature or personal identification details (which may be details previously allocated by the Company) of that Member or other person, in such form as the Board may approve, or be accompanied by such other evidence as the Board may require to satisfy themselves that the document is genuine. The Company

may designate mechanisms for validating any such document, and any such document not so validated by use of such mechanisms shall be deemed not to have been received by the Company.

32.10 Any Member may notify the Company of an address for the purpose of his receiving electronic communications from the Company, and having done so shall be deemed to have agreed to receive notices and other documents from the Company by electronic communication of the kind to which the address relates. In addition, if a Member notifies the Company of his e-mail address, the Company may satisfy its obligation to send him any notice or other document by:

32.10.1 publishing such notice or document on a web site; and

32.10.2 notifying him by e-mail to that e-mail address that such notice or document has been so published, specifying the address of the web site on which it has been published, the place on the web site where it may be accessed, how it may be accessed and (if it is a notice relating to a shareholders' meeting) stating (i) that the notice concerns a notice of a company meeting served in accordance with the Act, (ii) the place, date and time of the meeting, (iii) whether the meeting is to be an annual or extraordinary general meeting and (iv) such other information as the Statutes may prescribe.

32.11 An electronic communication shall not be treated as received by the Company if it is rejected by computer virus protection arrangements.

33. **WINDING UP**

33.1 If the Company shall be wound up, the surplus assets remaining after payment of all creditors, including the repayment of bank borrowings, shall be divided *pari passu* among the Members *pro rata* to their holdings of those shares which are subject to the rights of any shares which may be issued with special rights or privileges.

33.2 If the Company shall be wound up the Liquidator may with the authority of a special resolution divide among the Members *in specie* the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes or property and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may with the like authority vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.

33.3 Where the Company is proposed to be or is in course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to

another company (the “**transferee**”) the Liquidator may, with the sanction of an ordinary resolution, conferring either a general authority on the Liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares policies or other like interests in the transferee for distribution among the Members or may enter into any other arrangement whereby the Members may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

34. **INDEMNITY**

The Directors, managers, agents, Secretary and other officers or servants for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company and their respective heirs and executors shall be fully indemnified out of the assets and profits of the Company from and against all actions expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own wilful act neglect or default respectively and none of them shall be answerable for the acts receipts neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any moneys or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any moneys of the Company shall be placed out or invested or for any loss misfortune or damage resulting from any such cause as aforesaid or which may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own wilful act neglect or default.

35. **INSURANCE**

Without prejudice to any other provisions of these Articles, the Board may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company, or of any other body (whether or not incorporated) which is or was its subsidiary of the Company (together “**Group Companies**”) or otherwise associated with the Company or any Group Company or in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretion and/or

otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body.

36. **INSPECTION OF DOCUMENTS**

The Board shall determine whether and to what extent and at what times and places and under what conditions the accounts books and documents of the Company shall be open to inspection and no Member shall have any right of inspecting any account or book or document except as conferred by the Laws or authorised by the Board.



Princess Private Equity Holding Limited
Directors' Report and Consolidated Audited Financial Statements
for the year from 1 January 2006 to 31 December 2006

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Directors:

B. Human
G. Hall
U. Wietlisbach
A. Billmaier (appointed 5 December 2006)
S. Scherling (resigned 5 December 2006)
P. Gujer (resigned 5 December 2006)
M. Rowe (appointed 6 February 2006 and
resigned 5 December 2006)
F. Meyer (resigned 6 February 2006)

Secretary:

Aon Insurance Managers (Guernsey) Limited

Registered Office:

Tudor House
St. Peter Port
Guernsey
GY1 1BT

Directors' report

The directors present their report and consolidated audited financial statements for the year from 1 January 2006 to 31 December 2006.

Incorporation

Princess Private Equity Holding Limited (the "Company") and Princess Private Equity Subholding Limited (the "Subholding" and together with the Company, the "Group") are limited liability companies, incorporated and domiciled in Guernsey, Channel Islands.

Principal activity

The principal activity of the Group is the holding of investments for the purpose of capital appreciation.

Dividends

The directors of Princess Private Equity Holding Limited do not propose a dividend for the year ended 31 December 2006.

Results

The results for the year are shown in the income statement on page 8.

Directors

The directors of Princess Private Equity Holding Limited are detailed on page 3.

The sole director of Princess Private Equity Subholding Limited, which held office during the year was Princess Private Equity Holding Limited.

Directors' responsibilities

The directors are required by The Companies (Guernsey) Law, 1994 to prepare financial statements for each financial year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

Restructuring

The restructuring that took place during this financial year is explained in note 13.

Directors' report (continued)

Directors' responsibilities (continued)

The maintenance and integrity of the Group's website is the responsibility of the directors. The work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 1994. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Secretary

The secretary of the Company at 31 December 2006 was Aon Insurance Managers (Guernsey) Limited.

Auditors

During the year PricewaterhouseCoopers CI LLP were the auditors of the Group and a resolution to reappoint them as auditors to the Group will be proposed at the Annual General Meeting.



B. Human
Director



G. Hall
Director

Date: 08 February 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRINCESS PRIVATE EQUITY HOLDING LIMITED

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Princess Private Equity Holding Limited which comprise the consolidated balance sheet as of 31 December 2006 and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and with the requirements of Guernsey law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2006, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 1994.

