

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART 2 OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your shares in Regus Group plc, subject to applicable laws, you should immediately forward this document and the accompanying documents to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The distribution of this document and/or the accompanying documents in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying documents comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document should be read in conjunction with the Prospectus relating to Regus plc, prepared in accordance with the Prospectus Rules made under section 84 of the Financial Services and Markets Act 2000 and made available to the public in accordance with Section 3.2 of the Prospectus Rules. The Prospectus can be accessed in electronic form via www.regus.com/investors.



Recommended proposals to establish

Regus plc

(incorporated in Jersey with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered as a société anonyme under number RCS Luxembourg B 141159)

as the holding company of Regus Group plc

by means of a Scheme of Arrangement under sections 895 to 899 of the Companies Act 2006

Dresdner Kleinwort Limited, which is authorised and regulated by the Financial Services Authority, is acting for Old Regus and New Regus and no-one else in relation to the Proposals and will not be responsible to anyone other than Old Regus and New Regus for providing the protections afforded to clients of Dresdner Kleinwort Limited or for providing advice in relation to the Proposals or any other matter referred to in this document.

A letter from the Chairman of Regus Group plc, which contains the unanimous recommendation of the Directors of Regus Group plc to vote in favour of the Proposals, is set out in Part 1 of this document. Meetings to consider the Proposals will be held on 24 September 2008 at 3:00 p.m. The Court Meeting will start at 3:00 p.m. on that date and the General Meeting at 3:15 p.m. (or as soon thereafter as the Court Meeting concludes or is adjourned). Notices of the Court Meeting and the General Meeting are set out in Part 6 of this document. A summary of the action recommended to be taken by holders of Old Regus Ordinary Shares is set out on pages 10 and 11 of this document.

You will find enclosed with this document a blue form of proxy for use in connection with the Court Meeting and a white form of proxy for use in connection with the General Meeting. Whether or not you intend to be present at the meetings, please complete and return these forms of proxy to Regus Group plc's registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL as soon as possible and in any event so as to arrive by not later than 48 hours before the time appointed for the relevant meeting (although the blue form of proxy for the Court Meeting may be handed to Regus Group plc's registrars or to the Chairman immediately prior to the Court Meeting). The return of a completed form of proxy will not prevent you from attending the Court Meeting and/or General Meeting and voting in person if you so wish and are so entitled.

Application will be made to the UK Listing Authority for the New Regus Ordinary Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities. If the Scheme proceeds as presently envisaged, it is expected that dealings in Old Regus Ordinary Shares will continue until close of business on 13 October 2008 and that admission to the Official List of the New Regus Ordinary Shares will become effective, and that dealings in New Regus Ordinary Shares on the London Stock Exchange's main market for listed securities will commence, on 14 October 2008.

THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR EXCHANGE OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY OR EXCHANGE ANY SECURITY OR TO BECOME A MEMBER OF NEW REGUS. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

Securities may not be offered or sold in the United States unless they are registered under the US Securities Act of 1933, as amended, or are exempt from such registration. The New Regus Ordinary Shares will not be, and are not required to be, registered with the US Securities and Exchange Commission under the US Securities Act of 1933, as amended, in reliance on the exemption from registration provided by Section 3(a)(10) thereof. **Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved the New Regus Ordinary Shares or passed an opinion on the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.**

INFORMATION FOR UNITED STATES SHAREHOLDERS

In the United States, this document is being furnished to Old Regus Ordinary Shareholders solely to explain the Proposals and describe the action recommended to be taken by Old Regus Ordinary Shareholders in relation to the Court Meeting and General Meeting. This document is personal to each Old Regus Ordinary Shareholder and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire New Regus Ordinary Shares. This document is not an offer of securities for sale in the United States. The New Regus Ordinary Shares to be issued to Old Regus Ordinary Shareholders in connection with the Scheme will not be, and are not required to be, registered with the SEC under the US Securities Act in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) of that act. For the purpose of qualifying for the Section 3(a)(10) exemption with respect to the New Regus Ordinary Shares issued pursuant to the Scheme, Old Regus will advise the High Court that it will rely on the Section 3(a)(10) exemption based on the High Court's sanctioning of the Scheme, which will be relied upon by Old Regus as an approval of the Scheme following a hearing on its fairness to Old Regus Ordinary Shareholders at which hearing all such Old Regus Ordinary Shareholders will be entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been or will be given to all such shareholders.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Enforceability of judgments

Old Regus is a public limited company incorporated under the laws of England and Wales and New Regus is a public company limited by shares incorporated under the laws of Jersey with its place of central administration (head office) in Luxembourg. All of the Directors of New Regus and Old Regus are citizens or residents of countries other than the United States. Substantially all or a significant portion of the assets of such persons and a significant proportion of the assets of the Regus Group are located outside the United States. As a result, it may not be possible to effect service of process within the United States upon such persons or New Regus and/or Old Regus, or to enforce against them judgments of US courts, including judgments predicated upon civil liabilities under the securities laws of the United States or any state or territory within the United States. There is substantial doubt as to the enforceability in the United Kingdom of original actions or of actions for enforcement of judgments of US courts, based on the civil liability provisions of US federal securities laws.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains certain “forward-looking statements”, including statements about current beliefs and expectations of the Directors. In particular, the words “expect”, “anticipate”, “estimate”, “may”, “should”, “plans”, “intends”, “will”, “believe” and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward-looking statements. These statements are based on the Board’s expectations of external conditions and events, current business strategy, plans and the other objectives of management for future operations, and estimates and projections of Old Regus’s financial performance. Although the Board believes these expectations to be reasonable at the date of this document they may prove to be erroneous. Forward-looking statements involve known and unknown risks and uncertainties and speak only as of the date they are made. You are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of Old Regus or New Regus or industry results to differ materially from those expressed or implied in forward-looking statements. These factors include, but are not limited to, those described in the “Risk Factors” section of the Prospectus and which can be accessed at www.regus.com/investors.

Save as required by the FSA, the London Stock Exchange or applicable law, Old Regus undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Board’s expectations or to reflect events or circumstances after the date of this document.

TABLE OF CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS	5
PART 1 — LETTER FROM THE CHAIRMAN	6
PART 2 — EXPLANATION OF THE SCHEME AND ITS EFFECTS	12
PART 3 — ADDITIONAL INFORMATION	27
PART 4 — FORM OF SUBSCRIPTION AND CONTRIBUTION AGREEMENT	60
PART 5 — SCHEME OF ARRANGEMENT	63
PART 6 — NOTICE OF MEETINGS	68
PART 7 — DEFINITIONS	76

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

3:00 p.m. on 22 September 2008 . . .	Latest time for receipt by Registrars of blue form of proxy from Old Regus Ordinary Shareholders for the Court Meeting ¹
3:15 p.m. on 22 September 2008 . . .	Latest time for receipt by Registrars of white form of proxy from Old Regus Ordinary Shareholders for the General Meeting
6:00 p.m. on 22 September 2008 . . .	Voting record time for the Court Meeting and the General Meeting ²
3:00 p.m. on 24 September 2008 . . .	Court Meeting
3:15 p.m. on 24 September 2008 . . .	General Meeting ³
13 October 2008	Court Hearing of claim form to sanction the Scheme
13 October 2008	Last day of dealings in Old Regus Ordinary Shares ⁴
6:00 p.m. on 13 October 2008	Scheme Record Time ⁴
14 October 2008	Scheme Effective Date ⁴
8:00 a.m. on 14 October 2008	Delisting of Old Regus Ordinary Shares, admission and listing of New Regus Ordinary Shares, crediting of New Regus Ordinary Shares in uncertificated form to CREST accounts and commencement of dealings in New Regus Ordinary Shares on the London Stock Exchange's main market for listed securities ⁴
Shortly after the Scheme becomes effective.	Court hearing to approve the Old Regus Reduction of Capital ⁴
Within 10 Business Days of the Scheme Effective Date	Dispatch of share certificates in respect of New Regus Ordinary Shares in certificated form ⁴
23 October 2008	Jersey Court Hearing of claim form to confirm the New Regus Reduction of Capital ⁴
24 October 2008	New Regus Reduction of Capital becomes effective ⁵

All references to time in this document are to London time unless otherwise stated. The dates given are based on the Directors' expectations and may be subject to change.

1 Blue forms of proxy for the Court Meeting not returned by this time may be handed to the Chairman or the Registrars at the Court Meeting prior to the vote being taken (to be valid, white forms of proxy for the General Meeting must be lodged at least 48 hours before the time appointed for the General Meeting).

2 If either the Court Meeting or the General Meeting is adjourned, the voting record time for the adjourned meeting will be 6:00 p.m. on the date falling two days before the adjourned meeting.

3 To commence at the time fixed or as soon thereafter as the Court Meeting concludes or is adjourned.

4 These times and dates are indicative only and will depend, amongst other things, on whether the Court Meeting and the General Meeting are adjourned for any reason and the date on which the Court sanctions the Scheme.

5 This date is indicative only and will depend on, amongst other things, the date on which the Jersey Court confirms the New Regus Reduction of Capital and the Jersey registrar of companies registers the court order and approved minute.

PART 1 — LETTER FROM THE CHAIRMAN



Regus Group plc
(Registered in England and Wales Registered No: 4868977)

Directors:

John Matthews
Mark Dixon
Stephen Gleadle
Rudy Lobo
Roger Orf
Stephen East
Martin Robinson

Registered Office:

3000 Hillswood Drive
Hillswood Business Park
Chertsey
Surrey
KT16 0RS

8th September 2008

To the holders of Old Regus Ordinary Shares.

Dear Shareholder,

Recommended proposals relating to the introduction of a new holding company

1. Introduction

On 29 August 2008, Old Regus announced details of the Proposals. If the Scheme is implemented, a new holding company of the Regus Group incorporated in Jersey, with its place of central administration (head office) and tax residence in Luxembourg, New Regus, will be put in place through a High Court approved scheme of arrangement under sections 895 to 899 of the Companies Act. New Regus will be called Regus plc, have its primary listing on the main market of the London Stock Exchange and, upon listing, will be included in FTSE's UK Index Series. There will be no substantive changes to corporate governance and investor protection measures. In particular, upon implementation of the Scheme, the Takeover Code will apply to New Regus and New Regus intends to comply with the Combined Code to the same extent that Old Regus does currently.

If the Scheme is approved and becomes effective, it will result in Old Regus Ordinary Shareholders holding New Regus Ordinary Shares in the same proportions in which they hold Old Regus Ordinary Shares immediately prior to the Scheme becoming effective and in Old Regus becoming a wholly-owned subsidiary of New Regus. Under the Scheme, Old Regus Ordinary Shareholders at the Scheme Record Time will receive, in exchange for their Old Regus Ordinary Shares, New Regus Ordinary Shares on the following basis:

for every one Old Regus Ordinary Share

one New Regus Ordinary Share

Accordingly, immediately upon the Scheme becoming effective, a New Regus Ordinary Shareholder will effectively have the same proportionate interest in the profits, net assets and dividends of the Regus Group as they will have as an Old Regus Ordinary Shareholder immediately prior to the Scheme becoming effective. New Regus will have substantially the same business and operations immediately after the Scheme Effective Date as Old Regus has immediately before the Scheme Effective Date. The assets and liabilities of the Regus Group immediately after the Scheme Effective Date will not substantially differ from the assets and liabilities it had before the Scheme Effective Date.

The New Regus Ordinary Shares will be issued with a lower nominal value than the Old Regus Ordinary Shares in order to facilitate the creation of significant distributable reserves in New Regus as explained further in paragraph 3.3 of this Part below.

The rights attached to the New Regus Ordinary Shares following the Scheme will be, for all practical purposes, the same as the rights attached to the Old Regus Ordinary Shares. A number of differences exist between the Old Regus Articles and the New Regus Articles, arising as a consequence of New Regus being a Jersey-incorporated company with its place of central administration (head office) in Luxembourg (which means that all of Luxembourg company law will apply to New Regus in addition to the laws of Jersey) rather than English incorporated. The principal differences between the Old Regus Articles and New Regus Articles are explained in paragraph 1 of Part 3 of this document.

The purpose of this document is to explain the Proposals and why your Board considers the Proposals to be in the best interests of Old Regus and its shareholders as a whole. **Your Board is unanimously recommending that you vote in favour of the Proposals as they all intend to do in respect of their entire holding of Old Regus Ordinary Shares.** A summary of the action recommended to be taken is set out on pages 10 and 11 of this document and on the forms of proxy accompanying this document.

2. Reasons for the Proposals

The Regus Group has become, and will continue to develop as, a true international business. The Regus Group is currently spread across a global footprint of over 900 locations, in 400 cities and 71 countries. As a result, for the 6 months ended 30 June 2008, more than 78 per cent. of the Regus Group's global revenue and 84 per cent. of the Regus Group's gross profit was generated outside the United Kingdom.

As a result of this, the Board believes that the future growth of the Regus Group would be assisted by:

- greater international diversity at Board level, to reflect the growing breadth and diversity of the Regus Group's operations; and
- having an international holding company and a group structure that is designed better to facilitate the Regus Group's financial management and which will also help protect the Regus Group's taxation position given the ongoing uncertainty surrounding the UK tax treatment of international groups whose holding company is UK tax resident.

In order to implement this, the Directors believe that the most appropriate structure is for New Regus to have its head office in Luxembourg (which involves New Regus having its place of central management and tax residence in Luxembourg). Luxembourg has been chosen as it meets all necessary commercial criteria including providing both greater certainty and stability for the Regus Group's taxation position as the Regus Group continues to develop worldwide.

The Proposals also provide the opportunity to reduce the overall tax rate of the Regus Group, in particular as a result of providing the opportunity to reduce the effective rate of taxation on income from key group assets. It is expected that the Proposals will be earnings enhancing from 2009 onwards.

In order to achieve the objective of greater international diversity at Board level and to ensure New Regus' place of central administration (head office) and tax residence is Luxembourg, it will be necessary to make certain changes. These changes include the appointment of three new non-executive directors to the New Regus Board who are not currently serving as non-executive directors of Old Regus, namely Douglas Sutherland, Lance Browne and Ulrich Ogiermann (the "**New NEDs**"). Each of the New NEDs has relevant experience at international companies and will help to achieve greater international diversity at Board level. In addition, Rudy Lobo, Stephen East and Roger Orf intend to resign from the Old Regus Board with effect from the Scheme Effective Date and will not be appointed to the New Regus Board.

Following the implementation of the Scheme, the New Regus Directors intend New Regus to adopt the existing dividend and share repurchase policies of Old Regus.

3. Outline of the Proposals

3.1 The Scheme

Under the Scheme, New Regus will issue New Regus Ordinary Shares to former Old Regus Ordinary Shareholders in the ratio set out in paragraph 1 of this Part in consideration for the cancellation of the Scheme Ordinary Shares and the issue of new shares in Old Regus to New Regus.

Following the cancellation of the Scheme Ordinary Shares, the share capital of Old Regus will be restored to its former nominal amount and the credit arising in the books of Old Regus as a result of the cancellation will be applied in paying up in full new shares in Old Regus such that the aggregate nominal value of those shares equals the aggregate nominal value of the Scheme Ordinary Shares cancelled. The new shares in

Old Regus will be issued to New Regus which will, as a result, become the holding company of Old Regus and the Regus Group. New Regus will in turn issue New Regus Ordinary Shares to former Old Regus Ordinary Shareholders on a one-for-one basis.

3.2 Old Regus Reduction of Capital

Old Regus intends to make an application to the High Court to implement the Old Regus Reduction of Capital. It is expected that the Old Regus Reduction of Capital will become effective shortly after the Scheme Effective Date.

Subject to the approval of the Old Regus Reduction of Capital by Old Regus Ordinary Shareholders at the General Meeting, it is intended that the amount standing to the credit of Old Regus' non-distributable profit and loss reserve be capitalised by issuing A Shares of an aggregate nominal value of such amount to New Regus shortly after the Scheme Effective Date.

Subject to the confirmation of the High Court, the A Shares will then be cancelled and the reserve arising from such cancellation will become a distributable reserve in Old Regus.

The purpose of the Old Regus Reduction of Capital is to create additional distributable reserves in Old Regus that will be available to be distributed by Old Regus to those New Regus Shareholders who wish to receive their entitlement to New Regus dividends from a UK source in accordance with the IAS arrangements as further described in paragraph 6 of Part 2 or for any other lawful purpose to which such a reserve may be applied.

3.3 New Regus Reduction of Capital

New Regus intends to make an application to the Jersey Court to implement the New Regus Reduction of Capital. It is expected that the New Regus Reduction of Capital will become effective on or around 24 October 2008.

The New Regus Ordinary Shares to be issued pursuant to the Scheme will have a nominal value of 1 pence each but will be recorded at fair value (being equal to the Closing Price of the Old Regus Ordinary Shares on the day prior to their delisting). This will give rise to the creation of a substantial share premium account in New Regus. Subject to (inter alia) the confirmatory approval of the New Regus Reduction of Capital by Old Regus Ordinary Shareholders at the General Meeting (which is conditional on all other resolutions proposed at the General Meeting being passed), the Scheme becoming effective and fully implemented and the sanction of the Jersey Court, £520 million or, if less, all amounts standing to the credit of New Regus' share premium account will be re-characterised as a distributable reserve. On the basis of the market capitalisation of Old Regus as at close of trading on 5 September (the latest practicable date prior to the publication of this document), the New Regus Reduction of Capital would leave New Regus with approximately £9,500,000 of share capital and approximately £226,723,000 of share premium.

The purpose of the New Regus Reduction of Capital is to create a distributable reserve that will be available to be distributed as dividends, at the discretion of the Directors and subject to the approval of the New Regus Ordinary Shareholders, to New Regus Ordinary Shareholders from time to time or for any other lawful purpose to which such a reserve may be applied (including share buybacks). The New Regus Reduction of Capital is designed to create in New Regus a significant level of distributable reserves to enable New Regus to continue Old Regus' existing dividend and share repurchase policies in a financially and operationally efficient manner.

The New Regus Reduction of Capital is a legal and accounting adjustment and will not of itself have any direct impact on the market value of the New Regus Ordinary Shares or the number of New Regus Ordinary Shares held by each New Regus Ordinary Shareholder.

3.4 New Regus

New Regus will have substantially the same business and operations immediately after the Scheme Effective Date as Old Regus has immediately before the Scheme Effective Date. The assets and liabilities of the Regus Group immediately after the Scheme Effective Date will not substantially differ from the assets and liabilities it had before the Scheme Effective Date.

Immediately upon the Scheme becoming effective, a New Regus Ordinary Shareholder will effectively have the same proportionate interest in the profits, net assets and dividends of the Regus Group as they

currently have as an Old Regus Ordinary Shareholder immediately prior to the Scheme becoming effective.

Further information regarding New Regus is contained in the Prospectus which is available in electronic form on the Regus Group's website at www.regus.com/investors. Hard copies of the Prospectus are available on request by writing to Old Regus at its registered office or to the Registrars, at their offices at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Application will be made for the New Regus Ordinary Shares to be admitted to the Official List of the UK Listing Authority and to be traded on the London Stock Exchange's main market for listed securities.

The last day of dealings in Old Regus Ordinary Shares is expected to be 13 October 2008. The last time for registration of transfers of Old Regus Ordinary Shares is expected to be 6:00 p.m. on 13 October 2008, the Scheme Record Date. It is expected that admission of New Regus Ordinary Shares will become effective and that dealings will commence at 8:00 a.m. on 14 October 2008.

These dates may be deferred if it is necessary to adjourn any meetings required to approve the arrangements described in this document or if there is any delay in obtaining the Court's sanction of the Scheme. In the event of a delay, the application for the Old Regus Ordinary Shares to be delisted will be deferred, so that the listing will not be cancelled until immediately before the Scheme takes effect.

3.5 Old Regus Share Schemes and New Regus Share Schemes

Details of proposals regarding holders of options granted under, and other participants in, the Old Regus Share Schemes are set out in paragraph 6 of Part 3. Details in respect of the New Regus Share Schemes are also set out in paragraph 6 of Part 3.

3.6 General

The Scheme will not be implemented unless certain approvals are obtained, including the sanction of the Court and the approval of the Scheme by the Old Regus Ordinary Shareholders at the Court Meeting and the approval by the Old Regus Ordinary Shareholders of certain resolutions required in connection with the Scheme at the General Meeting. The Court Meeting and the General Meeting have been convened for 3:00 p.m. and 3:15 p.m. respectively on 24 September 2008.

A full explanation of the Scheme is contained in Dresdner Kleinwort's explanatory letter in Part 2. Among other things, Part 2 explains certain proposals relating to the treatment of Overseas Shareholders.

The necessary shareholder resolution for New Regus to adopt the New Regus Articles has already been passed by the holders of the New Regus Initial Ordinary Shares. Confirmatory approval relating to the adoption of the New Regus Articles is being sought from the Old Regus Ordinary Shareholders as one of the special resolutions to be proposed at the General Meeting. Further information on the New Regus Articles is contained in paragraphs 1 and 2 of Part 3.

4. Income access share arrangements

New Regus intends to put into place, after completion of the Scheme, IAS arrangements. To the extent that they are effected and operated, these arrangements will mean that New Regus Ordinary Shareholders are able to choose whether they receive dividends from a company resident for tax purposes in Luxembourg (i.e. New Regus) or receive dividends under the IAS arrangements from a company resident for tax purposes in the United Kingdom.