Without qualifying our opinion, we draw attention to Note 9 to the consolidated financial statements. As indicated in Note 9, the consolidated financial statements include unquoted investments (funds and direct investments) stated at their fair value of USD 567'886'778. Because of the inherent uncertainty associated with the valuation of such investments and the absence of a liquid market, these fair values may differ from their realisable values, and the differences could be material.

Report on other legal and regulatory requirements

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the consolidated financial statements. The other information comprises only the director's report.

In our opinion the information given in the directors' report is consistent with the consolidated financial statements.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 64 of The Companies (Guernsey) Law, 1994 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers CI LLP

PricewaterhouseCoopers CI LLP

Chartered Accountants

Guernsey, Channel Islands

8 February 2007

Consolidated audited income statement
for the year from 1 January 2006 to 31 December 2006

Notes	01.01.2006 - 31.12.2006 USD	01.01.2005 - 31.12.2005 USD
Net income from limited partnerships and directly held investments	155'616'523	110'274'266
- Dividend and interest income 9&16	6'357'510	15'018'766
- Revaluation 9&18	144'763'441	95'766'450
- Foreign exchange gains & losses 9&17	4'495'572	(510'950)
Net income from short-term investments	4'177'756	150'296
- Gains and losses 10	3'928'867	150'296
- Interest on short-term investments 10	248'889	-
Net income from cash & cash equivalents	3'079'003	1'323'072
- Interest income 12&16	3'317'947	1'328'159
- Foreign exchange gains & losses 17	(238'944)	(5'087)
Operating income	162'873'282	111'747'634
Operating expenses	(23'730'383)	(21'747'598)
- Management fee 5	(12'235'377)	(11'852'212)
- Insurance fee 5	(8'060'798)	(9'114'500)
- Administration fee 5	(364'798)	(303'817)
- Tax exemption fee 6	(2'181)	(2'179)
- Restructuring costs	(1'572'567)	-
- Other foreign exchange gains & losses 17	(684'712)	(52'503)
- Other operating expenses	(809'950)	(422'387)
Financing cost	(45'036'272)	(42'625'400)
- Finance cost on convertible bond 14	(43'348'759)	(40'664'029)
- Amortization of transaction costs 14	(1'487'513)	(1'487'513)
- Interest expense 16	(200'000)	(473'858)
Surplus / (loss) for the financial year	94'106'627	47'374'636
	01.01.2006 - 31.12.2006	01.01.2005 - 31.12.2005 ¹
Earnings per share		
- Weighted average number of shares outstanding	7'010'000	10'000
- Basic surplus / (loss) per share for the financial year	13.42	4'737.46
- Diluted surplus / (loss) per share for the financial year	13.42	6.76

¹ The earnings per share are calculated by dividing the surplus for the financial year by the weighted average number of shares outstanding (7'010,000). For the financial year 2005 the 700,000 convertible bonds at a par value of USD 1,000 each at USD 100 per share resulted in 7,000,000 Ordinary Shares outstanding, whilst 10,000 shares were already outstanding at the respective balance sheet date.

The notes on pages 12 to 25 form an integral part of these financial statements.

Consolidated audited balance sheet
 as at 31 December 2006

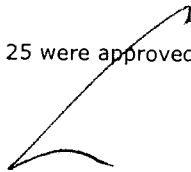
	Notes	31.12.2006 USD	31.12.2005 USD
Assets			
Non-current assets			
Investments in limited partnerships and directly held investments	2&9	567'886'778	595'273'964
Current assets			
Short-term investments	2&10	61'265'350	59'463'335
Other short-term receivables	11	279'276	421'528
Hedging assets	9	-	2'913'419
Cash and cash equivalents	12	<u>221'472'657</u>	<u>49'315'979</u>
		283'017'283	<u>112'114'261</u>
Total assets		<u>850'904'061</u>	<u><u>707'388'225</u></u>
Equity			
Capital and reserves			
Issued capital	13	93'191	100
Reserves		<u>845'717'295</u>	<u>51'703'726</u>
Total equity		845'810'486	51'703'826
Liabilities			
Liabilities falling due after more than one year			
Convertible bond	14	-	655'163'727
Liabilities falling due within one year			
Hedging liabilities	9	2'462'473	-
Other short-term payables	15	2'631'102	520'670
Rounding		-	2
		<u>5'093'575</u>	<u>520'672</u>
Total liabilities and equity		<u>850'904'061</u>	<u><u>707'388'225</u></u>

The notes on pages 12 to 25 form an integral part of these financial statements.

The financial statements on pages 8 to 25 were approved by the board of directors on 8 February 2007 and are signed on its behalf by:



B. Human
Director



G. Hall
Director

Consolidated audited statement of changes in equity
 for the year from 1 January 2006 to 31 December 2006
 (all amounts in USD)

	Share capital	Share premium	Accumulated surplus/(loss)	Total
Equity at beginning of reporting year	100	263'086'949	(211'383'223)	51'703'826
Surplus / (loss) for the financial year	-	-	94'106'627	94'106'627
Increase of share capital	33	-	-	33
Conversion of the convertible bond	93'058	699'906'942	-	700'000'000
Equity at end of reporting year	93'191	962'993'891	(117'276'596)	845'810'486

Consolidated audited statement of changes in equity
 for the year from 1 January 2005 to 31 December 2005
 (all amounts in USD)

	Share capital	Share premium	Accumulated surplus/(loss)	Total
Equity at beginning of reporting year	100	263'086'949	(258'757'859)	4'329'190
Surplus / (loss) for the financial year	-	-	47'374'636	47'374'636
Equity at end of reporting year	100	263'086'949	(211'383'223)	51'703'826

The notes on pages 12 to 25 form an integral part of these financial statements.

Consolidated audited cash flow statement
 for the year from 1 January 2006 to 31 December 2006

	Notes	01.01.2006 - 31.12.2006 USD	01.01.2005 - 31.12.2005 USD
Cash flow from operating activities			
- Management fee	5	(12'235'377)	(11'852'212)
- Administration fee	5	(364'798)	(303'817)
- Insurance fee	5	(8'060'798)	(9'114'500)
- Tax exemption fee	6	(2'181)	(2'179)
- Restructuring costs		(1'572'567)	-
- Other operating expenses		(809'950)	(422'387)
- Proceeds from / (costs of) hedging activities	9	(9'038'588)	1'194'415
- (Increase) / decrease in other short-term receivables		(542'459)	(51'038)
- Increase / (decrease) in other short-term payables		2'359'090	(116'322)
- Dividends received from limited partnerships and directly held investments	9	1'711'846	11'954'949
- Interest received from limited partnerships and directly held investments	9	4'645'664	3'063'817
- Purchase of limited partnerships and directly held investments	9	(76'292'283)	(98'252'399)
- Distributions from limited partnerships and directly held investments	9	267'352'962	205'398'410
- Net purchase of short-term investments	10	(318'696'968)	(59'313'038)
- Redemptions of short-term investments	10	320'823'818	-
- Interest on short-term investments	10	248'889	-
- Interest from cash and cash equivalents	12	3'317'947	1'328'159
- Financing cost / credit line charges		(448'658)	(796'647)
Net cash from / (used in) operating activities		<u>172'395'589</u>	<u>42'715'211</u>
Cash flow from financing activities			
- Increase / (decrease) in credit facility	21	-	(10'000'000)
- Increase in share capital		33	-
Net increase / (decrease) in cash and cash equivalents		<u>172'395'622</u>	<u>32'715'211</u>
Cash and cash equivalents at beginning of reporting year	12	49'315'979	16'605'856
Effects on cash and cash equivalents			
- Movement in exchange rates		(238'944)	(5'087)
- Rounding		-	(1)
Cash and cash equivalents at end of reporting year	12	<u><u>221'472'657</u></u>	<u><u>49'315'979</u></u>

The notes on pages 12 to 25 form an integral part of these financial statements.

Notes to the consolidated audited financial statements

1 Organization and business activity

Princess Private Equity Holding Limited is an investment holding company established on 12 May 1999. The company's registered office is Tudor House, St. Peter Port, Guernsey, GY1 1BT. The Company is a Guernsey corporation that operates in the private equity and private debt market and invests directly or through its wholly-owned subsidiary, Princess Private Equity Subholding Limited, in private market investments.

Since 13 December 2006 the shares of the company have been listed on the Prime Standard of the Frankfurt Stock Exchange (See note 13).

As of 31 December 2006 the company has one part time employee who serves as managing director.

2 Principal accounting policies

The accounting policies correspond to those of the audited consolidated financial statements of the year ended 2005 except for the changes discussed below. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements:

As at 1 January 2006 there are new and existing revised International Financial Reporting Standards (IFRS) to be adopted. The Group has consequently adopted all relevant and below-mentioned Standards since 1 January 2006.

- IAS 39 (revised 2005) - The Fair Value Option

There are no substantial effects and changes to the accounting policies due to the adoption of IAS 39 (revised 2005).

The following standards, interpretations and amendments to published standards that are mandatory for accounting periods beginning on or after 1 January 2007, or later periods have not been early adopted.

- International Financial Reporting Standard 7 (IFRS 7 (effective 1 January 2007)) - Financial Instruments: Disclosures

The Group assessed the impact of IFRS 7 as well as the complementary amendments to IAS 1 and concluded that this new standard will result in some additional disclosures. The Group will apply IFRS 7 from accounting periods beginning 1 January 2007.

Basis of preparation

The consolidated financial statements comprise the financial statements of Princess Private Equity Holding Limited and its wholly-owned subsidiary Princess Private Equity Subholding Limited and have been prepared in accordance with IFRS and under the historical cost convention as modified by the revaluation of "financial assets and financial liabilities at fair value through profit or loss".

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Net income from short-term investments and cash and cash equivalents

Income from bank deposits is included on an accruals basis. Gains and losses from short-term investments and gains and losses from cash and cash equivalents also include the increase in value of bonds purchased at a discount. All realized and unrealized surpluses and losses are recognized in the income statement.

Notes to the consolidated audited financial statements (continued)

2 Principal accounting policies (continued)

Expenditure

The expenditure is included in the consolidated financial statements on an accruals basis.

Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates ('The Functional Currency'). This is the US dollar, which currently reflects the Company's primary activity of mainly investing in US dollar limited partnerships and private equity. The Company has also adopted the US dollar as its presentation currency.

Transactions in foreign currencies are translated into US dollars at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the exchange rate prevailing at the balance sheet date. Exchange gains and losses are included in the income statement.