Since any dividends paid under the IAS arrangements will be paid by a company or companies resident for tax purposes only in the UK, such dividends should not be subject to any Luxembourg withholding tax. As set out in greater detail in paragraph 5.3 of Part 3, such dividend payments will not be subject to a withholding in respect of UK tax. For further detail on certain tax implications for certain classes of New Regus Ordinary Shareholders of the IAS arrangements, please refer to paragraph 5 of Part 3 below.

If you are in any doubt about your tax position in relation to the Proposals or the holding of New Regus Ordinary Shares, you should consult your own professional adviser without delay.

A New Regus Ordinary Shareholder who holds 25,000 or fewer New Regus Ordinary Shares at the time he becomes a New Regus Ordinary Shareholder pursuant to the Scheme, and who does not make a contrary election, will be deemed to have made an election (pursuant to the New Regus Articles) such that, to the extent the IAS arrangements are effected and operated, he will receive his dividends under these

arrangements from the IAS Issuers. Equally, a New Regus Ordinary Shareholder who first acquires his New Regus Ordinary Shares after the Scheme Effective Date, who holds 25,000 or fewer New Regus Ordinary Shares on the first dividend record date after he becomes a New Regus Ordinary Shareholder, and who does not make a contrary election, will be deemed to have made an election (pursuant to the New Regus Articles) such that, to the extent that the IAS arrangements are effected and operated, he will receive his dividends under the IAS arrangements from the IAS Issuers.

Where a New Regus Ordinary Shareholder holds New Regus Ordinary Shares in more than one designated account, each designated account shall be considered separately for the purposes of any IAS election made or deemed to have been made. References to a "New Regus Ordinary Shareholder" should be read as references to the New Regus Ordinary Shareholder in respect of a particular designated account.

Further details of the IAS arrangements are set out in paragraph 6 of Part 2 and paragraph 4 of Part 3.

5. Taxation

Your attention is drawn to the general guidance on the tax position of Old Regus Ordinary Shareholders set out in paragraph 5 of Part 3 of this document.

Paragraph 5 of Part 3 is intended as a guide only and any Old Regus Ordinary Shareholders who are in any doubt as to their tax position, or who are resident for tax purposes outside of the United Kingdom are strongly advised to consult an appropriate independent professional adviser.

6. Current trading and prospects

Given the current forward order book the outlook for the remainder of 2008 remains unchanged.

Looking towards 2009, whilst the Regus Group is seeing a softening in one or two of its leading indicators, the Board believes that the Regus Group's business model with its broad range of customers and geographies and the flexibility in its cost base and lease portfolio is well placed to meet these challenges.

Additionally the strong balance sheet and ongoing cash generation ensures that the Regus Group is well positioned to exploit opportunities to drive continued growth.

7. Action to be taken

The Scheme requires approval by a simple majority by number of those Old Regus Ordinary Shareholders present and voting (either in person or by proxy) at the Court Meeting representing not less than 75 per cent. of the nominal value of the Old Regus Ordinary Shares voted by those Old Regus Ordinary Shareholders. To be effective, the Scheme also requires the passing of a special resolution at the General Meeting.

The implementation of the Old Regus Reduction of Capital will require the passing of a special resolution at the General Meeting and the implementation of the New Regus Reduction of Capital will require the passing of a confirmatory special resolution at the General Meeting.

Confirmatory approval relating to the adoption of the New Regus Articles is being sought from the Old Regus Ordinary Shareholders as one of the special resolutions to be proposed at the General Meeting.

It is proposed that the adoption by Regus plc of the New Regus Share Plans will be put forward to the General Meeting as ordinary resolutions.

The resolutions are all inter-conditional and so in order to implement the Proposals you should vote in favour of all the resolutions proposed.

Further particulars of the Court Meeting and the General Meeting are contained in the explanatory letter from Dresdner Kleinwort contained in Part 2.

In addition, the Scheme requires the confirmation of the Court. The court hearing to approve the Scheme is expected to be held on 13 October 2008.

You will find enclosed with this document:

- a blue form of proxy for use by Old Regus Ordinary Shareholders in respect of the Court Meeting; and
- a white form of proxy for use by Old Regus Ordinary Shareholders in respect of the General Meeting.

In order that the Court can be satisfied that the votes cast fairly represent the views of Old Regus Ordinary Shareholders, it is important that as many votes as possible are cast at the Court Meeting. Old Regus Ordinary Shareholders are therefore urged to attend the Court Meeting in person or by proxy.

Whether or not you propose to attend in person at the meeting in question, you are requested to complete, sign and return the forms of proxy as soon as possible and in any event at least 48 hours before the time fixed for the relevant meeting or any adjournment thereof (alternatively the blue form of proxy for the Court Meeting, but not the white form of proxy for the General Meeting, may be handed to the Chairman of the Court Meeting or the Registrars immediately prior to the commencement of that meeting). The completion and return of a form of proxy will not prevent you from attending and voting in person at the Court Meeting and General Meeting, if you so wish and are so entitled.

8. Overseas Shareholders

If you are a citizen, resident or national of a jurisdiction outside the United Kingdom, your attention is drawn to paragraph 11 of Part 2 for further details concerning the Scheme.

9. Financial advice

The Board has received financial advice in relation to the Proposals from Dresdner Kleinwort. In providing such advice to the Board, Dresdner Kleinwort has relied upon the Directors' commercial assessment of the terms of the Proposals.

10. Recommendation

The Board, having been so advised by Dresdner Kleinwort, considers the Proposals and their terms to be fair and reasonable. The Board also considers the Proposals and their terms to be in the best interests of Old Regus Ordinary Shareholders as a whole and accordingly, the Board unanimously recommends Old Regus Ordinary Shareholders to vote in favour of the Scheme at the Court Meeting and to vote in favour of the resolutions proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings of Old Regus Ordinary Shares, being in aggregate 363,276,325 Old Regus Ordinary Shares, which represent approximately 38.31 per cent. of Old Regus' issued ordinary share capital as at 5 September, 2008, the latest practicable date prior to publication of this document, and which represent approximately 38.31 per cent. of the votes attached to Old Regus Ordinary Shares in issue on 5 September, 2008 that could be cast at the General Meeting.

11. Further information

Your attention is drawn to:

- the explanatory letter from Dresdner Kleinwort in Part 2;
- the Scheme in Part 5; and
- the notices of meetings in Part 6.

Yours faithfully



John Matthews
Chairman

PART 2 — EXPLANATION OF THE SCHEME AND ITS EFFECTS
(IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006)



8th September 2008

To the holders of Old Regus Ordinary Shares.

Dear Shareholder,

Recommended proposals relating to the introduction of a new holding company to be effected by means of a scheme of arrangement

1. Introduction

The Regus Group has become, and will continue to develop as, a true international business. The Regus Group is currently spread across a global footprint of over 900 locations, in 400 cities and 71 countries. As a result, for the 6 months ended 30 June 2008, more than 78 per cent. of the Regus Group's global revenue and 84 per cent. of the Regus Group's gross profit was generated outside the United Kingdom.

As a result of this, the Board believes that the future growth of the Regus Group would be assisted by:

- greater international diversity at Board level, to reflect the growing breadth and diversity of the Regus Group's operations; and
- having an international holding company and a group structure that is designed better to facilitate the Regus Group's financial management and which will also help protect the Regus Group's taxation position given the ongoing uncertainty surrounding the UK tax treatment of international groups whose holding company is UK tax resident.

In order to implement this, the Directors believe that the most appropriate structure is for New Regus to have its head office in Luxembourg (which involves New Regus having its place of central management and tax residence in Luxembourg). Luxembourg has been chosen as it meets all necessary commercial criteria including providing both greater certainty and stability for the Regus Group's taxation position as the Regus Group continues to develop worldwide.

The Proposals also provide the opportunity to reduce the overall tax rate of the Regus Group, in particular as a result of providing the opportunity to reduce the effective rate of taxation on income from key group assets. It is expected that the Proposals will be earnings enhancing from 2009 onwards.

In order to achieve the objective of greater international diversity at Board level and to ensure New Regus' place of central administration (head office) and tax residence is Luxembourg, it will be necessary to make certain changes. These changes include the appointment of three new non-executive directors to the New Regus Board who are not currently serving as non-executive directors of Old Regus, namely Douglas Sutherland, Lance Browne and Ulrich Ogiermann (the "**New NEDs**"). Each of the New NEDs has relevant experience at international companies and will help to achieve greater international diversity at Board level. In addition, Rudy Lobo, Stephen East and Roger Orf intend to resign from the Old Regus Board with effect from the Scheme Effective Date and will not be appointed to the New Regus Board.

If the Scheme is approved and becomes effective, it will result in holders of Old Regus Ordinary Shares becoming holders of New Regus Ordinary Shares and in Old Regus becoming wholly-owned subsidiary of New Regus. New Regus will have substantially the same business and operations immediately after the Scheme Effective Date as Old Regus has immediately before the Scheme Effective Date. The assets and liabilities of the Regus Group immediately after the Scheme Effective Date will not substantially differ from the assets and liabilities it had before the Scheme Effective Date.

The Scheme will, inter alia, require the approval of Old Regus Ordinary Shareholders at the Court Meeting and the passing by Old Regus Ordinary Shareholders of a special resolution at the General Meeting as explained in paragraph 13 below.

A description of the action recommended to be taken by Old Regus Ordinary Shareholders in relation to the Court Meeting and the General Meeting is set out in paragraph 18 below. The full text

of the Scheme is set out in Part 5. The full text of each of the resolutions to be proposed at the Court Meeting and the General Meeting is set out in Part 6.

The Board has recommended that the Old Regus Ordinary Shareholders vote in favour of the proposed Scheme at the Court Meeting and vote in favour of the resolutions to be proposed at the General Meeting.

It is expected that, if approved, the Scheme will become effective and that trading in the New Regus Ordinary Shares will commence at 8:00 a.m. on 14 October 2008.

2. Summary of the Proposals

2.1 The Scheme

The principal steps involved in the Scheme are as follows:

(i) Cancellation of Scheme Ordinary Shares

Under the Scheme, all the Scheme Ordinary Shares will be cancelled on the Scheme Effective Date (which is expected to be 14 October 2008).

In consideration for the cancellation of the Scheme Ordinary Shares, the Scheme Ordinary Shareholders will receive, in respect of any Scheme Ordinary Shares held as at the Scheme Record Time (6:00 p.m. on the Scheme Record Date):

for each Scheme Ordinary Share cancelled

one New Regus Ordinary Share

With effect from the Scheme Effective Date, the rights attaching to the New Regus Ordinary Shares will be substantially the same as those attaching to the existing Old Regus Ordinary Shares. Upon the implementation of the Scheme, a New Regus Ordinary Shareholder will effectively have the same proportionate interest in the profits, net assets and dividends of the Regus Group as he currently has as an Old Regus Ordinary Shareholder.

A summary of the rights attaching the New Regus Ordinary Shares is set out in paragraph 2 of Part 3 of this document. A summary of the principal differences between the Old Regus Articles and the New Regus Articles is set out in paragraph 1 of Part 3 below.

(ii) Establishing New Regus as the new holding company of the Regus Group

Following the cancellation of the Scheme Ordinary Shares, the share capital of Old Regus will be restored to its former nominal amount and the credit arising in the books of Old Regus as a result of the cancellation will be applied in paying up in full new shares in Old Regus such that the aggregate nominal value of those shares equals the aggregate nominal value of the Scheme Ordinary Shares cancelled. The new shares in Old Regus will be issued to New Regus which will, as a result, become the holding company of Old Regus and the Regus Group.

2.2 Issue of the New Regus Scheme Shares and Subscription and Contribution Agreement

The Board (or a duly authorised committee of the Board) will appoint a person to execute a subscription and contribution agreement in respect of the Scheme Ordinary Shares on behalf of the holders of the Scheme Ordinary Shares immediately after the Scheme becomes effective. The Subscription and Contribution Agreement, which will be governed by Luxembourg law and subject to the jurisdiction of the Luxembourg Courts will, among other things, provide that,

- (A) such person as is appointed by the Board (or a duly authorised committee) will subscribe for the New Regus Ordinary Shares on behalf of the holders of the Scheme Ordinary Shares; and
- (B) the holders of the Scheme Ordinary Shares and New Regus agree that the cancellation of the Scheme Ordinary Shares, on terms that the amount arising out of the cancellation of such shares is applied in paying up the new shares in Old Regus to be issued to New Regus, will satisfy the consideration for the New Regus Ordinary Shares.

The full terms of the Subscription and Contribution Agreement (which may be modified by agreement between New Regus and Old Regus prior to the Court Hearing) are set out in Part 4 of this document.

Further, Old Regus Ordinary Shares may have to be allotted before the Scheme comes into effect (for example, because of the exercise of rights granted by Old Regus under the Old Regus Share Schemes). In

some cases, the precise timing of their allotment could leave them outside the scope of the Scheme. In order to ensure that this does not occur, it is proposed that the Old Regus Articles should be amended in such a way so as to ensure that: (i) any Old Regus Ordinary Shares which are issued after the Scheme is approved but prior to confirmation by the High Court of the reduction of Old Regus' ordinary share capital provided for under the Scheme will be allotted and issued subject to the terms of the Scheme and that the holders of such shares will be bound by the Scheme accordingly; (ii) any Old Regus Ordinary Shares which are allotted otherwise than to New Regus (or to a nominee of New Regus) after confirmation by the High Court of the reduction of capital of Old Regus provided for under the Scheme will be acquired by New Regus in exchange for the issue of New Regus Ordinary Shares to the allottees; and (iii) in the event that any Old Regus Ordinary Shares are allotted to any person within (ii) above following variation in the share capital of either Old Regus or New Regus or such other event as the New Regus Directors consider fair and reasonable after the Scheme Effective Date, the number of New Regus Ordinary Shares to be issued to that person will be adjusted in an appropriate manner, provided Old Regus' auditors have confirmed the adjustment is fair and reasonable. In this way the allottees in question will receive New Regus Ordinary Shares instead of Old Regus Ordinary Shares.

2.3 Old Regus Reduction of Capital

Old Regus intends to make an application to the High Court to implement the Old Regus Reduction of Capital. It is expected that the Old Regus Reduction of Capital will become effective shortly after the Scheme Effective Date.

Subject to the approval of the Old Regus Reduction of Capital by Old Regus Ordinary Shareholders at the General Meeting, it is intended that the amount standing to the credit of Old Regus' non-distributable profit and loss reserve be capitalised by issuing A Shares of an aggregate nominal value of such amount to New Regus shortly after the Scheme Effective Date.

Subject to the confirmation of the High Court, the A Shares will then be cancelled and the reserve arising from such cancellation will become a distributable reserve in Old Regus.

The purpose of the Old Regus Reduction of Capital is to create additional distributable reserves in Old Regus that will be available to be distributed by Old Regus to those New Regus Shareholders who wish to receive their entitlement to New Regus dividends from a UK source in accordance with the IAS arrangements as further described in paragraph 6 of Part 2 or for any other lawful purpose to which such a reserve may be applied.

2.4 New Regus Reduction of Capital

New Regus intends to make an application to the Jersey Court to implement the New Regus Reduction of Capital. It is expected that the New Regus Reduction of Capital will become effective on or around 24 October, 2008.

The New Regus Ordinary Shares to be issued pursuant to the Scheme will have a nominal value of 1 pence each but will be recorded at fair value (being equal to the Closing Price of the Old Regus Ordinary Shares on the day prior to their delisting). This will give rise to the creation of a substantial share premium account in New Regus. Subject to the approval of the New Regus Reduction of Capital by Old Regus Ordinary Shareholders at the General Meeting (which is conditional on all other resolutions proposed at the General Meeting being passed), the Scheme becoming effective and fully implemented and the sanction of the Jersey Court, £520 million or, if less, all amounts standing to the credit of New Regus' share premium account will be re-characterised as a distributable reserve. On the basis of the market capitalisation of Old Regus as at close of trading on 5 September (the latest practicable date prior to the publication of this document), the New Regus Reduction of Capital would leave New Regus with approximately £9,500,000 of share capital and approximately £226,723,000 of share premium.

The purpose of the New Regus Reduction of Capital is to create a distributable reserve that will be available to be distributed as dividends, at the discretion of the Directors and subject to the approval of the New Regus Ordinary Shareholders, to New Regus Ordinary Shareholders from time to time or for any other lawful purpose to which such a reserve may be applied (including share buybacks). The New Regus Reduction of Capital is designed to create in New Regus a significant level of distributable reserves to enable New Regus to continue Old Regus' existing dividend and share repurchase policies in a financially and operationally efficient manner.

The New Regus Reduction of Capital is a legal and accounting adjustment and will not of itself have any direct impact on the market value of the New Regus Ordinary Shares or the number of New Regus Ordinary Shares held by each New Regus Ordinary Shareholder.

The necessary shareholder resolution for New Regus to implement the New Regus Reduction of Capital has already been passed (conditional upon the Scheme becoming effective) by the holders of the New Regus Initial Ordinary Shares. Confirmatory approval relating to the New Regus Reduction of Capital is being sought from the Old Regus Ordinary Shareholders as one of the special resolutions to be proposed at the General Meeting. The New Regus Reduction of Capital will also require the confirmation of the Jersey Court.

2.5 Old Regus Share Schemes and New Regus Share Schemes

Details of proposals regarding holders of options granted under, and other participants in, the Old Regus Share Schemes are set out in paragraph 6 of Part 3. Details in respect of the New Regus Share Schemes are also set out in paragraph 6 of Part 3.

3. Conditions to and implementation of the Proposals

3.1 The Scheme

The Scheme will not become effective and binding unless:

- (i) the Scheme is approved at the Court Meeting;
- (ii) the special resolution set out in the notice of the General Meeting to approve the Scheme, the cancellation of the Scheme Ordinary Shares, the creation of New Regus Ordinary Shares, the allotment of New Regus Ordinary Shares by the Directors (pursuant to the Scheme) and certain amendments to the Old Regus Articles is passed, which is conditional upon the passing of all the other resolutions set out in the notice of the General Meeting;
- (iii) the Scheme is sanctioned by the High Court and the High Court confirms the reduction of Old Regus' ordinary share capital which occurs as a result of the cancellation of Old Regus Ordinary Shares as part of the Scheme; and
- (iv) a copy of the order of the High Court sanctioning the Scheme and confirming the reduction of Old Regus' ordinary share capital under the Scheme has been delivered to the registrar of companies for England and Wales for registration and the order and relevant minutes are registered by him.

The Court Hearing (at which it is proposed that the High Court sanctions the Scheme) is expected to be held on or around 13 October 2008. Shareholders or creditors who wish to oppose the Scheme will be informed by advertisement in a newspaper with national distribution in the United Kingdom of their right to appear in person, or be represented by counsel, at the Court Hearing.

In addition, the Directors will not take the necessary steps to enable the Scheme to become effective unless, at the relevant time, the following conditions have been satisfied:

- (v) the UK Listing Authority has agreed to admit (subject to the satisfaction of conditions (i)-(iv) above, save to the extent already satisfied) the New Regus Ordinary Shares to be issued in connection with the Scheme to the Official List and its agreement has not been withdrawn prior to the Scheme Effective Date; and
- (vi) the London Stock Exchange has agreed to admit the New Regus Ordinary Shares to be issued in connection with the Scheme to trading on its main market for listed securities and its agreement has not been withdrawn prior to the Scheme Effective Date.

If the Scheme is sanctioned by the High Court and conditions (v) and (vi) above are satisfied, the Scheme is expected to become effective and dealings in the New Regus Ordinary Shares to be issued pursuant to the Scheme are expected to commence on 14 October 2008.

If the Scheme has not become effective by 31 March 2009 (or such later date as the High Court may allow), it will lapse, in which event the Scheme will not proceed, Old Regus Ordinary Shareholders will remain holders of Old Regus Ordinary Shares and the Old Regus Ordinary Shares will continue to be listed on the Official List.

The Scheme contains a provision for Old Regus and New Regus jointly to consent on behalf of all persons concerned to any modification of or addition to the Scheme, or to any condition which the High Court may think fit to approve or impose. Old Regus has been advised by its legal advisers that the High Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interest of Old Regus Ordinary Shareholders unless Old Regus Ordinary Shareholders were informed of any such modification, addition or condition. If the High Court does approve or impose a modification of, or addition or condition to, the Scheme which in the opinion of the Directors, is such as to require consent of the Old Regus Ordinary Shareholders, the Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

The full text of the Scheme and of the resolutions to be proposed at the Court Meeting and the General Meeting are set out in Parts 5 and 6 respectively.

3.2 Old Regus Reduction of Capital

The Old Regus Reduction of Capital is conditional upon the following:

- (i) the passing of the special resolution relating to the Old Regus Reduction of Capital as set out in the notice of the General Meeting by the Old Regus Ordinary Shareholders, which is conditional upon the passing of all the other resolutions set out in the notice of the General Meeting;
- (ii) the confirmation by the High Court of the cancellation of the A Shares; and
- (iii) a copy of the order of the High Court confirming the reduction of Old Regus' share capital through the cancellation of the A Shares being delivered to the registrar of companies for England and Wales for registration and the order and relevant minutes being registered by him.

3.3 New Regus Reduction of Capital

The New Regus Reduction of Capital is conditional upon the following:

- (i) the Scheme becoming effective and being fully implemented;
- (ii) the passing of the confirmatory special resolution relating to the New Regus Reduction of Capital set out in the notice of the General Meeting by the Old Regus Ordinary Shareholders, which is conditional upon the passing of all the other resolutions set out in the notice of the General Meeting;
- (iii) the confirmation of the New Regus Reduction of Capital by the Jersey Court; and
- (iv) the registration by the Jersey registrar of companies of an office copy of the order of the Jersey Court confirming the New Regus Reduction of Capital.