Investments in limited partnerships and directly held investments

International Financial Reporting Standards; IAS 39 (revised 2004), Financial Instruments: Recognition and Measurement" requires investments treated as "financial assets at fair value through profit or loss" to be held at fair value. Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction.

Investments in limited partnerships are being treated as "financial assets at fair value through profit or loss" and therefore disclosed at fair value. Initially they are valued at fair value. For the ongoing valuation of such investments the directors review information provided by underlying partnerships and other business partners and apply widely recognized valuation methods such as time of last financing, multiple analysis, discounted cash flow method and third party valuation to estimate a fair value as at the balance sheet date.

Investments in limited partnerships are derecognized when the rights to receive cash flow from investments in limited partnerships have expired or where substantially all risks and rewards of ownership have been transferred.

In selecting investments the directors have taken into consideration the accounting and valuation basis of the underlying partnerships and select only those investments, which adopt an internationally recognized standard.

The directors also review management information provided by underlying partnerships on a regular basis. In those cases where the management information is limited, the directors work with the underlying partnership in an attempt to obtain more meaningful information.

Notwithstanding the above, the variety of valuation bases adopted and quality of management information provided by the underlying partnerships and the lack of liquid markets for the investments held mean that there are inherent difficulties in determining the fair values of these investments that cannot be eliminated.

Amounts realized on the sale of directly held investments and limited partnerships will differ from the values reflected in these financial statements and the differences may be significant.

The directly held investments are being treated as "financial assets at fair value through profit or loss" and are therefore disclosed at fair value. Initially they are valued at fair value. For determining the fair value, the directors refer to the most recent available information provided by the lead investor of the investment with any changes resulting from additional financing rounds or a diminution in value.

Directly held investments are derecognized when the rights to receive cash flow from directly held investments have expired or where substantially all risks and rewards of ownership have been transferred.

Notes to the consolidated audited financial statements (continued)

2 Principal accounting policies (continued)

Any changes in the fair value of the investments are shown within "Net income from limited partnerships and directly held investments - Revaluation".

Any distributions, including return of principal of investment, received from the underlying limited partnerships and directly held investments are recognized on the distribution date.

All transactions relating to investments in limited partnerships and directly held investments are recognized on the settlement date.

Short-term investments

Short-term investments are defined as investments with maturity between three and twelve months from the date of purchase and are being treated as "financial assets at fair value through profit or loss".

The short-term investments purchased at par are included in the balance sheet at market values ruling at the balance sheet date. The changes in the fair value are included within "Net income from short-term investments - Gains and losses".

The short-term investments purchased at a discount are included in the balance sheet at market values ruling at the balance sheet date. The changes in the fair value and the interest received at maturity are included within "Net income from short-term investments - Gains and losses". Upon maturity of the short-term investments purchased at a discount the difference between the last reported fair value and the maturity amount are included within "Realized gains and losses".

All transactions relating to short-term investments are recognized on the settlement date.

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and term deposits.

Accounting for derivative financial instruments and hedging activities

The Group's policy of hedging the value of non-US dollar investments against the US dollar does not qualify as hedge accounting as defined in IAS 39 (revised 2004). Derivative financial instruments are initially recognized in the balance sheet at cost and subsequently are remeasured at their fair value. As a result the unrealized changes in the fair value of these derivatives and the realized net gains / losses on the derivatives that matured during the period are recognized in the income statement under the heading of "Net income from limited partnerships and directly held investments - foreign exchange gains and losses". The fair values of various derivative instruments used for hedging purposes are disclosed in note 9.

Consolidation

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations, have been consolidated. All inter-company transactions, balances and unrealized surpluses and losses on transactions between group companies have been eliminated. A listing of the Group's subsidiaries is set out in note 24.

The consolidation is performed using the purchase method. All Group companies have a 31 December year-end.

Notes to the consolidated audited financial statements (continued)

3 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investments in limited partnerships and directly held investments

For the valuation of such investments the directors review information provided by underlying partnerships and other business partners and apply widely recognized valuation methods such as time of last financing, multiple analysis, discounted cash flow method and third party valuation to estimate a fair value as at the balance sheet date. The variety of valuation bases adopted and quality of management information provided by the underlying partnerships and the lack of liquid markets for the investments held mean that there are inherent difficulties in determining the fair values of these investments that cannot be eliminated. Therefore the amounts realized on the sale of investments will differ from the fair values reflected in these financial statements and the differences may be significant.

4 Earnings per share / Net asset value per share

Basic earnings per share are calculated by dividing the surplus or loss for the financial year attributable to the shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

The net asset value per share is calculated by dividing the net assets in the balance sheet by the number of potential shares outstanding at year-end.

5 Expenses

Management fee

Until 8 December 2006 the management fee was calculated on the following basis:

The management fee was paid quarterly in advance pursuant to the Investment Management Agreement between the Company and the Investment Manager Princess Management Limited (Formerly Princess Management & Insurance Limited). The quarterly management fee was calculated as 0.375% of the higher of the sum of Private Equity Net Assets and the undrawn commitments or the Net Assets of the Group.

After 8 December 2006 the management fee is being calculated on the following basis:

Under the Investment Management Agreement between the Company and the Investment Manager the Company pays to the Investment Manager a quarterly management fee. The quarterly management fee is calculated as 0.375% of the higher of the sum of Private Equity Net Assets and the undrawn commitments or the Net Assets of the Group at the end of the quarter.

In respect of secondary investments, the company pays an additional quarterly fee equal to 0.0625% of the secondary investment value. In respect of direct investments, the company pays an additional quarterly fee equal to 0.125% of the direct investment value.

Notes to the consolidated audited financial statements (continued)

5 Expenses (continued)

Administration fee

The administration fee is paid quarterly in advance pursuant to the Administration Agreement between the Company and Partners Group (Guernsey) Limited. The quarterly administration fee is calculated as 0.0125% of the first USD 1 billion of Net Assets and 0.005% of the amount by which such Net Assets exceed USD 1 billion.

Insurance fee

The insurance fee was paid quarterly in advance pursuant to the Insurance Trust Agreement between the Company and Princess Management Limited. On 9 February 2006 when the mitigation rights were exercised, the calculation of the quarterly insurance premium changed and the insurance premium was calculated as 0.375% of Net Assets minus all assets held in cash, cash equivalents or marketable securities.

In the course of the restructuring, the Insurance Policy was terminated with effect from 8 December 2006. No insurance fee has been charged after that date.

Incentive Fee

In respect of Direct Investments and Secondary Investments an incentive fee will be charged after taking into account a "Preferred Return" calculated at a rate of 8% per annum. At the end of the financial year no incentive fee has been charged.

6 Taxation status

All companies in the Group are exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinances 1989 and 1992 and they are each charged an annual exemption fee of GBP 600.

7 Segment reporting

The sole business segment is investing in private equity resulting in no segment disclosure reporting in accordance with IAS 14. Therefore the results published in this report correspond to the primary segment-reporting format.

8 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain exposures.

(a) Foreign exchange risk

The Group operates and invests internationally and is exposed to foreign exchange risk arising from various currency exposures. A portion of the private equity investments are made in a number of different countries and denominated in a number of different currencies. Any returns on and value of such investments may therefore be materially affected by exchange rate fluctuations, local exchange control and other restrictions, including restrictions on the convertibility of the currencies in question and also by political and economic developments in the relevant countries. The Group may use forward contracts to hedge its exposure to foreign currency risk in connection with the functional currency.

Notes to the consolidated audited financial statements (continued)

8 Financial risk management (continued)

(b) Interest rate risk

The Group invests in interest-bearing short-term investments with maturity between three and twelve months from the date of purchase. Due to the fact that interest bearing investments are short-term, the influence of changes in the market interest rates is not expected to be significant. Apart from that, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

(c) Credit risk

The Group has no significant concentration of credit risk. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The Group's over-commitment strategy could result in periods in which the Group has inadequate liquidity to fund its investments or to pay other amounts payable by the Group. The liquidity risk arising from the over-commitment strategy is managed through the use of quantitative models and the internal risk committee.

(e) Underlying asset risk

It is expected that a large proportion of the Group's investments will be made by investing in private equity funds (including affiliated funds). Many of the private equity funds may be wholly unregulated investment vehicles. In addition, certain of the private equity funds may have limited or no operational history and have no proven track record in achieving their stated investment objective. The underlying asset risk is managed by an investment strategy that diversifies the investments in terms of geography, financing stage, industry or time.

The value of the investments in the private equity funds and the income from them may fluctuate significantly.

Fair value estimation

The fair value of publicly traded derivatives and "financial assets at fair value through profit or loss" securities is based on quoted market prices at the balance sheet date. The fair value of forward foreign exchange contracts is determined using forward foreign exchange market rates at the balance sheet date.

In assessing the fair value of non-traded derivatives and other financial instruments, the Group uses a variety of methods such as time of last financing, multiple analysis, discounted cash flow method and third party valuation and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long-term debt. Other techniques, such as option pricing models and estimated discounted value of future cash flows, are used to determine fair value for the remaining financial instruments.

Notes to the consolidated audited financial statements (continued)

9 Limited partnerships and directly held investments

9.1 Investments	31.12.2006 USD	31.12.2005 USD
Balance at beginning of reporting year	595'273'964	629'976'924
Capital activity recorded at the transaction rate	76'292'283	98'252'399
Distributions	(267'352'962)	(205'398'410)
Revaluation	144'763'441	95'766'450
Foreign exchange gains / (losses)	18'910'052	(23'323'399)
Balance at end of reporting year	<u>567'886'778</u>	<u>595'273'964</u>
9.2 Distributions	01.01.2006 - 31.12.2006 USD	01.01.2005 - 31.12.2005 USD
Dividends	1'711'846	11'954'949
Interest income	4'645'664	3'063'817
	<u>6'357'510</u>	<u>15'018'766</u>
Return of investments	267'748'578	205'484'959
Gains / (losses) from sale of stock distributions	(395'616)	(86'549)
Total distributions	<u>273'710'472</u>	<u>220'417'176</u>

Notes to the consolidated audited financial statements (continued)

9 Limited partnerships and directly held investments (continued)

9.3 Foreign exchange

	01.01.2006 - 31.12.2006 USD	<i>01.01.2005 - 31.12.2005 USD</i>
Foreign exchange revaluation	18'910'052	<i>(23'323'399)</i>
Revaluation of foreign exchange hedges relating to investments in limited partnerships and directly held investments	(5'375'892)	<i>21'618'035</i>
Realized gains / (losses) from foreign exchange hedges relating to investments in limited partnerships and directly held investments	(9'038'588)	<i>1'194'415</i>
Rounding	-	<i>(1)</i>
	4'495'572	<i>(510'950)</i>