3.4 New Regus Share Schemes

The adoption of the New Regus Share Schemes is conditional upon the passing of ordinary resolutions by the Old Regus Ordinary Shareholders in respect of each New Regus Share Scheme as set out in the notice of the General Meeting, which resolutions are conditional upon the passing of all the other resolutions set out in the notice of the General Meeting.

4. Effect of the Proposals

The effect of full implementation of the Proposals will be as follows:

- (A) instead of having its ordinary share capital owned by the Old Regus Ordinary Shareholders, Old Regus will become a wholly-owned subsidiary of New Regus;
- (B) instead of owning (immediately upon the Scheme becoming effective) Old Regus Ordinary Shares, each Scheme Ordinary Shareholder will come to own the same number of New Regus Ordinary Shares as the number of Old Regus Ordinary Shares held by him immediately prior to the date on which the Scheme becomes effective; and
- (C) through its holding of Old Regus, New Regus will come to own all of the business of the Regus Group.

The proportions of New Regus Ordinary Shares which come to be held by Scheme Ordinary Shareholders may nevertheless be affected by the exercise of outstanding options to subscribe for Old Regus Ordinary Shares pursuant to the Old Regus Share Schemes. However, even were the Scheme not to become

effective, the proportions in which Old Regus Ordinary Shareholders would have held Old Regus Ordinary Shares would have been affected to the same extent by the exercise of equivalent rights over Old Regus Ordinary Shares.

The proportion of New Regus Ordinary Shares held by Scheme Ordinary Shareholders will also be subject to the exercise of options under the New Regus Share Schemes, if approved at the General Meeting.

5. Taxation

Your attention is drawn to the general guidance on the tax position of Old Regus Ordinary Shareholders set out in paragraph 5 of Part 3 of this document.

Paragraph 5 of Part 3 is intended as a guide only and any Old Regus Ordinary Shareholders who are in any doubt as to their tax position, or who are resident for tax purposes outside of the United Kingdom are strongly advised to consult an appropriate independent professional adviser.

6. Income access share arrangements

New Regus intends to put into place, after completion of the Scheme, IAS arrangements. To the extent that they are effected and operated, these arrangements will mean that New Regus Ordinary Shareholders are able to choose whether they receive dividends from a company resident for tax purposes in Luxembourg (i.e. New Regus) or receive dividends under the IAS arrangements from a company resident for tax purposes in the United Kingdom.

Since any dividends paid under the IAS arrangements will be paid by a company or companies resident for tax purposes only in the UK, such dividends should not be subject to any Luxembourg withholding tax. As set out in greater detail in paragraph 5.3 of Part 3, such dividend payments will not be subject to a withholding in respect of UK tax. For further detail on certain tax implications for certain classes of New Regus Ordinary Shareholders of the IAS arrangements, please refer to paragraph 5 of Part 3 below.

If you are in any doubt about your tax position in relation to the Proposals or the holding of New Regus Ordinary Shares, you should consult your own professional adviser without delay.

A New Regus Ordinary Shareholder who holds 25,000 or fewer New Regus Ordinary Shares at the time he becomes a New Regus Ordinary Shareholder pursuant to the Scheme, and who does not make a contrary election, will be deemed to have made an election (pursuant to the New Regus Articles) such that, to the extent that the IAS arrangements are effected and operated, he will receive his dividends under these arrangements from the IAS Issuers. Equally, a New Regus Ordinary Shareholder who first acquires his New Regus Ordinary Shares after the Scheme Effective Date, who holds 25,000 or fewer New Regus Ordinary Shares on the first dividend record date after he becomes a New Regus Ordinary Shareholder, and who does not make a contrary election, will be deemed to have made an election (pursuant to the New Regus Articles) such that, to the extent that the IAS arrangements are effected and operated, he will receive his dividends under these arrangements from the IAS Issuers.

Where a New Regus Ordinary Shareholder holds New Regus Ordinary Shares in more than one designated account, each designated account shall be considered separately for the purposes of any IAS election made or deemed to have been made. References to a "New Regus Ordinary Shareholder" should be read as references to the New Regus Ordinary Shareholder in respect of a particular designated account.

It is the expectation, although there can be no certainty, that the IAS Issuers will distribute dividends on the IAS to the IAS Trustee for the benefit of all New Regus Ordinary Shareholders who make (or are deemed to make) an IAS Election in an amount equal to what would have been such New Regus Ordinary Shareholders' entitlement to dividends from New Regus in the absence of the IAS Election. To the extent that any dividends paid on the IAS to the IAS Trustee and on-paid by the IAS Trustee to the New Regus Ordinary Shareholders are of an aggregate amount which is less than the amount which would have been such New Regus Ordinary Shareholders' entitlement to dividends from New Regus in the absence of the IAS Election, the dividends on the IAS received by the IAS Trustee will be allocated pro rata to such New Regus Ordinary Shareholders and New Regus will pay the balance by way of dividend. In such circumstances, there will be no grossing up by New Regus in respect of, and New Regus and the IAS Issuers will not compensate those New Regus Ordinary Shareholders for, any adverse consequences including any Luxembourg withholding tax consequences.

The IAS arrangements may be suspended or terminated at any time, in which case the full New Regus dividend will be paid directly by New Regus to those New Regus Ordinary Shareholders who have made (or are deemed to have made) an IAS Election. In such circumstances, there will be no grossing up by New Regus in respect of, and New Regus and the IAS Issuers will not compensate those New Regus Ordinary Shareholders for, any adverse consequences including any Luxembourg withholding tax consequences.

The forms for making an election to receive dividends pursuant to these arrangements have been sent to Old Regus Ordinary Shareholders with this document and, from the Scheme Effective Date, will also be available from New Regus's registrars, Equiniti (Jersey) Limited, at PO Box 63, 11-12 Esplanade, St Helier, Jersey JE4 8PH.

Any such IAS Election shall remain effective unless and until a contrary election in writing is made to New Regus. Any New Regus Ordinary Shareholder can elect at any time to change a previous election made or deemed to have been made by notifying New Regus in writing.

A summary of certain tax implications for certain categories of New Regus Ordinary Shareholders of these arrangements are set out in paragraph 5 of Part 3 of this document.

7. Memorandum and articles of association of New Regus

There are a number of differences between the Old Regus Articles and the New Regus Articles. These arise by reason of New Regus being a company incorporated in Jersey and not in England and by virtue of New Regus having its place of central administration (head office) in Luxembourg.

Where appropriate and subject to the Jersey Companies Law, provisions have been incorporated into the New Regus Articles to enshrine certain rights that are not conferred by the Jersey Companies Law but which shareholders in a London listed company would normally expect. Certain amendments have also been made to reflect the fact that New Regus will have its place of central administration (head office) in Luxembourg.

A summary of the principal differences between the New Regus Articles and the Old Regus Articles is set out in paragraph 1 of Part 3 of this document. A further description of certain provisions of the New Regus Articles and the differences between English and Luxembourg law and the implications of New Regus being a company incorporated in Jersey with its place of central administration (head office) in Luxembourg are set out in paragraphs 2 and 3 respectively of Part 3 of this document.

8. Directors and other interests

Certain directors of Old Regus (John Matthews, Mark Dixon, Stephen Gleadle and Martin Robinson) have been appointed directors of New Regus.

The effect of the Scheme on the interests of the Directors (details of which are set out in paragraph 16 below) does not differ from its effect on the like interests of other persons. Shareholders are, however, referred to the matters described in paragraphs 2 and 3 of Part 3 of this document in relation to the effect on Directors arising from the differences between the Old Regus Articles and the New Regus Articles and the fact that New Regus is incorporated in Jersey and having its place of central administration (head office) in Luxembourg. The main implications and effects of the differences between the New Regus Articles and the Old Regus Articles and of New Regus being a Jersey incorporated company tax-resident in Luxembourg on interests of the Directors are as follows:

- there is no general prohibition on the granting of loans by a company to its directors under either Jersey or Luxembourg law (but directors remain subject to fiduciary duties when considering the grant of any such loans); and
- the permitted aggregate level of directors' fees will be increased from £750,000 to £1,500,000.

In common with other participants in the Old Regus Share Schemes the Directors awards under those schemes will be exchanged as set out in paragraph 6 of Part 3.

After the Scheme Effective Date the New Regus Directors will receive their remuneration from New Regus and the total emoluments receivable by each of those directors will not be varied as a result of the Scheme.

9. Employee share schemes

9.1 Old Regus Share Schemes

Details of proposals regarding holders of options granted under, and other participants in, the Old Regus Share Schemes are set out in paragraph 6 of Part 3.

Under each of the Old Regus Share Schemes, options and awards will not vest or become exercisable as a consequence of the Scheme. Participants in each of these plans will be offered the opportunity to exchange their options or awards for options or awards over New Regus Ordinary Shares of equivalent value and on the same terms.

The new options and awards will become exercisable or vest at the same time as the existing options or awards would have become exercisable or vested and the same performance conditions will apply. The rules of the relevant existing plan will continue to apply with minor changes required to reflect the status of New Regus as a Jersey incorporated company with its place of central administration (head office) in Luxembourg.

9.2 New Regus Share Schemes

New Regus will adopt the New Regus Share Schemes if the Scheme becomes effective. Further information in relation to the New Regus Share Schemes is set out in paragraph 6 of Part 3.

10. CREST

It is proposed that the New Regus Ordinary Shares be made eligible for settlement in CREST, the paperless system for settlement of securities listed by the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities. Further information on the CREST settlement system is set out in paragraph 20 of Part 6 of the Prospectus, a copy of which is available on the Regus Group's website at www.regus.com/investors and hard copies of which are available free of charge upon request by writing to Old Regus at its registered address or to the Registrars at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Information on listing, dealings, share certificates and settlement is set out in paragraph 12 below.

11. Overseas Shareholders

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Scheme. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the allotment and issue of New Regus Ordinary Shares following the Scheme becoming effective, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

If, in respect of any Overseas Shareholder, New Regus is advised that the allotment and issue of New Regus Ordinary Shares would or might infringe the laws of any jurisdiction outside Jersey, Luxembourg or the United Kingdom, or would or might require New Regus to obtain any governmental or other consent or effect any registration, filing or other formality, New Regus may determine that no New Regus Ordinary Shares shall be allotted and issued to such shareholder but instead those New Regus Ordinary Shares shall be allotted and issued to a nominee appointed by New Regus as trustee for such shareholder, on terms that they shall be sold on behalf of such shareholder as soon as reasonably practicable after the Scheme becomes effective, with the net proceeds of sale being remitted to the Overseas Shareholder concerned at the risk of such shareholder. Alternatively, New Regus may determine that the New Regus Ordinary Shares shall be allotted and issued to that Overseas Shareholder and sold, with the net proceeds of sale being remitted to the Overseas Shareholder at the Overseas Shareholder's risk.

This document has been prepared for the purpose of complying with English law and the rules of the UK Listing Authority and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR EXCHANGE OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY OR EXCHANGE ANY SECURITY OR TO BECOME A MEMBER OF NEW REGUS. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

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

11.1 United States

The New Regus Ordinary Shares will not be, and are not required to be, registered under the US Securities Act and will be issued pursuant to the Scheme in reliance on the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) of that Act. For the purpose of qualifying for the Section 3(a)(10) exemption with respect to the New Regus Ordinary Shares issued pursuant to the Scheme, Old Regus will advise the High Court that it will rely on the Section 3(a)(10) exemption based on the High Court's sanctioning of the Scheme, which will be relied upon by Old Regus as an approval of the Scheme following a hearing on its fairness to Old Regus Ordinary Shareholders at which hearing all such Old Regus Ordinary Shareholders will be entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been or will be given to all such shareholders.

The New Regus Ordinary Shares will not be registered under the securities laws of any state of the United States, and will be issued pursuant to the Scheme in reliance on available exemptions from such state law registration requirements or the pre-emption of such requirements by the US Securities Act.

Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved of the New Regus Ordinary Shares or passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

US Shareholders should note that no appraisal or similar rights of dissenting shareholders are to apply in connection with the Scheme as none are required as a matter of English law.

Old Regus Ordinary Shareholders who are citizens or residents of the United States should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme and in their particular circumstances.

11.2 Canada

This document is not, and under no circumstances is to be construed as, an offer to any person in Canada and an advertisement or a public offering of the securities described herein. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein and any representation to the contrary is an offence in Canada.

The New Regus Ordinary Shares will be issued in Canada pursuant to the Scheme and the issuance of the New Regus Ordinary Shares will be exempt from the requirement that New Regus prepare and file a prospectus with the relevant Canadian regulatory authorities pursuant to section 2.11 of National Instrument 45-106 — Prospectus and Registration Exemptions. Accordingly, any resale of the New Regus Ordinary Shares must be made in accordance with applicable securities laws which may require resales to be made pursuant to exemptions from registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Regus Ordinary Shares outside of Canada. Canadian investors are advised to seek legal advice prior to any resale of the New Regus Ordinary Shares.

New Regus is not, and does not intend to become, a "reporting issuer", as such term is defined under applicable Canadian securities legislation, in any province or territory of Canada in which the New Regus Ordinary Shares will be offered and there is currently no public market for the New Regus Ordinary Shares in Canada and no such market may ever develop. Under no circumstances will New Regus be required to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the New Regus Ordinary Shares to the public in any province or territory of Canada. Canadian investors are advised that New Regus currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the New Regus Ordinary Shares to the public in any province or territory of Canada.

Any discussion of taxation and related matters contained in this document does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire the New Regus Ordinary Shares and, in particular, does not address Canadian tax considerations. Shareholders who are Canadian residents should consult their own legal, financial and tax advisers with respect to the tax consequences of the Proposals in their particular circumstances.

New Regus is incorporated under the Jersey Companies Law and has its central administration (head office) registered in Luxembourg as a société anonyme. All or substantially all of New Regus' directors and officers may be located outside of Canada and, as a result, it may not be possible for Canadian investors to effect service of process within Canada upon New Regus or such persons. All or a substantial portion of the assets of New Regus and such other persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against New Regus or such persons in Canada or to enforce a judgment in Canadian courts against New Regus or persons outside of Canada.

Upon receipt of this document, each Canadian investor confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. French translation: Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

12. Listing, dealings, share certificates and settlement

Application will be made to the UK Listing Authority for the New Regus Ordinary Shares to be admitted to the Official List and to the London Stock Exchange for the New Regus Ordinary Shares to be admitted to trading on its market for listed securities. The ISIN of the New Regus Ordinary Shares will be JE00B3CGFD43.

If all the conditions to the Scheme are satisfied, Old Regus intends to seek the delisting of the Old Regus Ordinary Shares from the Official List with effect from the Scheme Effective Date.

The last day of dealings in Old Regus Ordinary Shares is expected to be 13 October 2008. The last time for registration of transfers of Old Regus Ordinary Shares is expected to be 6:00 p.m. on 13 October 2008, the Scheme Record Date.

It is expected that the New Regus Ordinary Shares will be issued, their admission will become effective and that dealings will commence on 14 October 2008.

ON THE SCHEME EFFECTIVE DATE, ALL CERTIFICATES REPRESENTING OLD REGUS ORDINARY SHARES WILL CEASE TO BE VALID AND BINDING IN RESPECT OF SUCH HOLDINGS AND SHOULD BE DESTROYED. DEFINITIVE SHARE CERTIFICATES FOR THE NEW REGUS ORDINARY SHARES OF OLD REGUS ORDINARY SHAREHOLDERS WHO HELD THEIR OLD REGUS ORDINARY SHARES IN CERTIFICATED FORM ARE EXPECTED TO BE DESPATCHED WITHIN 10 BUSINESS DAYS AFTER THE SCHEME EFFECTIVE DATE. IN THE CASE OF JOINT HOLDERS, CERTIFICATES WILL BE DESPATCHED TO THE JOINT HOLDER WHOSE NAME APPEARS FIRST IN THE REGISTER. ALL CERTIFICATES WILL BE SENT BY PRE-PAID FIRST CLASS POST AT THE RISK OF THE PERSON ENTITLED THERETO.

Old Regus Ordinary Shares held in uncertificated form will be disabled in CREST on the Scheme Effective Date.

For Old Regus Ordinary Shareholders who hold their Old Regus Ordinary Shares in a CREST account, New Regus Ordinary Shares are expected to be credited to the relevant CREST accounts on 14 October 2008. CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The New Regus Articles permit the holding of New Regus Ordinary Shares under the CREST system. The Directors will apply for the New Regus Ordinary Shares to be admitted to CREST with effect from admission of the New Regus Ordinary Shares. Accordingly, settlement of transactions in New Regus Ordinary Shares following admission may take place within the CREST system. CREST is a voluntary system and holders of New Regus Ordinary Shares who wish to receive and retain share certificates will be able to do so.

New Regus reserves the right to issue New Regus Ordinary Shares to all shareholders in certificated form if, for any reason, it wishes to do so.

All mandates in force at the Scheme Record Time relating to payment of dividends on Old Regus Ordinary Shares and all instructions then in force relating to notices and other communications will, unless and until varied or revoked, be deemed from the Scheme Effective Date to be valid and effective mandates or instructions to New Regus in relation to the corresponding holding of New Regus Ordinary Shares.

13. Meetings and consents for implementation of the Proposals

The Scheme will require the approval of the Old Regus Ordinary Shareholders at the Court Meeting, convened pursuant to an order of the Court and the passing by Old Regus Ordinary Shareholders of the special resolutions specified in the notice of the General Meeting. Both of the meetings have been convened for 24 September 2008.

New Regus has agreed to appear by Counsel on the hearing of the claim form to sanction the Scheme and to undertake to be bound by the Scheme.

The Scheme also requires a separate sanction from the Court. Notices of the Court Meeting and the General Meeting are contained in Part 6.

(A) Court Meeting

The Court Meeting has been convened for 3:00 p.m. on 24 September 2008 pursuant to an order of the Court. At the Court Meeting, or at any adjournment thereof, the Old Regus Ordinary Shareholders will consider and, if thought fit, approve the Scheme.

Voting will be by poll at the Court Meeting and each Old Regus Ordinary Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote for each Old Regus Ordinary Share held. The statutory majority required to approve the Scheme at the Court Meeting is a simple majority by number of the Old Regus Ordinary Shareholders present and voting (either in person or by proxy) at the Court Meeting representing not less than 75 per cent. of the nominal value of the Old Regus Ordinary Shares voted by such Old Regus Ordinary Shareholders.

In order that the Court can be satisfied that the votes cast constitute a fair representation of the views of the Old Regus Ordinary Shareholders, it is important that as many votes as possible are cast at the Court Meeting. Old Regus Ordinary Shareholders are therefore urged to take the action referred to in paragraph 18 below.

It is also particularly important for you to be aware that if the Scheme becomes effective, it will be binding on all Scheme Ordinary Shareholders irrespective of whether they attended the Court Meeting and irrespective of the manner in which they voted.

(B) The General Meeting

The General Meeting has been convened for 3:15 p.m. on 24 September 2008 (or as soon thereafter as the Court Meeting has finished or is adjourned). At the General Meeting, or at any adjournment thereof, Old Regus Ordinary Shareholders will consider and, if thought fit, pass the resolutions set out in the notice of the General Meeting contained in Part 6. Voting will be by poll at the General Meeting and each Old Regus Ordinary Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote for each Old Regus Ordinary Share held.

(i) Special Resolutions

The special resolutions set out in the notice of the General Meeting are proposed in order to approve:

- (A) the Scheme;
- (B) the cancellation of the Scheme Ordinary Shares;
- (C) the increase in the share capital of Old Regus to its former amount by the creation of New Ordinary Shares to be issued to New Regus;
- (D) the allotment of such New Ordinary Shares by the Directors (pursuant to the Scheme);
- (E) the alterations to the Old Regus Articles to ensure that the holders of any Old Regus Ordinary Shares allotted after the confirmation by the Court of the reduction of capital provided for under the Scheme are bound by the Scheme and that any Old Regus Ordinary Shares allotted after that time are transferred to New Regus in consideration for the issue of New Regus Ordinary Shares; and

- (F) the proposed application of the unrealisable profits standing to the credit of Old Regus' non-distributable profit and loss reserve in paying up in full the A Shares to New Regus and their subsequent cancellation creating additional distributable reserves in Old Regus.

Special resolutions are also set out in the notice of the General Meeting to confer confirmatory approval to:

- (A) the proposed reduction in share premium of New Regus by the re characterisation of £520 million, or, if less, all amounts, standing to the credit of the share premium account, as a reserve available for distribution in New Regus; and
- (B) the adoption by New Regus of the New Regus Articles.

The authority to allot New Ordinary Shares granted to the Directors by this resolution will lapse on the conclusion of the annual general meeting of New Regus to be held in May 2009.

The majority required for the passing of the special resolutions is not less than 75 per cent. of the votes cast.

(ii) Ordinary Resolution

The ordinary resolutions set out in the notice of the General Meeting are proposed in order to approve the adoption by New Regus of the New Regus Share Schemes described in paragraph 6 of Part 3.