At the balance sheet date, the Company had the following forward foreign exchange contracts in place. The contracts were entered into to hedge against changes in the foreign exchange value of the investments of the Subholding. The unrealized surplus / (loss) at the end of the reporting year is detailed below:

	USD	Rate	Value date	Surplus / (loss) 31.12.2006 USD	Surplus / (loss) 31.12.2005 USD
Sell GBP against USD	36'799'770	1.7524	20.04.2006	-	<i>679'602</i>
Sell EUR against USD	91'254'375	1.2167	20.04.2006	-	<i>1'959'825</i>
Sell SEK against USD	9'777'083	7.6710	20.04.2006	-	<i>273'992</i>
Buy EUR against USD	300'000'000	0.7501	28.04.2007	(1'819'059)	-
Buy EUR against USD	125'000'000	0.7536	22.01.2007	(643'414)	-
				(2'462'473)	<i>2'913'419</i>

Notes to the consolidated audited financial statements (continued)

10 Short-term investments

10.1 Investments

	31.12.2006 USD	31.12.2005 USD
At beginning of reporting year	59'463'335	-
Additions	318'696'968	59'313'038
Redemptions	(317'696'189)	-
Unrealized gains / (losses) on short-term investments	801'238	150'296
Rounding	(2)	1
	<hr/> 61'265'350 <hr/>	<hr/> 59'463'335 <hr/>

At end of reporting year

10.2 Income

	01.01.2006 - 31.12.2006 USD	01.01.2005 - 31.12.2005 USD
Interest on short-term investments	248'889	-
Realized gains / (losses) from short-term investments	3'127'629	52'915
Unrealized gains / (losses) from short-term investments	801'238	97'381
	<hr/> 4'177'756 <hr/>	<hr/> 150'296 <hr/>

Total gains and losses from short-term investments

Due to the level of distributions received from limited partnerships, the Company holds cash in excess of its immediate requirements. To achieve better returns the cash has been invested into short-term bonds with a maturity of less than one year.

11 Other short-term receivables

	31.12.2006 USD	31.12.2005 USD
Distributions receivable	279'276	421'528
	<hr/> 279'276 <hr/>	<hr/> 421'528 <hr/>

12 Cash and cash equivalents

12.1 Balance

	31.12.2006 USD	31.12.2005 USD
Cash at banks	221'472'657	49'315'980
Rounding	-	(1)
	<hr/> 221'472'657 <hr/>	<hr/> 49'315'979 <hr/>

Total cash and cash equivalents

Notes to the consolidated audited financial statements (continued)

12 Cash and cash equivalents (continued)

12.2 Interest income

	01.01.2006 - 31.12.2006	<i>01.01.2005 - 31.12.2005</i>
	USD	<i>USD</i>
Interest received from cash at banks	<u>3'317'947</u>	<i>1'328'159</i>
Total interest income from cash and cash equivalents	<u>3'317'947</u>	<i>1'328'159</i>

13 Share capital

Authorized

	31.12.2006	<i>31.12.2005</i>
	USD	<i>USD</i>
20,000,000 Class A shares of USD 0.01 each (cancelled)	-	<i>200'000</i>
10,000 Class B shares of EUR 0.01 each reclassified to Ordinary shares	133	<i>100</i>
20,000,000 Ordinary shares of EUR 0.01 each	<u>265'880</u>	<i>-</i>
	<u>266'013</u>	<i>200'100</i>

Issued and fully paid

10,000 Class B shares of USD 0.01 each	-	<i>100</i>
10,000 Class B shares of EUR 0.01 each reclassified to Ordinary shares	133	<i>-</i>
7,000,000 Ordinary shares of EUR 0.01 each out of the bond conversion	<u>93'058</u>	<i>-</i>
	<u>93'191</u>	<i>100</i>

Restructuring

Pursuant to a shareholders' resolution on 5 December 2006, the authorized Class A share capital was cancelled and the Class B shares were re-designated as unclassified shares. The denomination of the issued and authorized share capital was changed from US dollars to euro. A new authorized ordinary share capital denominated in euro was created. As a result of these changes, the Company has an authorized share capital of EUR 200,100 which is divided into 20,010,000 Ordinary shares.

At a bondholders' meeting on 5 December 2006, bondholders agreed to amend the terms and conditions of the bonds by entering into a fifth supplemental trust deed with Law Debenture Trustees Limited (the "Fifth Supplemental Trust Deed") giving the Company a mandatory conversion right. Accordingly the Company was granted the right (the "Mandatory Conversion Right") to convert all of the bonds into Co-ownership Interests. On 8 December 2006 each bond has been converted into 10 Ordinary shares deliverable in the form of Co-ownership Interests in a global bearer certificate issued by Clearstream, Frankfurt such that each Co-ownership Interest in a global bearer certificate carries rights corresponding to one Ordinary share.

The conversion of 700,000 convertible bonds at a par value of USD 1,000 each at USD 100 per share resulted in the issue of 7,000,000 Ordinary Shares. 10,000 shares were already issued and outstanding leading to 7,010,000 issued and outstanding Ordinary shares.

14 Convertible bond

	31.12.2006	<i>31.12.2005</i>
	USD	<i>USD</i>
Balance at beginning of reporting year	655'163'728	<i>613'012'186</i>
Amortization of transaction costs	1'487'513	<i>1'487'513</i>
Finance cost on convertible bond	43'348'759	<i>40'664'029</i>
Conversion of the convertible bond	<u>(700'000'000)</u>	<i>-</i>
Balance at end of reporting year	<u>-</u>	<i>655'163'728</i>

Notes to the consolidated audited financial statements (continued)

14 Convertible bond (continued)

As at the balance sheet date the nominal value of the convertible bond outstanding was USD nil (2005: USD 700,000,000).

In accordance with IAS 32, Financial Instruments: Disclosure and Presentation, the net proceeds of the bond were split between the liability and equity option components. The fair value of the equity component was calculated as USD 264,834,825 using cash flows discounted at market interest rates for an equivalent year. This amount was classified as share premium and remained part of the permanent equity of the Group. The remaining net proceeds, after the allocation of the liability related transaction costs, of USD 424,077,733 were allocated to the liability component. The liability, including transaction costs, were therefore stated at a discount of 1.6110% per quarter to the maturity value.

The result of this technical requirement in IAS 32 was that the discount was amortized through the income statement as a finance cost, on a yield to maturity basis, over the 7.5-year life of the bonds until the first conversion at 1 January 2007. This accounting treatment had no effect on either the economic position or the net asset value of the Group. The cumulative finance cost in retained earnings was offset by an equivalent credit in share premium. However, the required treatment clearly did have a significant impact on the net surplus or loss reported in the income statement over the years to the conversion of the bond.

On 8 December 2006 the 700,000 convertible bonds at a par value of USD 1,000 each at USD 100 per share were converted into 7,000,000 Ordinary Shares. The amount of the convertible bond outstanding has been reduced to USD nil. See also note 13.

15 Other short-term payables

	31.12.2006 USD	31.12.2005 USD
Accrued interest	200'000	448'658
Accruals to related parties	57'499	-
Other accruals	2'373'603	72'012
	2'631'102	520'670

16 Dividend and interest income and expense

	01.01.2006 - 31.12.2006 USD	01.01.2005 - 31.12.2005 USD
Interest income:		
- Dividend and interest income from limited partnerships and directly held investments	6'357'510	15'018'766
- Interest income from cash and cash equivalents	3'317'947	1'328'159
Total dividend and interest income	9'675'457	16'346'925
Total interest expense	(200'000)	(473'858)

Notes to the consolidated audited financial statements (continued)

17 Foreign exchange gains and losses

	01.01.2006 - 31.12.2006 USD	<i>01.01.2005 - 31.12.2005 USD</i>
Foreign exchange gains and losses on:		
- Limited partnerships and directly held investments	4'495'572	<i>(510'950)</i>
- Cash and cash equivalents	(238'944)	<i>(5'087)</i>
- Other	(684'712)	<i>(52'503)</i>
	3'571'916	<i>(568'540)</i>

18 Revaluation

	01.01.2006 - 31.12.2006 USD	<i>01.01.2005 - 31.12.2005 USD</i>
Revaluation of:		
- Limited partnerships and directly held investments	144'763'441	<i>95'766'450</i>

19 Commitments

	31.12.2006 USD	<i>31.12.2005 USD</i>
Total commitments translated at the rate prevailing at the balance sheet date	1'391'680'428	<i>1'264'969'349</i>
Unutilized commitments translated at the rate prevailing at the balance sheet date	258'716'407	<i>245'329'670</i>

20 Net assets and diluted assets per ordinary share

Before the conversion of the bond the net assets were calculated by deducting the Liabilities falling due within one year from the Total Assets. The 700,000 convertible bonds at a par value of USD 1,000 each, if converted at USD 100 per share would result in 7,000,000 shares.

After the conversion the net asset value per share is calculated by dividing the net assets in the balance sheet by the number of potential shares outstanding at the balance sheet date.

	31.12.2006 USD	<i>31.12.2005 USD</i>
Net assets of the Group	845'810'486	<i>706'867'553</i>
Outstanding shares at the balance sheet date	7'010'000	<i>10'000</i>
Additional shares due to conversion	-	<i>7'000'000</i>
Net asset per share at year-end	120.66	<i>70'686.76</i>
Diluted net assets per share at the balance sheet date	120.66	<i>100.84</i>

Notes to the consolidated audited financial statements (continued)

21 Credit line facility

The Company entered into a revolving credit facility with Bank of Scotland on 31 December 2002 for a maximum of USD 130,000,000. Security is inter alia, by way of a security agreement over the entire issued share capital of Princess Private Equity Subholding Limited. The credit facility has been reduced to USD 50,000,000 in the meantime.

Interest is calculated using a LIBOR rate on the day of the advance plus a margin. The margin depends on the total drawdown amount. An additional margin may be added if the ratio of Net Asset Value to the borrowings due to Bank of Scotland (including capitalized interest) is less than 5:1.

There is a non utilization fee which is payable yearly in arrears and this is calculated at 0.40% per annum on the average undrawn amount of the revolving credit during the period.

In addition, an arrangement fee of USD 1,170,000 was paid to Bank of Scotland on entering into the facility.

As at the balance sheet date, the amount drawn under the credit facility was nil (2005: nil).