14. Authorities relating to New Regus

The holders of the New Regus Initial Ordinary Shares have already approved, among other matters:

- (A) the transfer to, and registration of, New Regus' place of central administration (head office) in, Luxembourg;
- (B) the establishment of a head office of New Regus in Luxembourg;
- (C) the authority of the Directors to issue and allot New Regus Ordinary Shares in connection with the implementation of the Scheme;
- (D) the authority of the Directors to allot New Regus Ordinary Shares;
- (E) the authority of the Directors to allot New Regus Ordinary Shares otherwise than in accordance with pre-emption rights;
- (F) the authority of the Directors to make re-purchases of New Regus Ordinary Shares;
- (G) the adoption of the New Regus Articles;
- (H) the New Regus Reduction of Capital; and
- (I) the adoption by New Regus of the New Regus Share Schemes.

For additional information on the authorities relating to New Regus's share capital which have been granted, see paragraph 3 of Part 6 of the Prospectus which is available in electronic form on the Regus Group's website at www.regus.com/investors. Hard copies are also available upon request by writing to Old Regus at its registered office or to the Registrars at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

15. Prospectus

The Prospectus relating to New Regus which is required to be published to effect the introduction of the New Regus Ordinary Shares to the Official List, is available in electronic form on the Regus Group's website at www.regus.com/investors and in hard copy at Old Regus's registered office at 3000 Hillswood Drive, Chertsey, Surrey KT16 0RS and at the office of the Registrars at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Old Regus Ordinary Shareholders may request a copy by writing to Old Regus or the Registrars at their respective addressees referred to in the foregoing sentence.

The Prospectus contains information including financial information in relation to the Regus Group, a business overview of the Regus Group, an operating and financial review in relation to the Regus Group and a section of additional information, including details of the remuneration and interests of the Directors, material contracts and capital resources of the Regus Group and details of litigation concerning the Regus

Group, all of which will be relevant to New Regus as the new holding company of the Regus Group. The Prospectus contains forward-looking statements which involve known and unknown risks and uncertainties and speak only as of the date they are made. You are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of Old Regus or New Regus or industry results to differ materially from those expressed or implied in forward-looking statements. These factors include, but are not limited to, those described in the “Risk Factors” section of the Prospectus and which can be accessed at www.regus.com/investors.

16. Directors’ interests

On the Scheme becoming effective, assuming that no further Old Regus Ordinary Shares have been purchased or issued after 5 September 2008 (the latest practicable date prior to the publication of this document) certain of the Directors will have the following beneficial interests in New Regus Ordinary Shares by virtue of the effect of the Scheme on their Old Regus Ordinary Shares.

<u>Director</u>	<u>Number of Old Regus Ordinary Shares</u>	<u>Number of New Regus Ordinary Shares</u>	<u>Percentage of issued share capital of New Regus</u>
John Matthews	940,821	940,821	0.10%
Mark Dixon	359,058,783	359,058,783	37.9%
Stephen Gleadle	121,500	121,500	0.01%
Rudy Lobo.	2,197,098	2,197,098	0.23%
Roger Orf	768,677	768,677	0.08%
Stephen East.	47,859	47,859	0.01%
Martin Robinson	141,587	141,587	0.01%

The interests of the Directors together represent approximately 38.31 per cent. of the issued share capital of Old Regus in existence as at 5 September 2008, the latest practicable date prior to publication of this document.

In addition to their having an interest in 363,276,325 Old Regus Ordinary Shares as detailed above, certain of the Directors also have interests in Old Regus Ordinary Shares as at the date referred to above as a result of their participation in the Old Regus Share Schemes. As mentioned in paragraph 6 of Part 3 it is proposed that upon the Scheme becoming effective the New Regus Share Schemes will be adopted and the interests of holders of options under the Old Regus Share Schemes will be rolled over under the New Regus Share Schemes. These will include the interests in options held by the Directors. These interests were as follows:

Regus Group share option plan

<u>Director</u>	<u>Grant date</u>	<u>Interest in options and awards over Old Regus Ordinary Shares</u>	<u>Exercise price (pence)</u>	<u>Date from which exercisable</u>	<u>Expiry date</u>
Mark Dixon	08/09/2004	1,708,108	64.75	08/09/2007	08/09/2014
Rudy Lobo	08/09/2004	778,378	64.75	08/09/2007	08/09/2014

Regus Group plc co-investment plan

<u>Director</u>		<u>Interest in options and awards over Old Regus Ordinary Shares</u>	<u>Grant date</u>	<u>Exercise date</u>	<u>Expiry date</u>
Mark Dixon					
CIP — Investment shares		193,473	21/03/2006	21/03/2009	21/03/2016
CIP — Matching shares		773,892	21/03/2006	21/03/2009	21/03/2016
CIP — Investment shares		179,396	21/03/2007	21/03/2010	21/03/2017
CIP — Matching shares		717,584	21/03/2007	21/03/2010	21/03/2017
CIP — Investment shares		316,770	18/03/2008	18/03/2011	18/03/2018
CIP — Matching shares		1,267,080	18/03/2008	18/03/2011	18/03/2018
		3,448,195			
Stephen Gleadle					
CIP — Investment shares		87,832	21/03/2007	21/03/2010	21/03/2017
CIP — Matching shares		351,328	21/03/2007	21/03/2010	21/03/2017
CIP — Investment shares		155,279	18/03/2008	18/03/2011	18/03/2018
CIP — Matching shares		621,116	18/03/2008	18/03/2011	18/03/2018
		1,215,555			
Rudy Lobo					
CIP — Investment shares		101,981	21/03/2006	21/03/2009	21/03/2016
CIP — Matching shares		407,924	21/03/2006	21/03/2009	21/03/2016
CIP — Investment shares		96,197	21/03/2007	21/03/2010	21/03/2017
CIP — Matching shares		384,788	21/03/2007	21/03/2010	21/03/2017
CIP — Investment shares		169,875	18/03/2008	18/03/2011	18/03/2018
CIP — Matching shares		679,500	18/03/2008	18/03/2011	18/03/2018
		1,840,265			

Long term incentive plan

<u>Director</u>	<u>Interest in awards over Old Regus Ordinary Shares</u>
Mark Dixon	337,398
Stephen Gleadle	325,203
Rudy Lobo	186,992

Regus Group plc value creation plan

<u>Name</u>	<u>Old Regus Ordinary Shares subject to VCP Awards</u>
Mark Dixon	3,500,000
Rudy Lobo	3,000,000
Stephen Gleadle	3,000,000

The above interests are based upon the interests of the Directors in Old Regus Ordinary Shares which (a) have been notified by each Director to Old Regus pursuant to Chapter 3 of the Disclosure and Transparency Rules before 5 September 2008 (the latest practicable date prior to publication of this document), or (b) are interests of a connected person (within the meaning of the Disclosure and Transparency Rules), of a Director which have been notified to Old Regus by each connected person (within the meaning of the Disclosure and Transparency Rules) pursuant to Chapter 3 of the Disclosure and Transparency Rules.

17. Further information

Your attention is drawn to the letter from your Chairman in Part 1 and to the Scheme set out in Part 5.

Copies of:

- (A) the Old Regus Articles;
- (B) the New Regus Articles;
- (C) the proposed amended articles of association for Old Regus;
- (D) the draft rules of the New Regus Share Schemes;
- (E) this document; and
- (F) the Prospectus,

can be inspected at the offices of Old Regus' solicitors, Slaughter and May, at One Bunhill Row, London EC1Y 8YY and the registered office of Old Regus at 3000 Hillswood Drive, Hillswood Business Park, Chertsey, Surrey KT16 0RS during the usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this document to the close of business on the date of the Court Meeting and the General Meeting. Copies of these documents will also be available for inspection for at least 15 minutes prior to and during the Court Meeting and the General Meeting. This document and the Prospectus are also available in electronic form on the Regus Group's website at www.regus.com/investors.

In the case of joint holders of Old Regus Ordinary Shares, one copy of this document is being delivered to the first registered joint holder. Further copies of this document and the Prospectus may be requested by joint holders other than the first registered joint holder by application in writing to the Company Secretary at Old Regus 3000, Hillswood Drive, Hillswood Business Park, Chertsey, Surrey KT16 0RS.

18. Action to be taken

Forms of proxy are enclosed as follows:

- (A) for the Court Meeting, a blue form of proxy; and
- (B) for the General Meeting, a white form of proxy

Whether or not you propose to attend the meetings in person you are requested, if you hold Old Regus Ordinary Shares, to complete and return the blue and white forms of proxy.

Completed forms of proxy should be returned to the Registrars, Equiniti, at their address, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL, as soon as possible and in any event so as to be received by the Registrars not later than 48 hours before the time appointed for the relevant meeting. The return of the forms of proxy will not prevent you from attending either of the meetings and voting in person if you so wish and are so entitled. In each case, the forms and cards should be completed in accordance with the instructions printed on them.

The blue form of proxy in respect of the Court Meeting may also be handed to the Registrars or the Chairman at the Court Meeting before the start of the meeting. However, in the case of the General Meeting, the white form of proxy will be invalid unless it is lodged so as to be received at least 48 hours before the time appointed for the General Meeting.

If you hold your Old Regus Ordinary Shares in CREST, you can appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual. Your CREST Proxy Instruction must be received by the Registrars by 3:00 p.m. on 22 September for the Court Meeting and 3:15 p.m. on 22 September for the General Meeting or if either of the meetings is adjourned, 48 hours before the time appointed for the adjourned meetings.

Yours faithfully,

Charles Batten
Managing Director, Global Banking

Ben Bailey
Director, Global Banking

for and on behalf of
Dresdner Kleinwort

PART 3 — ADDITIONAL INFORMATION

1. Summary of the principal differences between the Old Regus Articles and New Regus Articles

As a company incorporated, existing and registered in Jersey with its registered office in Jersey which has its place of central administration (head office) in Luxembourg and is accordingly registered as a *société anonyme*, New Regus will be required to comply with both Jersey and Luxembourg law, where applicable.

Under the Jersey Companies Law, the corporate objects of a Jersey company are not limited by anything contained in its memorandum or articles of association. The Luxembourg Companies Law does, however, require New Regus to have defined corporate objects and, accordingly, the New Regus Articles include a corporate objects clause. The corporate objects of New Regus are set out in full in Clause 8 of the memorandum of association of New Regus, which forms part of the New Regus Articles which are available for inspection as set out in paragraph 17 of Part 2 of this document.

The principal differences between the Old Regus Articles and the New Regus Articles are explained below. Some of these differences arise by reason of New Regus being a company incorporated, existing and registered in Jersey instead of in England and some differences arise by reason of New Regus having its place of central administration (head office) in Luxembourg and accordingly being registered as a *société anonyme*. As further described in paragraph 3 of this Part, there are a number of differences between the Jersey Companies Law, the Luxembourg Companies Law and the Companies Acts which may impact on the rights of holders of Old Regus Ordinary Shares when they become holders of New Regus Ordinary Shares. As such, where appropriate and subject to the Jersey Companies Law and the Luxembourg Companies Law, as applicable, provisions have been incorporated into the New Regus Articles to enshrine certain rights which shareholders in a company listed on the London Stock Exchange would normally expect to have.

The principal differences are:

- 1.1 to reflect the requirements of Jersey and Luxembourg law that any alteration to the authorised share capital of New Regus requires the sanction of a special resolution (see paragraph 3 of this Part in relation to the majority required for a special resolution under the Jersey Companies Law and the Luxembourg Companies Law);
- 1.2 as the Jersey Companies Law does not contain an equivalent to section 80 of the Companies Act 1985 and the Luxembourg Companies Law contains different provisions on authority to allot shares, provision is made in the New Regus Articles to replicate the position under the Companies Act 1985 whereby directors must not exercise any power to allot shares unless they are authorised to do so by ordinary resolution in a general meeting. In addition, as permitted by Luxembourg law, the New Regus Articles will set a maximum level of authorised but unissued share capital which can be allotted by the Board with a requirement for that maximum level to be renewed by special resolution every five years;
- 1.3 as the Jersey Companies Law and the Luxembourg Companies Law specify different formalities in relation to the purchase by New Regus of its own shares, the principal conditions to be fulfilled in relation to any purchase of own shares have been set out in the New Regus Articles, including that the purchase must first be authorised by special resolution and, for the purposes of the Jersey Companies Law, the directors must make a solvency statement prior to the purchase of shares;
- 1.4 as required by the Luxembourg Companies Law, the New Regus Articles will include a provision which sets out the current issued share capital of New Regus which will be amended to reflect any changes to the number of New Regus Ordinary Shares (or any other class of shares subsequently issued by New Regus) in issue on a monthly basis so that this provision states the current number of New Regus Ordinary Shares (or any other class of shares subsequently issued by New Regus) in issue following any increases of New Regus' issued share capital within the maximum authorised unissued share capital of New Regus);
- 1.5 as the Jersey Companies Law does not confer any statutory pre-emption rights on the allotment of shares for cash and there are different provisions for pre-emption rights under the Luxembourg Companies Law, the New Regus Articles will include pre-emption provisions that are broadly similar to the pre-emption rights contained in section 89 of the Companies Act 1985 (and New Regus will waive the application of the pre-emption rights set out in the Luxembourg Companies Law every five

- years by special resolution accompanied by a report of the Board in relation to the disapplication of Luxembourg pre-emption rights);
- 1.6 as the Luxembourg Companies Law only permits a variation of the rights of a particular class of members with the sanction of a special resolution approved in an extraordinary general meeting at which the relevant quorum and majority requirements for the passing of a special resolution are met in respect of each class of members of New Regus, there will be no provision for a separate class meeting or written consent procedure for the variation of class rights;
 - 1.7 to include provisions to cater for the IAS arrangements which may be implemented (as further described in paragraph 4 of this Part). In particular, to provide that, where any amount paid by way of dividend by a subsidiary of New Regus resident for tax purposes in the UK is received by the IAS Trustee and paid on to New Regus Ordinary Shareholders who have made (or are deemed to have made) an IAS Election, the entitlements of those New Regus Ordinary Shares to be paid any amount in respect of dividends declared by New Regus will be reduced by the amount that has been paid to the holder of such New Regus Ordinary Shares by the IAS Trustee;
 - 1.8 as the Jersey Companies Law and the Luxembourg Companies Law do not have an equivalent to section 793 of the Companies Act, to incorporate into the New Regus Articles provisions that are based on section 793 of the Companies Act which entitle New Regus to serve notices on persons in order to establish details of ownership of its shares;
 - 1.9 as the Jersey Companies Law and the Luxembourg Companies Law do not expressly provide for electronic communications with shareholders, the New Regus Articles incorporate provisions to enable New Regus to communicate with, and supply information to, shareholders by electronic means in substantially the same manner as provided for under the Companies Act;
 - 1.10 as the Jersey Companies Law and the Luxembourg Companies Law do not provide for a nominee holder of shares to require that information rights' (the right to receive a copy of all communications sent by a company to its shareholders) be granted to the underlying beneficial owner, as permitted by section 146 of the Companies Act, the New Regus Articles will include information rights provisions similar to those contained in the Companies Act;
 - 1.11 as the Jersey Companies Law and the Luxembourg Companies Law do not expressly provide for the independent scrutiny of any poll taken, the New Regus Articles include provisions entitling an independent scrutiny of any poll taken, or to be taken, at a general meeting, so as to replicate the position under the Companies Act;
 - 1.12 as the Jersey Companies Law makes no provision regarding the circulation of members' resolutions and statements, and the Luxembourg Companies Law provides members with only a limited right to request the addition of a point to the agenda of a general meeting, the New Regus Articles will include certain provisions relating to shareholders' rights to require New Regus to circulate members' resolutions proposed to be moved at the next annual general meeting and to circulate explanatory statements relating to resolutions to be dealt with at a meeting, as well as the right for the shareholders to have published on New Regus' website statements setting out any matters concerning the audit of New Regus' accounts in circumstances in which an auditor ceases to hold office, replicating the position under the Companies Act;
 - 1.13 as the Luxembourg Companies Law requires all voting by members on resolutions to be carried out by way of poll (except in certain circumstances for resolutions which are of minor procedural importance), the New Regus Articles will contain provisions on voting to this effect;
 - 1.14 to the extent permitted by the Jersey Companies Law and the Luxembourg Companies Law, to include provisions to broadly replicate the provisions of sections 215 to 222 of the Companies Act which require the approval of the members for any payment made by the company to a Director (or a person connected to him) as compensation for loss of office because the Jersey Companies Law and the Luxembourg Companies Law do not expressly permit or prohibit such payments;
 - 1.15 to provide that Board meetings be held only outside the United Kingdom and that all board resolutions in writing must be signed outside the United Kingdom and must be signed personally by every director in office; further, the New Regus Articles will not permit the authorisation of Directors' conflicts of interest by board resolution and will only permit the Board to appoint Directors to fill a vacancy;

- 1.16 to provide that a majority of the directors of New Regus be persons resident outside of the United Kingdom for tax purposes and that a meeting of the Board is only quorate where a majority of directors present are not resident in the United Kingdom for tax purposes;
- 1.17 to increase the permitted aggregate level of directors' fees from £750,000 to £1,500,000 subject to any increase by ordinary resolution;
- 1.18 to provide that the majority of persons on any committee or sub-committee (formed by the Board and to which powers are delegated) must be directors and, in accordance with the Luxembourg Companies Law, to provide that the Board will report each year to the annual general meeting of New Regus on the salary, fees and any advantages granted to directors to which day-to-day management power is delegated;
- 1.19 as a scheme of arrangement is not a concept under Luxembourg law, to provide in the articles that New Regus may implement a scheme of arrangement in accordance with the provisions of the Jersey Companies Law and to set out what the conditions to the implementation of a scheme of arrangement between New Regus and its members and/or creditors would be (see further paragraph 2.20 of this Part);
- 1.20 as the compulsory acquisition procedure set out in the Luxembourg Takeover Law does not apply to New Regus, the New Regus Articles include provisions which confirm that in the event of a takeover offer for the entire issued share capital, New Regus will be subject to compulsory acquisition procedures set out in the applicable provisions of the Jersey Companies Law; that is, an offeror would have "squeeze-out" rights as against New Regus Ordinary Shareholders and New Regus Ordinary Shareholders would have "sell-out rights" as against an offeror as more fully described in paragraph 23 of Part 6 of the Prospectus, which can be accessed in electronic form via www.regus.com/investors;
- 1.21 to clarify that the directors of New Regus are not accountable for any benefit by virtue of insurance taken out in favour of the directors against any liability and otherwise to provide for New Regus to indemnify its directors in the circumstances permitted by the Jersey Companies Law and the Luxembourg Companies Law;
- 1.22 to provide for uncertificated shares in New Regus to be held in dematerialised form in CREST pursuant and subject to the Jersey CREST Regulations;
- 1.23 as under both the Jersey Companies Law and the Luxembourg Companies Law members holding at least 10 per cent. of the issued share capital by voting rights may require the directors to convene a general meeting, a provision to this effect will be included in the New Regus Articles setting a limit of one month within which a requisitioned meeting must be held;
- 1.24 to adopt the Jersey and Luxembourg requirements which are more favourable to members in relation to giving notice of general meetings, as a general rule the New Regus Articles will require 16 clear days' notice of general meetings to be given to shareholders and two notices to be published eight clear days apart (with the second notice being published at least eight clear days before the date of the meeting) in the Luxembourg Official Gazette and in one Luxembourg newspaper in advance of any general meeting. However, should an extraordinary general meeting or the annual general meeting not meet the quorum requirements of the Luxembourg Companies Law (that is, members representing at least fifty per cent. of the issued share capital shall be present in person or by proxy at the meeting), the meeting must be dissolved and may be reconvened as if it were the original meeting except that the notice requirements in respect of the reconvened meeting shall be 30 clear days' notice with the publications in the Luxembourg Official Gazette and two Luxembourg newspapers being 15 clear days apart with the second notice being published at least 15 clear days before the meeting;
- 1.25 as the Luxembourg Companies Law does not expressly provide for the appointment of corporate representatives, the New Regus Articles will permit corporate shareholders of New Regus to elect a representative to attend general meetings on their behalf;
- 1.26 in relation to general meetings, the New Regus Articles will provide, inter alia, that all general meetings be held in Luxembourg; that New Regus keep the original minutes of all proceedings at general meetings (as signed by the bureau of the meeting which consists of the chairman of the meeting, the company secretary or, if different, the secretary of the meeting and one or more scrutineers elected by the meeting) at the registered office in Jersey; that extraordinary general

meetings and annual general meetings are, to the extent required, held before a Luxembourg public notary (who will also sign the minutes) and certified copies of all extraordinary general meeting minutes (or, as the case may be, extracts thereof) must, to the extent required by Luxembourg law, be filed with the Luxembourg RCS and published in the Luxembourg Official Gazette;

- 1.27 the New Regus Articles will provide that the register of members be kept and maintained in Jersey and that an electronic copy of the register of members be made available in Luxembourg to any member who requests access to it;
- 1.28 in order to enshrine a requirement of the Luxembourg Companies Law in the New Regus Articles, there will be a provision confirming that each year New Regus must allocate at least five per cent. of its net profits to an undistributable legal reserve until that reserve represents one tenth of the nominal value of the issued share capital of New Regus (one tenth of the nominal value of the issued share capital of Old Regus as at 21 August 2008 would amount to £4,744,219.11);
- 1.29 as the concept of adjournment under the Luxembourg Companies Law is different to the concept of adjournment under English and Jersey law, the New Regus Articles will provide for two distinct procedures allowing for (i) the prorogation of a general meeting, which reflects the Luxembourg concept that the Board can decide to “prorogue” a general meeting to a date which is four weeks (or such longer period as may be permitted by the Luxembourg Companies Law) after the date on which that general meeting was held or be asked to do so by members holding at least one fifth of the issued share capital) and reconvene the meeting by giving notice in the same way as for the original meeting; all resolutions already passed at that meeting being deemed void; and (ii) the temporary adjournment or “suspension” of a general meeting, which broadly reflects the English and Jersey law procedure for adjournment of a meeting at the discretion of the chairman or with the consent of the general meeting in certain circumstances where he believes that the general meeting cannot be properly held, as is provided for in the Old Regus Articles, but to comply with Luxembourg law, the New Regus Articles set a limit on the period of time within which an adjourned of “suspended” meeting can be continued without the board having to reconvene it as a new general meeting which is 48 hours;
- 1.30 as the power of the Board to announce interim dividends is subject to certain conditions under the Luxembourg Companies Law, the principal conditions have been set out in the New Regus Articles; and
- 1.31 to comply with requirements of the Luxembourg Companies Law, to set out a specific date, time and location for New Regus’ annual general meetings.

Notwithstanding the differences between the New Regus Articles and the Old Regus Articles outlined above, with effect from the Scheme Effective Date, the voting rights relating to New Regus Ordinary Shares will be substantially the same as the Old Regus Ordinary Shares and the New Regus Ordinary Shares will rank *pari passu* for dividends and in all respects with other fully paid New Regus Ordinary Shares in issue on the Scheme Effective Date.

The provisions of the New Regus Articles are further described in paragraph 2 of this Part. Copies of the Old Regus Articles and the New Regus Articles are also available for inspection as described in paragraph 17 of Part 2.

2. Summary of the New Regus Articles

The New Regus Articles include, amongst other things, provisions to the following effect:

2.1 Alteration of share capital

New Regus may by special resolution increase its authorised share capital by such sum to be divided into shares of such amount as the resolution shall prescribe and alter its share capital in any manner permitted by the Jersey Companies Law and the Luxembourg Companies Law, provided that at all times all shares in the company, whether in issue or not, have the same nominal value. Subject to the provisions of the Jersey Companies Law and the Luxembourg Companies Law, New Regus may by special resolution reduce its share capital, share premium account, capital redemption reserve or other undistributable reserve in any way.

2.2 Purchase of own shares

Subject to the Jersey Companies Law and the Luxembourg Companies Law and to any rights attached to existing shares, New Regus may purchase or may enter into a contract under which it will or may purchase all or any of its own shares of any class, and may redeem redeemable shares. Any such purchase or redemption of shares must be approved by special resolution of New Regus and, in accordance with the Jersey Companies Law, the directors must make a solvency statement before any such purchase or redemption.

2.3 Share rights

Subject to the Jersey Companies Law and the Luxembourg Companies Law, and subject to and without prejudice to any rights attached to any existing shares, any share in New Regus may be issued with or have attached to it such rights and restrictions as New Regus may by special resolution decide, or if no such resolution has been passed or so far as the resolution does not make any specific provision, as the Board may decide.

Subject to the Jersey Companies Law, the Luxembourg Companies Law and to any rights attached to any existing shares, New Regus may issue redeemable shares which are, or at the option of New Regus or the holder are liable to be, redeemable. The terms and conditions of redemption of any shares so issued or converted must be set out in the New Regus Articles.

2.4 Allotment of securities and pre-emption rights

Subject to the provisions of the Jersey Companies Law, the Luxembourg Companies Law, the New Regus Articles and any resolution passed by New Regus conferring authority on the Directors to allot shares, and without prejudice to any rights attached to existing shares, all unissued shares are at the disposal of the Board which may offer, allot, grant options over or otherwise deal with or dispose of them to persons at such time and for such consideration and on such terms as the Board may decide. The authority of the Board to allot unissued shares is subject to the passing of an ordinary resolution which will determine the proportion of the authorised share capital that the Board is authorised to allot during the allotment period specified in that ordinary resolution (which, in practice, will be the period between the passing of such an ordinary resolution and the following annual general meeting of New Regus). In addition, the amount of authorised share capital (unissued shares) of New Regus and the related authorities of the Board as to the waiver and suppression of pre-emption rights provided for in the Luxembourg Companies Law must be confirmed at least once every five years by special resolution to ensure compliance with the Luxembourg Companies Law.

The Jersey Companies Law does not provide any statutory pre-emption rights and the Luxembourg Companies Law provides for pre-emption rights which differ from the position under the Companies Act 1985. The New Regus Articles therefore permit New Regus to waive and disapply Luxembourg statutory pre-emption rights to the extent permitted by Luxembourg law and then provide that shares issued wholly for cash by New Regus must first be offered to existing shareholders, unless a special resolution permits otherwise, in proportion to their respective holdings of New Regus Ordinary Shares (i.e. the provisions relating to statutory pre-emption rights under the Companies Acts have been broadly replicated in the New Regus Articles).

2.5 Disclosure of interests in shares

New Regus may by notice in writing require any person whom the company knows or has reasonable cause to believe to be interested in any class of shares of New Regus, or to have been interested any time during the last three years, to confirm that fact or indicate whether or not it is the case and to give such further information as may be required.

2.6 Share certificates

Every person (except a person to whom New Regus is not by law required to issue a certificate) whose name is entered on the New Regus register of members as the holder of shares in certificated form is entitled, without payment, to one certificate in respect of all shares of any class held by him. In the case of joint holders, delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

2.7 Forfeiture and lien

Subject to the Jersey Companies Law and the Luxembourg Companies Law, the Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares, subject to the terms of issue of such shares. Each member shall (subject to being given at least 14 days' notice in writing specifying where and when payment is to be made) pay to New Regus the specified amount called on his shares. If any call or instalment of a call remains unpaid on or after the due date for payment, the Board may at any time thereafter serve a notice in writing on the holder requiring payment of such unpaid amount together with any interest accrued thereon and any expense incurred by New Regus by reason of such non-payment. Interest shall accrue on any sums which are unpaid from the day appointed for payment thereof to the time of actual payment at such rate as the Board may decide (although this shall not exceed the Bank of England base rate by more than five percentage points). The notice shall state that in the event of non-payment in accordance with the notice, the shares on which the call has been made will be liable to be forfeited.

New Regus shall have a first and paramount lien on every share (not being a fully-paid share) for all amounts payable to New Regus (whether presently payable or not) in respect of such share. The Board may waive any lien which has arisen. New Regus may sell, in such manner as the Board may decide, any share on which New Regus has a lien if any sum in respect of which the lien exists is presently payable and is not paid within 14 days after a notice demanding payment and stating that the share may be sold for non-compliance with such notice shall have been given to the holder of the share.

2.8 Variation of rights

Subject to the provisions of the Jersey Companies Law and the Luxembourg Companies Law, and to any rights attached to existing shares, all or any of the rights attached to any class of shares may be varied by the sanction of a special resolution passed at a general meeting at which the provisions of the New Regus Articles in relation to the quorum and majority required for a special resolution are fulfilled in respect of the relevant class(es) of shareholders (excluding holders of treasury shares).

2.9 Transfer of shares

- (A) Any member may transfer all or any of his certificated shares by an instrument of transfer in writing in any usual or in any other form which the Board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and by or on behalf of the transferee.
- (B) Any member may transfer all or any of his shares which are in uncertificated form, subject to the Jersey CREST Regulations, by means of a relevant system.
- (C) The Board may, subject to applicable law, refuse to register any transfer of shares in certificated form, which are not fully-paid shares.
- (D) The Board may also refuse to register the transfer of a share in certificated form unless the instrument of transfer:
 - (i) is left at the registered office of New Regus (or at another place as the Board may determine from time to time) accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (ii) is in respect of one class of share only; and
 - (iii) in the case of a transfer to joint holders, is in favour of not more than four persons.
- (E) No fee shall be charged for the registration of any instrument or transfer or other document relating to or affecting the title to a share, or for making any other entry in the register.

2.10 General meetings

- (A) The Board shall convene and New Regus shall hold general meetings and annual general meetings in accordance with the Jersey Companies Law and the Luxembourg Companies Law. General meetings (other than the annual general meeting) at which special resolutions are proposed are extraordinary general meetings. All other general meetings (other than the annual general meeting) are ordinary general meetings.

- (B) The Board may convene general meetings whenever it thinks fit. The annual general meeting will be held every year in Luxembourg either at the head office or where indicated in the notice of meeting, at eleven a.m. on the third Tuesday in May. All general meetings shall take place in Luxembourg.
- (C) All general meetings of New Regus shall be called on not less than 16 clear days' written notice or such shorter period as may be permitted by Jersey and Luxembourg Law. In addition, two notices of any meeting shall be published in the Luxembourg Official Gazette and one Luxembourg newspaper with a minimum interval of eight clear days between the notices and the second of the notices being published a maximum of eight clear days before the meeting. In the case of the reconvening of an extraordinary general meeting or the annual general meeting at which a quorum of 50 per cent. of the issued share capital was not present, more stringent requirements shall apply and such a meeting shall be called on not less than 30 clear days' written notice and the notice shall be published in the Luxembourg Official Gazette and two Luxembourg newspapers with a minimum interval of 15 clear days between the notices and the second of the notices being published a minimum of 15 clear days before the meeting. Subject to the provisions of the Jersey Companies Law and the Luxembourg Companies Law, the provisions of the New Regus Articles and to any restrictions imposed on any shares, the notice shall be sent to all the members, to each of the directors and to the auditors.
- (D) The notice shall specify the place, day and time of the meeting, the agenda and the general nature of the business to be transacted at the meeting.
- (E) In the case of an annual general meeting, the notice shall specify the meeting as such.
- (F) In the case of a extraordinary general meeting, the notice shall specify the agenda for the meeting and indicate any proposed amendments to the text of the New Regus Articles.
- (G) In accordance with the Luxembourg Companies Law, the directors shall add a point to the agenda of a general meeting on receiving a request to do so from one or more members holding at least one tenth of the issued share capital of New Regus.
- (H) Members representing at least 5 per cent. of the total voting rights of all members who are entitled to vote on the resolution at the annual general meeting to which their request relates, or not less than 100 members who have a relevant right to vote on such resolution and who hold shares in New Regus on which there has been paid up an average sum, per member of at least £100, may require New Regus to circulate notice of a resolution which is intended to be moved at that annual general meeting to members.
- (I) Members representing at least 5 per cent. of total voting rights of all members who, in relation to a proposed resolution, are entitled to vote on that resolution at the meeting to which their request relates, or not less than 100 members who have a relevant right to vote and on which there has been paid up a average sum, per member, of at least £100, may require New Regus to circulate to members a members' explanatory statement of not more than 1,000 words with respect to a matter referred to in the proposed resolution to be dealt with at the meeting to which the request relates, or to any other business to be dealt with at that meeting.
- (J) A member may nominate a person on whose behalf he holds shares to enjoy rights to receive a copy of all communications that New Regus sends to its members (that is, the provisions of sections 146 to 149 of the Companies Act have been broadly replicated in the New Regus Articles).
- (K) An extraordinary general meeting shall be quorate where members representing at least fifty per cent. of the issued share capital of New Regus (excluding shares without a right to attend and vote at general meetings) are present in person or by proxy. If the meeting is not quorate, a second meeting may be called for which the quorum shall be two members present in person or by proxy.
- (L) All Substantive Resolutions shall be decided on a poll. Other Resolutions shall be decided on a show of hands unless a poll is demanded by:
 - (i) the chairman of the meeting;
 - (ii) at least five members present in person or by proxy and entitled to vote on the resolution;
 - (iii) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution; or

- (iv) a member or members present in person or by proxy and holding shares in New Regus conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A Substantive Resolution is any resolution that is not an Other Resolution. An Other Resolution is any decision put to a general meeting which is of a minor procedural nature.

- (M) A poll shall be taken in such manner as the chairman of the meeting shall direct.
- (N) At each general meeting, to the extent required by Luxembourg law, a bureau composed of the Chairman, a Secretary and one or more scrutineers shall be appointed;
- (O) A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the capital of New Regus.
- (P) To the extent required by Luxembourg or Jersey law, extraordinary general meetings and the annual general meeting must be held before an appropriate notary public and the minutes shall be recorded by notarial deed. The notary public must be present for the entire duration of the meeting and must sign the minutes of the meeting along with the bureau of the meeting.

2.11 Power to require website publication of audit concerns

Where so requested by members representing at least 5 per cent. of the total voting rights of all the members who have a right to vote at the general meeting at which the accounts of New Regus are laid, or by at least 100 members who have such a right to vote and hold shares in New Regus on which there has been paid up an average sum, per member, of at least £100, New Regus shall, subject to anti-abuse provisions, publish on its website a statement setting out any matter relating to the audit of New Regus' accounts or any circumstances connected with an auditor of New Regus ceasing to hold office.

2.12 Voting rights and restrictions

Subject to any special terms as to voting attached to any shares and to the New Regus Articles, on a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. On a poll, a member who is present in person or by proxy and who is entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A member may appoint more than one proxy.

No member shall be entitled to vote at any general meeting unless all moneys presently payable by him in respect of shares in New Regus have been paid. A shareholder who has been duly served with a disclosure notice (similar to a notice under section 793 of the Companies Act for UK companies), or who has not provided to New Regus information required to be notified under the Disclosure and Transparency Rules, and who has not complied with such notice, or who has not supplied New Regus with the information required, either within a period of 14 days or the relevant period stipulated by the Disclosure and Transparency Rules respectively, shall not be entitled to attend or vote personally or by proxy at shareholders' meetings.

2.13 Independent poll

The directors are required to obtain an independent report on any poll taken or to be taken at a general meeting if they receive requests to do so from members representing not less than 5 per cent. of the total voting rights of all the members who are entitled to vote on the matter to which the poll relates or no fewer than 100 members who are entitled to vote on the matter to which the poll relates and hold shares in New Regus on which there has been paid up an average sum, per member, of not less than £100.

2.14 Corporate representatives

Any body corporate which is a member of New Regus may by board resolution authorise such person as it thinks fit to act as its representative at any general meeting and may exercise the same powers on behalf of such body corporate as the body corporate could exercise if it were an individual member of New Regus.

2.15 Directors

(A) Appointment of directors

Unless otherwise determined by ordinary resolution, the number of directors shall be not less than three and no more than 12. A majority of the directors shall, at all times, not be resident in the United Kingdom for tax purposes. Directors may be appointed by ordinary resolution or, where the appointment is to fill a vacancy, by the Board, provided that there remains a majority of directors not resident in the United Kingdom for tax purposes at all times. Subject to the provisions on rotation of directors, a director appointed by the Board holds office only until the next following annual general meeting and if not re-appointed at such annual general meeting, shall vacate office at its conclusion.

(B) No share qualification

A director shall not be required to hold any shares in the capital of New Regus by way of qualification.

(C) Retirement of Directors by rotation

Each Director (i) who has been appointed by the Board since the last annual general meeting to fill a vacancy, or (ii) whose term in office, as determined by the ordinary resolution which appointed him, has expired; (iii) who held office at the time of the two preceding annual general meetings and who did not retire at either of them; or (iv) who held office with New Regus, other than employment or executive office, for a continuous period of six years or more at the date of the meeting, shall retire at the annual general meeting and may offer himself for reappointment by the members.

(D) Remuneration of Directors

The emoluments of any director for his services in holding executive office shall be determined by the Board.

The ordinary remuneration of the directors who do not hold executive office for their services shall be limited to £1,500,000 per annum, or such higher amount as may be determined by ordinary resolution (including amounts payable under any other provision of the New Regus Articles).

Any director who performs services, which in the opinion of the Board, goes beyond the ordinary duties of a director, may be paid such extra remuneration as the Board may, in its discretion, determine.

In addition to any remuneration to which the directors are entitled under the New Regus Articles, they may be paid all reasonable expenses as they may incur in attending and returning from meetings of the directors or of any committee of the directors or shareholders meetings or otherwise in connection with the business of New Regus.

The Board or any other committee may exercise all the powers of New Regus to provide benefits, whether by payment of gratuities or pensions or by insurance or in any other manner for any director or former directors or relations or dependants of, or persons connected to, any director or former director.

(E) Compensation for loss of office

New Regus has reflected the provisions contained in sections 215 to 221 of the Companies Act in relation to payments made to directors (or a person connected to such directors) for loss of office and the circumstances in which such payments would require the approval of members in the New Regus Articles.

(F) Permitted interests of Directors

Subject to the provisions of the Jersey Companies Law and the Luxembourg Companies Law and provided that where a director, to his knowledge, is in any way directly or indirectly interested in a contract, transaction or arrangement, he has disclosed to the Board the nature and extent of his interest, a director notwithstanding his office:

- (i) is not disqualified by his office from contracting with New Regus in any manner, nor is any contract in which he is interested liable to be avoided, and any director who is so interested is not liable to account to New Regus or the members for any benefit realised by the contract by reason of the director holding that office or of the fiduciary relationship thereby established;

- (ii) may be or become a director or other officer of, or otherwise interested in, or contract with any company promoted by New Regus or in which New Regus may be interested and shall not be liable to account to New Regus or its members for any benefit received by him, nor shall any such contract be liable to be avoided; and
- (iii) may act by himself or his firm in a professional capacity for New Regus (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.

A director may hold any other office or place of profit with New Regus (except that of auditor) in conjunction with his office of director and may be paid such extra remuneration for so doing as the Board may decide, either in addition to or in lieu of any remuneration provided for by other articles.

Any director who has an interest in a transaction submitted for approval to the Board, unless it relates to the current operations entered into under normal conditions, which conflicts with the interests of New Regus, shall, in accordance with the Luxembourg Companies Law, be obliged to advise the Board of that interest and to cause a record of his statement to be included in the minutes of the meeting. He may not take part in deliberations in relation to the approval of this transaction. At the next following general meeting, before any other resolution is put to the vote, a special report shall be made on any transactions in which any of the directors have had an interest which conflicts with that of New Regus.

(G) Restrictions on voting

Except as otherwise provided in the New Regus Articles, a director shall not count in the quorum in relation to or vote or deliberate on any resolution of the Board concerning a contract, transaction or arrangement in which he has an interest which (taken together with any interests of any person connected with him) is to his knowledge a material interest, but these prohibitions shall not apply to:

- (i) the giving to him of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him for the benefit of New Regus or any of its subsidiaries;
- (ii) the giving to a third party of any guarantee, indemnity or security in respect of a debt or obligation of New Regus or any of its subsidiaries which he has himself guaranteed, indemnified or secured in whole or in part;
- (iii) the giving to him of any other indemnity where all other directors are being offered indemnities on substantially the same terms;
- (iv) the subscription or purchase by him of securities of New Regus or of any of the subsidiaries pursuant to any offer or invitation in which the director is or may be entitled to participate as a holder of securities;
- (v) the underwriting or sub-underwriting by him or any securities of New Regus or any of its subsidiaries;
- (vi) any contract in which he is interested by virtue of his interest in shares or debentures or other securities of New Regus or by reason of any other interest in or through New Regus;
- (vii) any contract with any other company (not being a company in which the director owns 1 per cent. or more) in which he is interested directly or indirectly;
- (viii) any contract concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme, or retirement, death or disability benefits scheme or employees' share scheme which relates to both the directors and employees of New Regus, or any of its subsidiaries, and does not provide in respect of any director in his capacity as such any privilege or advantage not accorded to the employees to whom such scheme or fund related;
- (ix) any contract for the benefit of employees of New Regus or any of its subsidiaries under which he benefits in a similar manner to the employees and which does not accord to any director as such any privilege or advantage not accorded to the relevant employees; and
- (x) any contract for the purchase or maintenance of insurance against any liability for, or for the benefit of, any director or directors or for, or for the benefit of, persons who include directors.

New Regus may by ordinary resolution suspend or relax the above provisions to any extent or ratify any contract not duly authorised by reason of a contravention of such provisions.

(H) Board meetings

Board meetings shall not take place in the United Kingdom. The directors may participate in a Board meeting by conference telephone or other communication equipment provided that such meeting is validly convened only if all the directors participating are located outside the UK. To be valid and effectual, written resolutions of the Board must be signed outside the UK and must be signed by all the directors. A director may appoint another director as a proxy to attend and vote at a Board meeting on their behalf.

(I) Borrowing powers

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

The directors must restrict the borrowings of New Regus so that the aggregate amount outstanding in respect of borrowings by New Regus shall not, without an ordinary resolution of New Regus, exceed an amount equal to three times the adjusted capital and reserves of the company. The adjusted capital and reserves of New Regus equals the paid up issued share capital (including treasury shares) and the amount standing to the credit of the reserves of the company, less any debit balance on retained earnings and other variations in the amount of the paid up share capital and reserves since the date of the audited balance sheet which is being referred to for the purposes of this calculation.

(J) Indemnity of officers

Subject to the provisions of the Jersey Companies Law and the Luxembourg Companies Law any director of New Regus or any of its subsidiaries may be indemnified out of the assets of New Regus against any liability incurred by him by reason of having been a director of New Regus or any of its subsidiaries.

2.16 Register of members

The directors shall keep and maintain a register of members in Jersey and may rely upon the information provided by the CREST operator for the purposes of keeping this register up to date.

A copy of the register shall be made available in electronic form to any member who requests to examine it at the head office of New Regus in Luxembourg. No copy of the register kept or maintained outside Jersey shall constitute the register of members of New Regus.

2.17 Dividends and other distributions

- (A) At the end of each annual accounting period, at least five per cent. of New Regus' net profits will be allocated to a non-distributable reserve to the extent required by the Luxembourg Companies Law until (and as long as) such reserve is equal to one tenth of the nominal value of the issued share capital. The remaining balance of the net profit, together with other available distributable reserves, shall be at the disposal of the general meeting.
- (B) Subject to the provisions of the Jersey Companies Law and the Luxembourg Companies Law, the Board may pay fixed and interim dividends if and in so far as appears to the directors to be justified by the financial position of New Regus. At each annual general meeting, the members of New Regus will approve any interim dividends paid in the previous year and the declaration of a final dividend on the end of year results. The members may require New Regus to declare a dividend which exceeds the Board's recommendation, provided that there are distributable reserves available.
- (C) If the Board acts in good faith, it shall not incur any liability to the holders of any shares for any loss they may suffer by the payment, on any other class of shares having rights ranking after or *pari passu* with those shares, of any such fixed or interim dividend.
- (D) Except as otherwise provided by the rights attaching to or terms of issue of any shares, or the terms of issue thereof or pursuant to the IAS arrangements, all dividends shall be apportioned and paid pro rata to shareholders according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

- (E) No dividend or other moneys payable in respect of a share shall bear interest against New Regus.
- (F) The directors may deduct from any dividend or other moneys payable to a holder of shares on or in respect of such shares all sums of money (if any) presently payable by the holder to New Regus on account of calls or otherwise in relation to such shares.
- (G) Any dividend unclaimed after a period of twelve years from the date on which such dividend was declared or became due for payment shall be forfeited and revert to New Regus.
- (H) Subject to the Luxembourg Companies Law and the Jersey Companies Law, the directors may, if authorised by an ordinary resolution of New Regus, offer any holder of shares (excluding treasury shares) the right to elect to receive shares by way of scrip dividend instead of cash.
- (I) As further described in paragraph 4 of this Part, New Regus Ordinary Shareholders may elect to receive their dividends from the IAS Issuers under the IAS arrangements which are intended to be put in place. Any New Regus Ordinary Shareholder may elect to receive their dividends this way and a New Regus Ordinary Shareholder who holds 25,000 or fewer New Regus Ordinary Shares (i) at the time he first becomes a New Regus Ordinary Shareholder pursuant to the Scheme or (ii) if he becomes a New Regus Ordinary Shareholder after the Scheme becomes effective, at the first dividend record date after he first becomes a New Regus Ordinary Shareholder, will be deemed to have so elected unless he notifies New Regus in writing to the contrary. However, there can be no certainty that those who have elected or are deemed to have elected to receive their dividends in such manner will be able to do so, as the directors of each IAS Issuer will have absolute discretion to decide on whether or not to pay dividends on the IAS and on the level of any dividends so paid and will have to consider, inter alia, the financial condition and distributable reserves of the relevant IAS Issuer before paying any dividend on the IAS. Pursuant to the New Regus Articles, where any dividends paid on an IAS are received by the IAS Trustee and are paid on by the IAS Trustee to New Regus Ordinary Shareholders who have made or are deemed to have made an IAS Election, the entitlements of such New Regus Ordinary Shareholders to be paid any amount in respect of a dividend declared by New Regus shall be reduced by an amount equal to the amount paid to them and to the extent dividends are not paid to such New Regus Ordinary Shareholders by the IAS Trustee then the shortfall will be made up out of dividends on New Regus Ordinary Shares. In such circumstances there will be no grossing up by New Regus in respect of, and New Regus and the IAS Issuer will not compensate the New Regus Ordinary Shareholder for, any adverse consequences including Luxembourg withholding tax. The IAS arrangements may be suspended or terminated at any time and for any reason by New Regus, without financial recompense.

2.18 Winding up

Except as provided by the rights and restrictions attached to any class of shares, the holders of New Regus Ordinary Shares will be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings. Any liquidator appointed by New Regus in a general meeting or by the Board may, with the sanction of a special resolution and any other sanction required by the Jersey Companies Law or the Luxembourg Companies Law, divide among its members in kind the whole or any part of the assets of New Regus, setting such values as it deems fair upon any property to be so divided and determining how the division shall be carried out between different classes of members.

2.19 Disclosure of beneficial ownership

If at any time any member, or any other person (as appropriate) has been served with a disclosure notice from New Regus and has not complied with such notice or supplied the information required to New Regus within a period of 14 days following service of the disclosure notice, then the Board may, in its absolute discretion by notice in writing (a "restriction notice") to such member direct that:

- (A) in respect of the shares in relation to which the restriction notice relates which shall include any share issued after the date of the notice in respect of such share) the member shall not, with effect from service of the restriction notice be entitled to vote either personally or by proxy at a shareholders' meeting or to exercise any other right confirmed by membership in relation to shareholder meetings; and

- (B) in the case of a restriction notice served on a person who holds shares which represent 0.25 per cent. or more of the issued shares of the class in question, the restriction notice may additionally direct that in respect of those shares:
- (i) no payment shall be made by way of dividend and no share shall be allotted in lieu of payment of a dividend; and
 - (ii) the Board may decline to register a transfer of any of the shares (which are in Certificated form) unless the transfer is pursuant to a bona fide sale of the shares to a party unconnected with the holder or any other person appearing to be interested in such shares.

Any restriction notice shall cease to have effect in relation to any shares transferred by such member in accordance with the provisions described in paragraph 2.19 (B)(ii) above.

2.20 Schemes of arrangement

New Regus may implement a scheme of arrangement in accordance with the relevant provisions of the Jersey Companies Law provided that it has obtained (i) approval by a majority in number representing three-fourths (in value) of the creditors or (as appropriate) three-fourths (in voting rights) of the members (or any class of them) who are entitled to vote at a meeting convened by the Jersey court (which may be held in Luxembourg); and (ii) approval of the Jersey court. In the case of a scheme of arrangement between New Regus and its members (or any class of them), at the court meeting the members (or any class of them) would be asked to approve the scheme of arrangement.

New Regus would also convene an extraordinary general meeting at which members would be asked to approve the scheme of arrangement and such other resolutions as may be required to implement it. Once approved by the members in a general meeting, the court meeting and the Jersey court, the scheme of arrangement would be binding on all members or creditors, whether or not they voted in favour of the scheme of arrangement.

2.21 Compulsory acquisition of shares

Under the Jersey Companies Law if a takeover offer is made for the company and the offeror obtains acceptances of at least nine-tenths in nominal value of the shares (or class of shares) it is offering to buy in the company, subject to the provisions of the Jersey Companies Law, it can compulsorily acquire the shares (or class of shares) of the non-accepting members on the terms of the offer by notice given to the non-accepting members in accordance with the Jersey Companies Law. In such circumstances, payment for the shares of the non-accepting members shall be made, and the shares of the non-accepting members shall be transferred to the bidder, in accordance with the provisions of the Jersey Companies Law. A holder of any shares who receives a notice of compulsory acquisition may (within six weeks from the date on which such notice was given) apply to the Jersey court for an order that the bidder not be entitled and bound to purchase the holder's shares or that the bidder purchase the holder's shares on terms different to those of the offer.

In addition, where before the end of the period within which the takeover offer can be accepted, the offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than nine-tenths in nominal value of all of the shares (or all of the shares of a particular class) of the company, the holder of any shares (or class of shares) to which the offer relates who has not accepted the offer may, by written notice to the offeror, require the offeror to compulsorily acquire the holder's shares subject to and in accordance with the provision of the Jersey Companies Law. The offeror shall (subject to the requirements of the Jersey Companies Law) be entitled and bound to acquire the holder's shares. Where a holder gives the offeror a notice of compulsory acquisition, each of the offeror and the holder of the shares is entitled to apply to the Jersey Court for an order that the terms on which the offeror is entitled and bound to acquire the holder's shares shall be such as the court thinks fit.

3. Differences between English, Jersey and Luxembourg company law and implications of New Regus being a Jersey incorporated company which has its place of central administration (head office) in Luxembourg and is accordingly registered as a société anonyme

There are a number of differences between the Companies Act, the Jersey Companies Law and the Luxembourg Companies Law which may impact upon the rights of Old Regus Ordinary Shareholders when they become New Regus Ordinary Shareholders. However, where it was thought appropriate to

confer similar rights on and protections to holders of New Regus Ordinary Shares, and where permitted under the Jersey Companies Law and the Luxembourg Companies Law, provisions which broadly replicate the position under English law have been incorporated into the New Regus Articles, as described in the summary setting out the principal differences between Old Regus Articles and New Regus Articles at paragraph 1 of this Part. A fuller description of certain provisions of the New Regus Articles is set out in paragraph 2 of this Part.

The principal differences between the Companies Acts, the Jersey Companies Law and the Luxembourg Companies Law include:

- 3.1 the Jersey Companies Law does not confer statutory pre-emption rights on shareholders relating to new share issues and the Luxembourg Companies Law contains different pre-emption rights; New Regus will dis-apply the Luxembourg law pre-emption rights in favour of adopting a set of provisions on pre-emption rights in the New Regus Articles which are broadly based on the provisions of the Companies Act 1985; New Regus will propose a special resolution every five years for the purposes of renewing this dis-application of Luxembourg pre-emption rights and related procedures;
- 3.2 directors of a company do not need the sanction of the shareholders to issue and allot shares under Jersey and Luxembourg law in the same manner as under English law, but the requirement to obtain similar sanctions as to those required under section 80 of the Companies Act 1985 has been enshrined in the New Regus Articles, adapted where appropriate to comply with Jersey and Luxembourg law; for instance, the authorised share capital amount will be confirmed at least every five years by special resolution as under Luxembourg law the directors may allot, subject to the authority to allot provisions in the New Regus Articles, all unissued shares in the authorised share capital if an authorised share capital is fixed in the New Regus Articles but any unissued shares and certain related authorisations will “lapse” under Luxembourg law unless renewed after five years;
- 3.3 under both Jersey and Luxembourg law, any alteration in the authorised share capital of a company requires a special resolution (two-thirds majority) rather than an ordinary resolution (a simple majority);
- 3.4 under Luxembourg law, a company must state not only its authorised share capital but also its issued share capital in its articles of association; under Jersey law, there is no such requirement. To comply with Luxembourg law in this regard, it is intended that on a monthly basis New Regus will update the statement of its issued share capital in the New Regus Articles to reflect any increase in the number of New Regus Ordinary Shares (or any class of shares in New Regus which are subsequently issued) in issue by the Board requesting that a Luxembourg notary public make this change and file the New Regus Articles, as amended, with the Luxembourg RCS and have a notice published in the Luxembourg Official Gazette. In order to ensure that equivalent information is available at the Jersey Companies Registry, New Regus will also file updated New Regus Articles in Jersey on a monthly basis and each year at the annual general meeting will ask members to approve (by special resolution) the updating and filing of the New Regus Articles in Jersey in this way during the forthcoming year (but will not pass a separate special resolution in relation to each update of the issued share capital clause in the New Regus Articles);
- 3.5 a special resolution is required to be passed by two-thirds of the votes cast by members present (in person or by proxy) at the relevant meeting under both Jersey and Luxembourg law (compared with a three-quarters majority required under English law). Thus, for example, a buy-back of shares requiring the sanction of a special resolution will only require a two-thirds majority of the votes cast instead of a three-quarters majority. However, there are certain additional Luxembourg law requirements for the passing of a special resolution which New Regus must adhere to, such as a more onerous quorum requirement (that is, members present in person or by proxy representing at least 50 per cent. of the issued share capital); where required, the holding of certain extraordinary general meetings (and the annual general meeting, where any amendments to the New Regus Articles are proposed) in front of a notary public and the recording of the minutes of certain meetings by notarial deed; and, where required, the filing and publication of the notarial deed recording an extraordinary general meeting (or the annual general meeting) with the Luxembourg RCS and in the Luxembourg Official Gazette;
- 3.6 in the event that an extraordinary general meeting or the annual general meeting at which special resolutions are to be proposed to the members of New Regus is not quorate, under Luxembourg law the meeting must be dissolved and reconvened in accordance with certain notice formalities (which

have been incorporated into the New Regus Articles, as summarised at paragraph 2 of this Part); at the reconvened meeting (under Luxembourg law, “the meeting of second call”), there is no quorum requirement but the New Regus Articles will incorporate the Jersey law requirement that two members must be present (in person or by proxy) for a general meeting to be quorate;

- 3.7 whilst Jersey law provides for the same formalities for a variation of class rights as under English company law, Luxembourg law does not allow a written consent of members of a class to approve a variation of rights of that particular class; under Luxembourg law, class rights can only be varied by way of a special resolution for which the quorum and majority requirements for a special resolution have to be fulfilled also in relation to each relevant class of members, and not just at a separate class meeting of the members of the class whose rights are being varied; this has been reflected in the New Regus Articles;
- 3.8 the circumstances in which the Jersey Companies Law permits a Jersey company to indemnify its directors in respect of liabilities incurred by the directors in carrying out their duties are limited, albeit in a slightly different manner to English companies. There is however no general prohibition on the granting of loans by a company to its directors under either Jersey or Luxembourg law (but directors remain subject to fiduciary duties when considering the grant of any such loans) and any costs incurred in defending any proceedings which relate to anything done or omitted to be done by that director in carrying out his duties may be funded by way of loans. The Luxembourg Companies Law also permits a company to indemnify its directors but the articles of association of a company must exclude indemnification under certain circumstances such as, for example, wilful misfeasance, bad faith, gross negligence or if a director is convicted of a criminal offence;
- 3.9 neither Jersey nor Luxembourg law requires that shareholders approve compensation payments made to directors for loss of office, whereas under English law, a payment by a company for loss of office to a director of a company or its holding company, or their connected persons, must be approved by a resolution of shareholders. The position under English law has been replicated in the New Regus Articles notwithstanding the fact that a clause providing for approval of such payments may conflict with the Luxembourg principle of “ad nutum” (at will) removal of director;
- 3.10 the Jersey Companies Law and the Luxembourg Companies Law do not require the directors of a company to disclose to the company their beneficial ownership of any shares in the company (although they must disclose to the company the nature and extent of any direct or indirect interest which conflicts, or may conflict to a material extent with, a transaction into which the company or any of its subsidiaries is proposing to enter). However, as a company listed on the London Stock Exchange, New Regus and shareholders in New Regus will be required to comply with the Disclosure and Transparency Rules which contain such requirements (Chapter 3 of the Disclosure and Transparency Rules require the disclosure of such interests by the directors);
- 3.11 neither the Jersey Companies Law nor the Luxembourg Companies Law grants the directors a statutory power to request information concerning the beneficial ownership of shares, but powers based on section 793 of the Companies Act have been incorporated into the New Regus Articles entitling the directors to request information to establish details of interests in shares in New Regus;
- 3.12 both Jersey and Luxembourg law allow members holding at least 10 per cent. of the issued share capital (by voting rights) to require the holding of a general meeting. The Luxembourg Companies Law requires that such a meeting be convened so as to be held within one month whilst the Jersey Companies Law requires such a meeting to be held within two months. The New Regus Articles therefore adopts the Luxembourg standard and provides for a requisitioned meeting to be convened within one month of a members’ requisition;
- 3.13 neither the Jersey Companies Law nor the Luxembourg Companies Law confers on members the right to an independent scrutiny of a poll taken, or to be taken, at a general meeting, nor does it confer rights on members to require a company to circulate resolutions proposed to be moved by members at the next annual general meeting, or to circulate explanatory statements relating to any matter relating to a proposed resolution at a general meeting (the Luxembourg Companies Law does, however, grant members the right to require the Board to add items to the agenda of a general meeting), or rights for a nominee holder of shares to have information rights granted to the underlying beneficial owner of the shares, but all of these rights have been incorporated into the New Regus Articles, as described in paragraph 2 of this Part;

- 3.14 there is no express restriction on donations by a company to political organisations under Jersey law or Luxembourg law;
- 3.15 under the Jersey Companies Law, at a meeting of shareholders, a poll may be demanded in respect of any question by: (i) no fewer than five shareholders having the right to vote on the question; or (ii) a shareholder or shareholders representing not less than one tenth of the total voting rights of all shareholders having the right to vote on the question whereas, in addition, under the Companies Act, a shareholder or shareholders representing 10 per cent. of the total sum paid up on all shares giving the right to vote may also demand a poll; under the Luxembourg Companies Law, all votes on resolutions put to a general meeting must be by way of poll, except in certain circumstances for resolutions which relate to minor procedural matters. The New Regus Articles have therefore provided for this as described in paragraph 2 of this Part;
- 3.16 under Jersey law, it is harder for shareholders to bring a derivative claim against a company than is the case under the Companies Act. However, Jersey law includes an equivalent provision relating to protection of shareholders against unfair prejudice (which, in English law, has not changed substantially between the Companies Act 1985 and the Companies Act) and Jersey has (subject to certain exceptions) a broadly similar position under customary law to the common law position under English law; Luxembourg law does not recognise the concept of a derivative claim but a shareholder or other third party can bring an action against New Regus for damages incurred individually as a result of actions by the Board and different from the prejudice suffered by the company and all other shareholders, or for unfair prejudice against minority shareholders;
- 3.17 there is no concept of a scheme of arrangement under Luxembourg law but New Regus could implement a scheme of arrangement under the Jersey Companies Law (which is broadly the same as equivalent provisions in the Companies Act); in order to facilitate New Regus being able to implement a valid scheme of arrangement in future, should it be in the interests of New Regus to do so, certain elements of the procedure which would be followed in order to implement a scheme of arrangement have been enshrined in the New Regus Articles, as described in more detail in paragraph 2 of this Part; and
- 3.18 the provisions of the Luxembourg Takeover Law which allow for a compulsory acquisition procedure in the event of a takeover offer for a company do not apply to New Regus; the provisions of the Jersey Companies Law which set out a compulsory acquisition procedure (that is, “squeeze-out” and “sell-out” rights similar to those in the Companies Act) do apply to New Regus; to make it that such provisions are applicable the key procedural elements of the relevant Jersey Companies Law provisions have been enshrined in the New Regus Articles;
- 3.19 under Jersey law, the two procedures for dissolving a Jersey company are winding up and *désastre*. Concepts such as receivership, administration and voluntary arrangements do not exist under Jersey law. The concept of a winding up is broadly similar to that under English law, except that under Jersey law, a winding up may only be commenced by the Jersey company and not by one of its creditors. If the company is solvent the winding up will be a summary winding up. If the company is insolvent, the winding up will be a creditors’ winding up. A creditor wishing to dissolve a Jersey company would seek to have the company’s property declared *en désastre* (literally meaning “in disaster”). If the company’s property is declared *en désastre*, all of the powers and property of the company (whether present or future or situated in Jersey or elsewhere) are vested in the Viscount (an officer of the court). The role of the Viscount is similar to that of a liquidator. The Viscount’s principal duty is to act for the benefit of the company’s creditors. He is not under an obligation to call any creditors’ meetings, although he may do so.

Under Luxembourg law, the procedure for the dissolution and liquidation of a company involves three steps, each of which requires the holding of a general meeting of the shareholders of the company (a “GM”). The first GM will be for the purposes of passing a special resolution in front of a public notary and recorded in notarial deed to resolve to dissolve and put into liquidation the company and to appoint liquidators and determine their powers and remuneration. The purpose of the second GM, at which only ordinary resolutions will be passed, is to hear the report of the liquidators on the progress of the liquidation, to appoint auditors to report on the liquidation and to fix the date of the third GM. The final GM, which will also pass only ordinary resolutions, will hear the auditors’ report, approve the liquidation accounts, grant discharge (*quitus*) to the liquidators and auditors to the liquidation, determine the place where the corporate books and documents are to be lodged and retained for five years and close the liquidation procedure. The company will then cease

to exist. There is no involvement of creditors in the GMs of a voluntary liquidation procedure. However, insolvency proceedings may be commenced by New Regus' unpaid creditors (and shall be commenced by the Board) if it can be shown that New Regus is both unable to pay its creditors and unable to raise credit. If the Luxembourg Court is satisfied that these conditions are met, the Court will declare New Regus bankrupt ("faillite").

This list is intended to be illustrative only and does not purport to be exhaustive or to constitute legal advice. Any Old Regus Ordinary Shareholder wishing to obtain future information regarding his rights as a New Regus Ordinary Shareholder under Jersey and/or Luxembourg law should consult his Jersey and/or Luxembourg legal advisers.

Following and subject to admission, New Regus will be required to comply with the Listing Rules, (including the Model Code, rules relating to related party transactions, and class transactions) and the Disclosure and Transparency Rules. In certain of the instances where the Listing Rules and the Disclosure and Transparency Rules apply differently to an overseas company, provision has been made in the New Regus Articles to apply the rules as if New Regus was a company incorporated in the UK. For example, the requirement for any proposed employee share schemes and long term incentive plans to be approved by shareholders under Listing Rule 9.4 has been enshrined in the New Regus Articles, and the New Regus Articles provide that shareholders must comply with the rules contained in DTR 5 of the Disclosure and Transparency Rules relating to disclosure of major shareholdings and other controlling voting rights in New Regus as if it were a UK-incorporated company.

New Regus intends, upon implementation of the Scheme, to comply with the Combined Code to the same extent that Old Regus does.

New Regus will continue to be subject to the provisions of the City Code on Takeovers and Mergers. The insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to New Regus and dealings with New Regus Ordinary Shares, alongside the parallel provisions of Jersey law and Luxembourg law, to the extent that they are applicable.

4. IAS arrangements

Since any dividends paid under the IAS arrangements will be paid by a company or companies resident for tax purposes only in the UK, such dividends should not be subject to any Luxembourg withholding tax. As set out in greater detail in paragraph 5.3 of this Part, such dividend payments will not be subject to a withholding in respect of UK tax. For further detail on certain tax implications for certain classes of New Regus Ordinary Shareholders of the IAS arrangements, please refer to paragraph 5 of this Part below.

If you are in any doubt about your tax position in relation to the Proposals or the holding of New Regus Ordinary Shares, you should consult your own professional adviser without delay.

New Regus intends to put into place, after completion of the Scheme, IAS arrangements. To the extent that they are effected and operated, these arrangements will mean that New Regus Ordinary Shareholders are able to choose whether they receive dividends from New Regus (i.e. a company resident for tax purposes in Luxembourg) or from a company resident for tax purposes in the United Kingdom under the IAS arrangements.

Where a New Regus Ordinary Shareholder holds New Regus Ordinary Shares in more than one designated account, each designated account shall be considered separately for the purposes of any IAS election made or deemed to have been made. References to a "New Regus Ordinary Shareholder" should be read as references to the New Regus Ordinary Shareholder in respect of a particular designated account.

4.1 Mechanics of the arrangement

To the extent that the IAS arrangements are effected and operated, each IAS Issuer will issue one IAS which will be held by the IAS Trustee pursuant to the IAS Trust. The IAS Trust will be constituted pursuant to a trust deed which will provide that inter alia:

- (A) the IAS Trustee will hold any dividends paid (not just declared) on the IAS on trust for the New Regus Ordinary Shareholders who have elected (or are deemed to have elected) to receive dividends pursuant to these arrangements;
- (B) the IAS themselves will be held on trust for New Regus; and

- (C) each registered holder of New Regus Ordinary Shares on a dividend record date who has made (or is deemed to have made) a valid IAS Election will be entitled to receive from the IAS Trustee an amount equal to the dividend it would have received from New Regus, to the extent the IAS Trustee has actually received amounts equal to such amount by way of dividends from the IAS Issuers.

To ensure compliance with technical trust law rules, the period during which the IAS Trust may continue will be restricted. However, the IAS Trust should be able to continue for 80 years.

4.2 Articles of association

This mechanism will be reflected in the articles of association of both New Regus and each IAS Issuer so that the mechanics of the IAS arrangements will be as follows.

The New Regus Articles provide that if (i) a dividend is announced or declared by New Regus on the New Regus Ordinary Shares, (ii) amounts are paid by the IAS Issuers by way of a dividend on the IAS to the IAS Trustee, and (iii) such amounts are paid by the IAS Trustee to the New Regus Ordinary Shareholders who have elected (or are deemed to have elected) to receive dividends under these arrangements, the dividend which would otherwise be payable by New Regus to such New Regus Ordinary Shareholders will be reduced by an amount equal to the amounts paid to such New Regus Ordinary Shareholders by the IAS Trustee.

If the dividends paid on the IAS to the IAS Trustee and on-paid by the IAS Trustee to the New Regus Ordinary Shareholders are less than the total amount of the dividend announced or declared by New Regus on the New Regus Ordinary Shares in respect of which an election has been made (or is deemed to have been made) to receive dividends under these arrangements, New Regus will be obliged to pay a dividend on the New Regus Ordinary Shares to those New Regus Ordinary Shareholders who have so elected (or are deemed to have so elected) of the amount of the shortfall. In such a case, any dividend paid on the New Regus Ordinary Shares will generally be subject to Luxembourg withholding tax at the rate of 15 per cent. and the recipient will receive such amount net of such withholding tax. Further details on Luxembourg withholding tax are set out in paragraph 5.2 of this Part below.

4.3 IAS Elections

A New Regus Ordinary Shareholder will be entitled to make an IAS Election such that, to the extent that such arrangements are effected and operated, he will receive his dividends (which would otherwise be payable by New Regus) under these arrangements from the IAS Issuers.

A New Regus Ordinary Shareholder who holds 25,000 or fewer New Regus Ordinary Shares at the time he becomes a New Regus Ordinary Shareholder pursuant to the Scheme, and who does not make a contrary election, will be deemed to have made an election (pursuant to the New Regus Articles) such that, to the extent that such arrangements are effected and operated, he will receive his dividends under these arrangements from the IAS Issuers.

Equally, a New Regus Ordinary Shareholder who first acquires his New Regus Ordinary Shares after the Scheme Effective Date, who holds 25,000 or fewer New Regus Ordinary Shares on the first dividend record date after he becomes a New Regus Ordinary Shareholder, and who does not make a contrary election, will be deemed to have made an election (pursuant to the New Regus Articles) such that, to the extent that such arrangements are effected and operated, he will receive his dividends under these arrangements from the IAS Issuers.

The forms for making an IAS Election (or for opting out of the IAS Election for those New Regus Ordinary Shareholders who would otherwise be deemed to have made the IAS Election) have been sent to Old Regus Ordinary Shareholders with the Scheme Circular and are also available from the Registrars and from New Regus' registered office.

Subject to paragraph 4.4 below, any IAS Election (made or deemed to have been made) shall remain effective unless and until a contrary election is made and notified to New Regus. Any New Regus Ordinary Shareholder will be able to elect at any time to change a previous IAS Election made or deemed to have been made by notifying New Regus in writing to that effect. Such notification must be made in writing to New Regus' registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

4.4 Payment of dividends via the IAS

It is the expectation, although there can be no certainty, that the IAS Issuers will distribute dividends on the IAS to the IAS Trustee for the benefit of all New Regus Ordinary Shareholders who make (or are deemed to make) an IAS Election in an amount equal to what would have been such New Regus Ordinary Shareholders' entitlement to dividends from New Regus in the absence of the IAS Election. To the extent that any dividends paid on the IAS to the IAS Trustee and on-paid by the IAS Trustee to the New Regus Ordinary Shareholders are of an aggregate amount which is less than the amount which would have been such New Regus Ordinary Shareholders' entitlement to dividends from New Regus in the absence of the IAS Election, the dividends on the IAS received by the IAS Trustee will be allocated pro rata to such New Regus Ordinary Shareholders and New Regus will pay the balance by way of dividend. In such circumstances, there will be no grossing up by New Regus in respect of, and New Regus and the IAS Issuers will not compensate those New Regus Ordinary Shareholders for, any adverse consequences including any Luxembourg withholding tax consequences.

4.5 Termination

The IAS arrangements may be suspended or terminated at any time, in which case the full New Regus dividend will be paid directly by New Regus to those New Regus Ordinary Shareholders who have made (or are deemed to have made) an IAS Election. In such circumstances, there will be no grossing up by New Regus in respect of, and New Regus and the IAS Issuers will not compensate those New Regus Ordinary Shareholders for, any adverse consequences including any Luxembourg withholding tax consequences.

4.6 Tax

Summaries of certain tax implications for certain classes of New Regus Ordinary Shareholders of these arrangements are set out in paragraph 5 of this Part below.

5. Taxation

5.1 Jersey Taxation

The following summary of the anticipated treatment of New Regus and holders of New Regus Ordinary Shares (other than holders who are tax resident in Jersey) is based on Jersey taxation law as it is understood to apply at the date of this document. It does not constitute legal or tax advice. Old Regus Ordinary Shareholders should consult their professional advisers on the implications of acquiring, buying, holding, selling or otherwise disposing of New Regus Ordinary Shares under the laws of the jurisdictions in which they may be liable to taxation. Old Regus Ordinary Shareholders should be aware that tax laws, rules and practice and their interpretation may change.

5.1.1 Income tax

New Regus

Under the Income Tax (Jersey) Law 1961 (the "**Jersey Income Tax Law**"), New Regus will be regarded as not resident in Jersey under Article 123(1) of the Jersey Income Tax Law provided that (and for so long as) it satisfies the conditions set out in that provision, in which case New Regus will not (except as noted below) be liable to Jersey income tax.

If New Regus derives any income from the ownership or disposal of land in Jersey, such income will be subject to tax at the rate of 20 per cent. It is not expected that New Regus will derive any such income.

Holders of New Regus Ordinary Shares

New Regus will be entitled to pay dividends to holders of New Regus Ordinary Shares without any withholding or deduction for or on account of Jersey tax.

Holders of New Regus Ordinary Shares (other than holders who are tax resident in Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such New Regus Ordinary Shares.

5.1.2 Goods and services tax

New Regus is an “international services entity” for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the “**GST Law**”). Consequently, New Regus is not:

- (a) a taxable person pursuant to the GST Law;
- (b) required to charge goods and services tax in Jersey in respect of any supply made by it; or
- (c) (subject to limited exceptions that are not expected to apply to New Regus) required to pay goods and services tax in Jersey in respect of any supply made to it.

5.1.3 Stamp duty

No stamp duty is payable in Jersey on the issue or on any transfer of New Regus Ordinary Shares otherwise than on death.

Upon the death of a holder of New Regus Ordinary Shares, a grant of probate or letters of administration will be required to transfer the New Regus Ordinary Shares of the deceased person, except that where the deceased person was domiciled outside of Jersey at the time of death, New Regus may (at its discretion) dispense with this requirement where the value of the deceased’s movable estate in Jersey does not exceed £10,000.

Upon the death of a holder of New Regus Ordinary Shares, Jersey stamp duty will be payable on the registration in Jersey of a grant of probate or letters of administration, which will be required in order to transfer or otherwise deal with:

- (a) (where the deceased person was domiciled in Jersey at the time of death) the deceased person’s personal estate wherever situated (including any New Regus Ordinary Shares) if the net value of such personal estate exceeds £10,000; or
- (b) (if the deceased person was domiciled outside of Jersey at the time of death) the deceased person’s personal estate situated in Jersey (including any New Regus Ordinary Shares) if the net value of such personal estate exceeds £10,000.

The rate of stamp duty payable is:

- (i) (where the net value of the deceased person’s relevant personal estate does not exceed £100,000) 0.50 per cent. of the net value of the deceased person’s relevant personal estate; or
- (ii) (where the net value of the deceased person’s relevant personal estate exceeds £100,000) £500 for the first £100,000 plus 0.75 per cent. of the net value of the deceased person’s relevant personal estate which exceeds £100,000.

In addition, application and other fees may be payable.

5.2 Luxembourg Taxation

The following is a summary of the anticipated treatment of holders of New Regus Ordinary Shares who are not resident in Luxembourg for tax purposes.

This description is based on Luxembourg tax law as it is understood to apply at the date of this Prospectus. It does not constitute legal or tax advice and it is not supposed to be a comprehensive description of all of the tax considerations that may be relevant to a decision to exchange Old Regus Ordinary shares, and to acquire, hold or dispose of New Regus Ordinary shares.

New Regus Ordinary Shareholders should consult their professional advisers on the implications of acquiring, buying, holding, selling or otherwise disposing of New Regus Ordinary Shares under the laws of the jurisdictions in which they may be liable to taxation. New Regus Ordinary Shareholders should be aware that tax laws, rules and practice and their interpretation may change.

5.2.1 Capital duty

Luxembourg tax-resident companies are subject to a 0.5 per cent. capital duty on share capital issued on incorporation and capital increases. The duty is due on the subscribed capital and on the share premium. It has been announced that the capital duty will be abolished as from 1 January 2009.

New Regus may benefit from a capital duty exemption applicable to share for share transactions. Assuming that:

- (a) the Scheme is effective before 1 January 2009 (which it is anticipated to be); and
- (b) New Regus and Old Regus have their statutory seats or places of effective management in an EU member state (which is anticipated to be the case),

this capital duty exemption will apply provided that New Regus keeps all of the shares in Old Regus acquired pursuant to the Scheme for an uninterrupted period of 5 years, and that within this period, its shareholding in Old Regus does not drop below 65 per cent (which is intended to be the case). Otherwise, capital duty would be applied retroactively. It should be noted that the exemption remains available if during the 5 years the shares are transferred through a transaction which would itself benefit from an exemption (for instance, a new share for share exchange, or a contribution of all assets and liabilities) or if the transfer were upon the liquidation of New Regus.

5.2.2 Withholding tax on dividends, buybacks and liquidation proceeds distributions

A 15 per cent. withholding tax applies to gross dividends paid by a Luxembourg company, unless the requirement is reduced by an applicable double tax treaty, or certain conditions are met. For certain shareholders the conditions referred to are the requirement to hold at least 10 per cent. of the ordinary share capital of New Regus, or a shareholding with an original acquisition cost amounting to at least EUR 1.2 million. This means that dividends paid by New Regus to a UK tax resident holder of New Regus Ordinary Shares who owns less than 10 per cent. of the issued share capital of New Regus and whose acquisition price of the shareholding was less than EUR 1.2 million will generally be paid after the deduction of Luxembourg withholding tax at the rate of 15 per cent (although no withholding tax should apply in respect of dividends paid under the IAS).

Luxembourg withholding tax at 15 per cent. would also normally be applicable on any buyback of shares by New Regus. However, it is intended that any share buybacks will in future be funded from the reserves of Old Regus rather than those of New Regus. On this basis, it is anticipated that Luxembourg withholding tax should not be relevant, and that no withholding should accordingly arise.

Any liquidation proceeds distributed by New Regus would not be subject to withholding tax.

5.2.3 Luxembourg taxation on capital gains realised by non residents

New Regus Shareholders who are not resident in Luxembourg will be taxable in Luxembourg on capital gains realised on the sale or cancellation of their shares in New Regus, if the shares sold or cancelled represent more than 10 per cent. of the capital of New Regus at any time during the 5 years preceding the year of disposal and they are sold or cancelled:

- (a) within 6 months of this acquisition; or
- (b) more than 6 months after this acquisition if the New Regus Shareholder was a Luxembourg resident for more than 15 years and became non resident less than 5 years before the sale.

Such capital gain will be subject to Luxembourg tax at the rate of 22.88 per cent. In the case of non-resident companies and to a progressive rate in the case of non-resident individuals (15.4 to 39 per cent.), subject to the availability of relief under a relevant Double Tax Treaty.

5.2.4 Luxembourg estate and gift tax

The transfer of New Regus Ordinary Shares upon the death of a New Regus Shareholder who is not tax resident in Luxembourg will not give rise to any liability to Luxembourg inheritance tax.

A gift of New Regus Ordinary Shares will not be subject to Luxembourg gift tax unless it is made pursuant to a notarial deed signed before a Luxembourg notary or mandatorily registered by use in an official document, in court or in front of any duly constituted authority.

5.2.5 Other Luxembourg tax considerations

No Luxembourg stamp duty should be levied on the transfer of New Regus Ordinary Shares.

5.3 UK taxation

The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current legislation and on what is understood to be current HM Revenue and Customs practice. They summarise certain limited aspects of the UK taxation consequences of the Scheme and the holding and disposing of New Regus Ordinary Shares. Unless otherwise expressly stated, they apply only to Old Regus Ordinary Shareholders (or New Regus Ordinary Shareholders) who are resident or ordinarily resident in the United Kingdom for taxation purposes, who hold their Old Regus Ordinary Shares (and who will hold their New Regus Ordinary Shares) as an investment (other than under a personal equity plan or an individual savings account), who are the absolute beneficial owners of those shares and who have not (and are not deemed to have) acquired those shares by virtue of an office or employment (whether current, historic or prospective). In addition, these comments may not apply to certain classes of Old Regus Ordinary Shareholder or New Regus Ordinary Shareholder such as collective investment schemes and insurance companies. If you are in any doubt about your tax position in relation to the Proposals or the holding of New Regus Ordinary Shares, you should consult your own professional adviser without delay.

5.3.1 UK taxation consequences of the Scheme

An Old Regus Ordinary Shareholder who does not hold (either alone or together with other persons connected with him) more than 5 per cent. of, or of any class of, shares in or debentures of Old Regus should not be treated as having made a disposal or part disposal of his Old Regus Ordinary Shares for the purposes of UK taxation of chargeable gains on implementation of the Scheme. Instead any chargeable gain or allowable loss which would otherwise have arisen on a disposal of such holder's Old Regus Ordinary Shares should be "rolled over" into his New Regus Ordinary Shares. As a result, the New Regus Ordinary Shares should be treated as the same asset and as having been acquired at the same time and for the same consideration as the Old Regus Ordinary Shares from which they derived.

An Old Regus Ordinary Shareholder who does hold (either alone or together with other persons connected with him) more than 5 per cent. of, or of any class of, shares in or debentures of Old Regus should not be treated as having made a disposal or part disposal of his Old Regus Ordinary Shares for the purposes of UK taxation of chargeable gains on the implementation of the Scheme and should be able to "roll over" any chargeable gain or allowable loss into his New Regus Ordinary Shares as described above provided the Scheme (i) is effected for *bona fide* commercial reasons and (ii) does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of liability to capital gains tax or corporation tax. If these conditions are not met, then such an Old Regus Ordinary Shareholder who is resident or, in the case of an individual, ordinarily resident, in the UK will be treated, on receiving New Regus Ordinary Shares as consideration for the cancellation of his Old Regus Ordinary Shares, as having made a disposal of his Old Regus Ordinary Shares which may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains. No application has been made to HM Revenue and Customs under section 138 of the Taxation of Chargeable Gains Act 1992 for clearance that these conditions will be met.

5.3.2 UK stamp duty and stamp duty reserve tax ("SDRT") consequences of the Scheme

No stamp duty or SDRT will arise on the cancellation of the Old Regus Ordinary Shares or the allotment and issue of the New Regus Ordinary Shares under the Scheme.

5.3.3 UK taxation consequences of disposing of New Regus Ordinary Shares

A subsequent disposal of New Regus Ordinary Shares by a New Regus Ordinary Shareholder may, depending on their individual circumstances, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

A subsequent disposal of New Regus Ordinary Shares by a New Regus Ordinary Shareholder who is not resident in the UK for tax purposes but who carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and has used, held or acquired the New Regus Ordinary Shares for the purposes of such trade, profession or vocation or such branch, agency or permanent

establishment may, depending on their individual circumstances, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

A New Regus Ordinary Shareholder who is an individual not domiciled in the UK may, if all relevant claims are made and charges paid, be liable to UK capital gains tax only to the extent that chargeable gains made on the disposal of New Regus Ordinary Shares are remitted or deemed to be remitted to the UK.

A New Regus Ordinary Shareholder who is an individual and who is temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK taxation on a chargeable gain realised on the disposal or part disposal of his New Regus Ordinary Shares during the period when he is non-resident.

On the basis that a New Regus Ordinary Shareholder was able to “roll over” any chargeable gain or allowable loss which would otherwise have arisen on the disposal of such holder’s Old Regus Ordinary Shares on implementation of the Scheme (as set out above in the section entitled “*UK taxation consequences of the Scheme*”), any chargeable gain or allowable loss on the disposal of New Regus Ordinary Shares should be calculated taking into account the allowable original cost to the Old Regus Ordinary Shareholder of acquiring the Old Regus Ordinary Shares from which the New Regus Ordinary Shares are derived.

For corporate shareholders only, indexation allowance on the relevant proportion of the original allowable cost should be taken into account for the purposes of calculating a chargeable gain (but not an allowable loss) arising on a disposal or part disposal of their New Regus Ordinary Shares.

No indexation allowance or taper relief will be available to individual shareholders on disposals of their New Regus Ordinary Shares.

5.3.4 UK taxation on dividends

(A) Dividends paid by New Regus on the New Regus Ordinary Shares

New Regus Ordinary Shareholders who are individuals who own less than a 10 per cent. shareholding in New Regus

A New Regus Ordinary Shareholder who is an individual will, if he owns less than 10 per cent. of the issued share capital in New Regus, be entitled to a tax credit equal to one-ninth of the dividend received from New Regus. Such an individual will be taxable on the total of the dividend before deduction of any Luxembourg tax withheld and the related tax credit (the “**gross dividend**”), which will be regarded as the top slice of the individual’s income.

Provided that the relevant individual New Regus Ordinary Shareholder is not claiming the remittance basis of taxation, the tax credit will be treated as discharging the individual’s liability to UK income tax in respect of the gross dividend, unless and except to the extent that the gross dividend falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay UK income tax on the gross dividend of 32.5 per cent. of the gross dividend less the related tax credit. So, for example, a dividend of £80 will carry a tax credit of £8.89 and the UK income tax payable on the dividend by an individual liable to income tax at the higher rate would be 32.5 per cent. of £88.89, namely £28.89, less the tax credit of £8.89, leaving a net tax charge of £20, less the amount of any withholding tax which had been deducted in respect of Luxembourg dividend withholding tax.

If the relevant individual New Regus Ordinary Shareholder is eligible to and is claiming the remittance basis of taxation and remits a dividend paid on the New Regus Ordinary Shares, the individual will pay UK income tax on the gross dividend of 20 per cent. of the gross dividend less the related tax credit, unless and except to the extent that the gross dividend falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent pay UK income tax on the gross dividend of 40 per cent. of the gross dividend less the related tax credit, less the amount of any withholding tax which has been deducted in respect of Luxembourg dividend withholding tax.

New Regus Ordinary Shareholders who are individuals who own a 10 per cent. or greater shareholding in New Regus.

An individual New Regus Ordinary Shareholder who owns 10 per cent. or more of the issued share capital in New Regus is not currently entitled to a tax credit in respect of dividends received from New Regus. Such an individual will generally be subject to UK income tax on the total of the dividend paid by New Regus (before deduction of any Luxembourg tax withheld) at the dividend ordinary rate (currently 10 per cent.) (or if he is eligible to and claiming the remittance basis of taxation the basic rate (currently 20 per cent.)),

unless and except to the extent that the gross dividend falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay UK income tax on the total of the dividend paid (before deduction of any Luxembourg tax withheld) at the dividend upper rate (currently 32.5 per cent.) (or if he is claiming the remittance basis of taxation the higher rate (currently 40 per cent.)). The UK Government has announced proposals — to take effect from 2009 — to extend the availability of a tax credit to individuals who own 10 per cent. or more of the issued share capital in distributing non-UK resident companies if the company paying the dividend satisfies certain conditions.

Corporate New Regus Ordinary Shareholders

A corporate New Regus Ordinary Shareholder who is resident in the UK or who carries on a trade in the UK through a permanent establishment in connection with which its New Regus Ordinary Shares are held will generally be subject to UK corporation tax on the gross amount of any dividends paid by New Regus before deduction of any Luxembourg tax withheld.

Credit for Luxembourg withholding tax

As noted in the paragraph on Luxembourg dividend withholding tax above, Luxembourg dividend withholding tax at the rate of 15 per cent. will generally be withheld from dividends paid by New Regus to UK tax resident New Regus Ordinary Shareholders, subject to the availability of any exemption. HM Revenue and Customs will generally give credit for any Luxembourg withholding tax withheld from the payment of a dividend and which is not recoverable from the Luxembourg tax authorities against UK income tax or UK corporation tax payable by New Regus Ordinary Shareholders on the dividend.

(B) Dividends paid on an IAS

If a New Regus Ordinary Shareholder receives dividends on an IAS, such a New Regus Ordinary Shareholder should be treated as receiving dividends from the relevant IAS Issuer.

No IAS Issuer will be required to withhold at source any amount in respect of UK tax from dividend payments it makes on an IAS regardless of who receives the payment.

A New Regus Ordinary Shareholder who is an individual and who receives a dividend from an IAS Issuer on an IAS will be entitled to a tax credit equal to one-ninth of the dividend. The individual will be taxable on the total of the dividend and the related tax credit (the “**gross dividend**”), which will be regarded as the top slice of the individual's income. The tax credit will, however, be treated as discharging the individual's liability to UK income tax in respect of the gross dividend, unless and except to the extent that the gross dividend falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay UK income tax on the gross dividend of 32.5 per cent. of the gross dividend less the related tax credit. So, for example, a dividend of £80 will carry a tax credit of £8.89 and the UK income tax payable on the dividend by an individual liable to income tax at the higher rate would be 32.5 per cent. of £88.89, namely £28.89, less the tax credit of £8.89 leaving a net tax charge of £20.

A New Regus Ordinary Shareholder who is within the charge to corporation tax will not generally be taxable on any dividend it receives from an IAS Issuer on an IAS.

A New Regus Ordinary Shareholder who is not liable to tax on dividends received on an IAS will not be entitled to claim payment of the tax credit in respect of those dividends.

A New Regus Ordinary Shareholder who is an individual and is resident, but not domiciled, in the UK or who is resident but not ordinarily resident in the UK should note that he will be liable for UK income tax on dividends paid on an IAS whether or not those dividends are remitted or deemed to be remitted to the UK.

The right of a New Regus Ordinary Shareholder who is not resident for tax purposes in the UK to a tax credit in respect of a dividend received from an IAS Issuer on an IAS and to claim payment of any part of that tax credit will depend on the existence and terms of any double taxation treaty between the UK and the country in which the New Regus Ordinary Shareholder is resident. A New Regus Ordinary Shareholder who is not solely resident in the UK should consult his own tax adviser concerning his tax liabilities on dividends received on an IAS, whether he is entitled to claim any part of the tax credit and, if so, the procedure for doing so.

5.3.5 Transactions in Securities

Old Regus Ordinary Shareholders should note that Old Regus has been advised that the Old Regus Ordinary Shareholders should not suffer a counteracting tax assessment under the transaction in securities rules in sections 703 et seq. of the Income and Corporation Taxes Act 1988 and sections 682 et seq. of the Income Taxes Act 2007 by reference to the Scheme, but that no application for clearance has been made under section 707 of the Income and Corporation Taxes Act 1988 or section 701 of the Income Taxes Act 2007 in relation to the Scheme.

5.3.6 UK stamp duty and SDRT on transfers of New Regus Ordinary Shares

In practice, UK stamp duty should generally not need to be paid on an instrument transferring New Regus Ordinary Shares.

No UK SDRT will generally be payable in respect of any agreement to transfer New Regus Ordinary Shares.

The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. They assume that the New Regus Ordinary Shares will not be registered in a register kept in the UK by or on behalf of New Regus. New Regus has confirmed it does not intend to keep such a register in the UK.

6. Employee share schemes

Under each of the Old Regus Share Schemes, options and awards will not vest or become exercisable as a consequence of the Scheme. Participants in each of these plans will be offered the opportunity to exchange their options or awards for options or awards over New Regus Ordinary Shares of equivalent value and on the same terms.

The new options and awards will become exercisable or vest at the same time as the existing options or awards would have become exercisable or vested and the same performance conditions will apply. The rules of the relevant existing plan will continue to apply with minor changes required to reflect the status of New Regus as a Jersey incorporated company with its place of central administration (head office) in Luxembourg.

The following is a summary of the main provisions of the New Regus Share Schemes which will have been adopted by New Regus by the Scheme Effective Date. The operation of each scheme will be governed by the rules of that scheme.

6.1 The Regus plc Share Option Plan (the “Share Option Plan”)

The Share Option Plan will be, in all material respects, in the same form as the existing Regus Group share option plan. The following terms apply to the Share Option Plan:

Administration

Overall responsibility for the operation and administration of the scheme will be vested in the Remuneration Committee.

The sub-schemes

The scheme is divided into a number of sub-schemes as follows:

- a share option scheme which has been designed to qualify for approval under the Income Tax (Earnings and Pensions) Act 2003;
- a share option scheme which is not so designed and which therefore allows options to be granted above the limit required by the Income Tax (Earnings and Pensions) Act 2003;
- a share option scheme which has been designed to permit the grant of tax-favoured options in the USA;
- a share option scheme which has been designed to permit the grant of options to non-executive directors;

- a share appreciation rights scheme under which participants are entitled to a cash payment calculated by reference to the value of shares. For the purposes of the limits on an individual's participation, such rights will be treated as options; and
- a share option scheme which has been designed to permit the grant of options in France.

The Remuneration Committee may set up further sub-schemes, including ones for employees working overseas.

Eligibility

Participants in the scheme will be selected by the Remuneration Committee. Participants will be limited to employees and executive directors of the New Regus Group and their family members or family trusts.

Options

Options will entitle the holder to acquire New Regus Ordinary Shares. Options may either be options to subscribe for New Regus Ordinary Shares to be issued by New Regus or options to purchase existing New Regus Ordinary Shares from an employee benefit trust (the "**Employee Trust**").

Options may be granted either by New Regus or by the Employee Trust. In the latter case, New Regus may grant the Employee Trust a corresponding option to subscribe for New Regus Ordinary Shares or the Employee Trust may purchase the necessary New Regus Ordinary Shares in the market.

Options will be personal to the participant and may not be transferred. No payment will be required for the grant of an option.

Timing

Options may be granted from time to time as the Remuneration Committee may decide.

Exercise price

The exercise price may not be less than an amount equal to the market value of a New Regus Ordinary Share, determined in accordance with the Taxation of Chargeable Gains Act 1992, for the dealing day immediately preceding the date of grant or, where options are granted pursuant to an invitation, the date of the invitation.

Individual limit

The maximum number of New Regus Ordinary Shares over which an employee may be granted an option on any date under the approved share option scheme will be limited so that the aggregate cost of exercise does not exceed the relevant statutory limit (currently £30,000).

Scheme limit

The scheme will be subject to the limit that on any date, the aggregate nominal amount of New Regus Ordinary Shares in respect of which options may be granted may not, when added to the nominal amount of New Regus Ordinary Shares allocated in the previous 10 years under all employee share schemes of the Regus Group, exceed 10 per cent. of the equity share capital of New Regus.

Shares in Old Regus which were issued under share plans of Old Regus prior to the Scheme Effective Date will count towards this limit, as if they were New Regus Ordinary Shares.

For these purposes, New Regus Ordinary Shares are allocated when rights to acquire or obtain them are granted and otherwise when they are issued. Rights which lapse, by reason of non-exercise or otherwise, cease to count. No account is taken of New Regus Ordinary Shares which are acquired by purchase rather than by subscription except where such New Regus Ordinary Shares were first issued to an Employee Trust for the purpose of satisfying a participant's rights. No account is taken of New Regus Ordinary Shares which an employee purchases at market value using his own funds.

Options may not be granted over more than 10 million New Regus Ordinary Shares, minus the number of Old Regus Ordinary Shares over which options were granted under the equivalent section of the existing Regus Group share option plan prior to the Scheme Effective Date, under that part of the scheme which allows for the grant of tax-favoured options to participants in the USA.

No options will be granted after 18 May 2014 (the tenth anniversary of the date on which the existing Regus Group share option plan was adopted).

Performance targets

Options may be granted subject to a performance target which, in normal circumstances, will be measured over a period of not less than three years. The achievement of the performance target will normally be a condition precedent to the right of exercise. The Remuneration Committee may set different targets from year to year. The Remuneration Committee may also change the performance target from time to time if events happen which make it fair and reasonable to do so but not so as to make the performance target, in the opinion of the Remuneration Committee, materially easier or more difficult to satisfy than it was when the option was first granted. A summary of the performance targets for options granted to the executive directors of New Regus will be disclosed in the annual report each year.

Exercise of options

Options will normally be exercisable in whole or in part not earlier than three years and not later than 10 years after grant and only if and to the extent that they have vested (that is, the performance target has been met).

Termination of employment

If the participant dies, his personal representatives may exercise his options granted under the approved part. If a participant ceases to be employed within the Regus Group for any reason other than cause, the participant may exercise his options to the extent the performance target is satisfied, and otherwise to the extent the Remuneration Committee so decides in the 42 months following the termination of his employment. If a participant ceases to be employed in circumstances where his employer was entitled to terminate his employment for cause, his options will lapse.

Change of control

In the event of a change of control, a scheme of arrangement between New Regus and its shareholders or a liquidation of New Regus, unvested options may only be exercised if and to the extent that the Remuneration Committee so decides dependant on the proportionate satisfaction of the performance condition (taking into account the length of the period which has expired). In the event of a change of control of New Regus, participants may surrender their options in return for substitute options over shares in the acquiring company.

Listing

Application will be made for admission to the Official List of New Regus Ordinary Shares issued under the scheme and for permission to trade in those New Regus Ordinary Shares. New Regus Ordinary Shares issued on the exercise of options will rank equally in all respects with existing New Regus Ordinary Shares except for rights attaching to New Regus Ordinary Shares by reference to a record date prior to the date of allotment. New Regus will at all times keep available sufficient authorised and unissued share capital to satisfy outstanding options to subscribe for New Regus Ordinary Shares.

Variation of capital

In the event of a variation in the share capital of New Regus or in such other circumstances as the New Regus Board considers appropriate, it may adjust options in such manner as it determines to be appropriate. Options under the approved part may only be adjusted if there is a variation in the share capital and with the approval of HM Revenue and Customs.

Benefits non-pensionable

Benefits under the scheme will not form part of a participant's remuneration for pension purposes.

Amendments

The Remuneration Committee may make such amendments to the scheme and to any option as may be necessary or desirable to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Regus Group.

Except as described above or for amendments designed to ease the administration of the scheme or to correct clerical errors, no amendment which is to the advantage of employees or participants may be made to those provisions dealing with eligibility, individual or scheme limits, the terms of options or the adjustment of options without the prior approval of New Regus in general meeting.

6.2 The Regus plc Co-Investment Plan (the “CIP”)

The CIP will be, in all material respects, in the same form as the existing Regus Group plc co-investment plan. The following terms apply to the CIP:

Administration

The Remuneration Committee will administer the CIP.

Eligibility

Any employee of a Regus Group company with a minimum period of 6 months' continuous service with a Regus Group company (or such other period as determined by the Remuneration Committee) will be eligible to receive awards under the CIP at the discretion of the Remuneration Committee.

Structure of awards

The Remuneration Committee may grant any of three types of award:

1. an award of investment shares (“Investment Shares”);
2. an award of matching shares (“Matching Shares”); and/or
3. an award pursuant to the long term incentive plan (an “LTIP Award”).

The Remuneration Committee may grant any of the awards as conditional shares or as nil cost options.

Grant of awards

Awards are granted at the discretion of the Remuneration Committee. Any award cannot be granted later than the tenth anniversary of the adoption of the CIP. Awards may be granted at any time during this period, except in any period in which the eligible employee is prohibited from dealing in shares.

Overall limits to awards

The total number of New Regus Ordinary Shares over which awards of Matching Shares or LTIP Awards may be granted shall, together with New Regus Ordinary Shares already issued under the CIP and any other New Regus share plan during the preceding 10 years, not exceed 10 per cent. of the number of New Regus Ordinary Shares in issue on the date of grant of the award. For awards granted to executive directors of New Regus this limit will be 5 per cent.

Shares in Old Regus which were issued under share plans of Old Regus prior to the Scheme Effective Date will count towards this limit as if they were New Regus Ordinary Shares.

Awards of Investment Shares will not be satisfied by any subscription or transfer of treasury shares. For the other awards, if they are satisfied by the transfer of treasury shares then the Remuneration Committee will decide whether these will be treated as shares for the purposes of the overall limits above.

Individual limits to the granting of awards

The maximum value of an award of Matching Shares which may be granted to any employee in any calendar year cannot exceed 200 per cent. of that employee's base salary.

The maximum value of an LTIP Award which can be granted to any employee (excluding any award granted under the CIP within 6 months of the adoption of the CIP in exchange for the cancellation or lapse of an equivalent award formerly held by the relevant participant under the existing Regus Group plc co-investment plan) in any calendar year cannot exceed 100 per cent. of that employee's base salary.

An award of Investment Shares will be based on a bonus target achieved under an annual bonus plan operated by New Regus on such terms and conditions as the Remuneration Committee shall determine.

Release of awards

Any award of Investment Shares, Matching Shares or LTIP Award will be released at the end of a holding period, subject to the satisfaction of performance requirements and any other terms and conditions applicable to the award. The 'holding period' will be a period set by the Remuneration Committee during which the employee must generally remain employed by a Regus Group company. The Remuneration Committee can determine any performance requirements or conditions that must normally be satisfied before any award may be released.

Prior to the release of any award, or the exercise of the award in the case of a nil cost option, the employee will not be entitled to any voting rights or rights to receive dividends in respect of the New Regus Ordinary Shares to be awarded.

On cessation of employment or change of control of New Regus there may be an earlier date of release (see below).

Cessation of employment

If an employee who has received an award ceases to be employed by a Regus Group company for any reason, the following rules will apply:

- (A) Investment Shares — the proportion of any award of Investment Shares which has not already been released on the leaving date will be released, in proportion to the relevant holding period completed on the date of cessation (unless the Remuneration Committee in its absolute discretion determines otherwise).
- (B) Matching Shares or LTIP Award — the Remuneration Committee may in its absolute discretion determine if any award will be released on cessation. The proportion of any award which it does determine should be released will be dependant on the proportionate satisfaction of the performance requirements and the proportion of the relevant holding period completed on the date of cessation.

Change of control of New Regus and other events

In the event of a change of control, a scheme of arrangement or a person becoming bound or entitled to acquire New Regus Ordinary Shares compulsorily in New Regus the following shall occur:

- (A) any award of Investment Shares shall be released.
- (B) any award of Matching Shares or LTIP Awards shall be released, the proportion of any such awards released being dependant on the degree of satisfaction of the performance requirements on such date and (in the Remuneration Committee's discretion) the length of any holding period completed.

If New Regus merges with another company or any of the businesses of the group are demerged the Remuneration Committee shall have discretion as to whether to release or adjust any reward.

If an acquiring company has obtained control an awardholder may, by agreement with the acquiring company, cancel any existing award in exchange for a new award. The new award shall be over shares in the acquiring company (or a company which has control of the acquiring company) and shall be on identical terms to the old award. The new award will be treated as having been acquired on the same date as the old award.

On a summary or creditors or other compulsory winding up of New Regus all awards shall be released.

Lapse of awards

Any existing award will lapse on any of the following events:

- (A) to the extent that it is not otherwise exercisable (as described above), on a cessation of employment or change of control;
- (B) when it is determined that performance requirements or other terms are not satisfied;
- (C) the tenth anniversary of the date of grant of the award;
- (D) the relevant participant being adjudicated as bankrupt; or

- (E) in the case of a nil cost option, the expiry of the period during which the award remains exercisable as determined by the Remuneration Committee.

Listing

Application will be made for admission to the Official List of New Regus Ordinary Shares issued under the scheme and for permission to trade in those New Regus Ordinary Shares. New Regus Ordinary Shares issued under the CIP will rank equally in all respects with existing New Regus Ordinary Shares except for rights attaching to New Regus Ordinary Shares by reference to a record date prior the date of the allotment. New Regus will at all times keep available, where necessary for issue, sufficient authorised and unissued New Regus Ordinary Shares to satisfy outstanding options to subscribe for New Regus Ordinary Shares.

Variation of capital

If a variation of capital takes place then the number of New Regus Ordinary Shares subject to any award and the terms and conditions applying to such awards may be adjusted in such a manner and with effect from such date as the Remuneration Committee may determine to be appropriate and as the auditors of New Regus shall have confirmed in writing to be in their opinion fair and reasonable.

Amendments

The Remuneration Committee shall have the power to amend the plan from time to time provided that:

- (A) no amendment can be made to the advantage of participants in respect of the provisions governing eligibility, equity dilution, share utilisation and individual participation limits and adjustments following a variation of capital without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the plan, to take account of a change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the plan or for any group company); and
- (B) except for amendments to comply with securities, exchange control or taxation laws or other relevant regulations, no alteration shall be made which would materially affect any subsisting rights of participants without the prior consent of the majority of the number of participants who respond to notification by New Regus of such alteration.

Benefits non-pensionable

No benefit under the CIP shall be pensionable.

6.3 The Regus plc 2008 Value Creation Plan (the “VCP”)

The VCP will be, in all material respects, in the same form as the existing Regus Group plc 2008 value creation plan. The following terms apply to the VCP:

Administration

The Remuneration Committee will administer the VCP.

Eligibility

Any employee of a Regus Group company with a minimum period (as determined by the Remuneration Committee) of continuous service with a Regus Group company will be eligible to receive an award under the VCP at the discretion of the Remuneration Committee.

Structure of awards

An employee may be granted an entitlement to receive a maximum number of New Regus Ordinary Shares (a “**VCP Entitlement**”) subject to performance targets. The employee can then earn the shares subject to the VCP Entitlement through the conversion of the VCP Entitlement into an option or a series of options (“**VCP Options**”).

VCP Options will vest and become exercisable in instalments. A VCP Option is a right to purchase a number of New Regus Ordinary Shares subject to the satisfaction of certain terms and the payment of an exercise price.

Grant of awards

Awards are granted at the discretion of the Remuneration Committee. The Remuneration Committee may grant a VCP Entitlement at any of the following times:

- (A) within any 42 day period following the announcements of New Regus' results for any period;
- (B) at any other time when the Remuneration Committee considers that exceptional circumstances exist.

No awards shall be granted after the tenth anniversary of the date on which the VCP is adopted.

Following the conversion of a VCP Entitlement in accordance with the terms of the performance targets, a VCP Option will be granted on the next dealing day following that conversion (or if New Regus is in a close period, the end of that close period).

Conversion to VCP Option

A VCP Entitlement will convert to a VCP Option on the date on which objective performance requirements set by the Remuneration Committee are considered satisfied. A matrix sets out the details of the dates and the extent to which a VCP Entitlement will convert (i.e. the number of shares) based on the satisfaction of these performance requirements. There are other circumstances, such as cessation of employment and change of control of New Regus, which will also cause the conversion of a VCP Entitlement.

The Remuneration Committee will determine the exercise price, the vesting dates and other terms applying to the VCP Options.

Overall limits

The total number of New Regus Ordinary Shares over which VCP Entitlements or VCP Options may be granted will, together with shares already in issue under the VCP and any other share plan adopted by New Regus, not exceed 10 per cent. of the number of New Regus Ordinary Shares in issue on the date of grant, when added to the number of New Regus Ordinary Shares already issued or remaining issuable under such plans during the preceding ten years. For executive directors of New Regus this limit shall be 5 per cent.

Shares in Old Regus which were issued under share plans of Old Regus prior to the Scheme Effective Date will count towards this limit as if they were New Regus Ordinary Shares.

Individual limits

The total number of shares over which an employee may be granted a VCP Entitlement cannot exceed 3,500,000 New Regus Ordinary Shares.

Exercise of a VCP Option

Following the vesting of a VCP Option (at the specified vesting date) an employee may exercise his VCP Option before either the seventh anniversary of the date of the grant of the VCP Option or the end of the relevant period following cessation of employment or a change of control. A VCP Option may be exercised in whole or in part by the giving of notice to New Regus in a form prescribed by the Remuneration Committee, sent with the VCP Option certificate and the appropriate remittance. When this is satisfied, New Regus will allot and issue, or cause to be transferred, shares according to the employee's entitlement within 30 days of the exercise.

Cessation of employment

If an employee ceases to be employed by a Regus Group company then any VCP Entitlement shall lapse unless the Remuneration Committee in its absolute discretion decides otherwise. If the Remuneration Committee does decide that some or all of the VCP Entitlement will convert then it shall determine the number of shares to convert and grant a VCP Option over them.

A VCP Option which has not vested at the date of cessation shall lapse unless the Remuneration Committee decides otherwise. If the Remuneration Committee determines that the VCP Option shall vest, or the VCP Option had already vested, then the employee shall have a period as set