22 Insurance Policy

On 29 June 1999, the Company entered into an Insurance Agreement with Princess Management Limited, to ensure that it would be provided with sufficient funds to be able to pay the principal amount of the Bond at maturity on 31 December 2010.

In the course of the restructuring, the Insurance Policy was terminated with effect from 8 December 2006. No insurance fee has been charged after that date.

23 Related party transactions

Partners Group Holding held 10'000 Ordinary shares at the balance sheet date. Swiss Reinsurance Company sold its 1,990 Ordinary Shares to Partners Group Holding during 2006.

At 31 December 2005 Partners Group Holding and Swiss Reinsurance Company held 8,010 and 1,990 Class B Shares respectively.

Partners Group Holding and all its subsidiaries and affiliates are considered to be related parties to the Group.

The directors as disclosed in the Directors' Report are also considered to be related parties to the Group.

Transactions with related parties

The following transactions were carried out with related parties:

<i>i) Services</i>	Notes	01.01.2006 - 31.12.2006 USD	<i>01.01.2005 - 31.12.2005 USD</i>
Management fee paid to: - Princess Management Limited	5	12'235'377	<i>11'852'212</i>
Insurance fee paid to: - Princess Management Limited	5	8'060'798	<i>9'114'500</i>
Administration fee paid to: - Partners Group (Guernsey) Limited	5	364'798	<i>303'817</i>
IFRS Valuation advice: - Princess Management Limited		100'000	<i>100'000</i>

Notes to the consolidated audited financial statements (continued)

23 Related party transactions (continued)

Transactions with related parties (continued)

Directors' fees paid	11'167	20'705
Director's compensation		
- Short-term employee benefits	3'998	-

The company does not operate a pension scheme.

Princess Management Limited and Partners Group (Guernsey) Limited are companies incorporated in Guernsey and owned by Partners Group Holding.

ii) Year-end balances

	31.12.2006 USD	<i>31.12.2005 USD</i>
Other short-term payables to related parties:		
- Princess Management Limited	57'499	-

The year-end balances are unsecured, interest free and repayable upon demand.

24 Group enterprises - significant subsidiaries

	Country of incorporation	Ownership interest	
		31.12.2006	<i>31.12.2005</i>
Princess Private Equity Subholding Limited	Guernsey	100%	100%

25 Parent company and ultimate controlling party

At 31 December 2006 there was no parent company or ultimate controlling party.

At 31 December 2005 Partners Group Holding, a company organized under Swiss law held the majority of the Class B shares of the Company.

26 Subsequent Event

The Group has changed its reporting currency from US dollar to euro with the effect of 1 January 2007.

PRINCESS PRIVATE EQUITY HOLDING LIMITED

MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THIRD FLOOR, TUDOR HOUSE, LE BORDAGE, St. PETER PORT, GUERNSEY AT 09.30 ON THURSDAY 29th JUNE 2006.

Present:

Mr. B Human (Representing Swiss Reinsurance Company)

Mr. M. Rowe (Representing Partners Group Holding)

In Attendance:

Ms Amanda Fell (Representing the Company Secretary)

CHAIRMAN

IT WAS UNANIMOUSLY RESOLVED that Mr. Human be elected to the Chair.

PROXIES

It was noted that a proxy had been received from Swiss Reinsurance Company appointing Mr. B Human as their representative at the meeting.

It was also noted that a proxy had been received from Partners Group Holding appointing Mr. M. Rowe as their representative at the meeting.

QUORUM

The Chairman noted that there was a quorum for the transaction of business

NOTICE OF MEETING

The notice convening the Annual General Meeting was taken as read

APPOLOGIES FOR ABSENCES

There were no apologies for absences as all proxies were present

PREVIOUS MINUTES

The Minutes of the previous Annual General Meeting held on the 23rd June 2005 were read, approved and signed by the Chairman.

MATTERS ARISING

There were no matters arising

APPOINTMENT OF DIRECTORS

Under the articles of Association Section 18 (3) and (4), the following Director was required to offer himself for re-election due to the rotation requirement: Advocate Graham Hall.

IT WAS UNANIMOUSLY RESOLVED that Advocate Graham Hall, who had indicated his willingness to stand, be re-elected as directors for a further three year period.

AUDITED FINANCIAL STATEMENTS – 31 DECEMBER 2005

The audited financial statements for the year ended 31 December 2005 were presented to the meeting.

IT WAS UNANIMOUSLY RESOLVED that the audited financial statements for the year ended 31 December 2005 be and are hereby approved and adopted.

APPOINTMENT OF AUDITORS

IT WAS RESOLVED to re-appoint PricewaterhouseCoopers CI LLP of National Westminster House, Le Truchot, St Peter Port Guernsey as the Company's Auditors to hold office until the conclusion of the next Annual General Meeting at a fee to be agreed by the Directors.

ENTITLEMENT TO SHARE CERTIFICATES.

IT WAS UNANIMOUSLY RESOLVED to waive the entitlement to receive share certificates, detailing the number of shares held during the period ended 31 December 2005.

DIRECTORS' FEES

IT WAS RESOLVED that the Directors' fees payable to both Adv.G. Hall and Mr. F Meyer for the year ended 31 December 2006 be £ 6,000.

ANY OTHER BUSINESS

There being no further business the Chairman declared the Meeting closed at 9.55am.

CHAIRMAN:

Date: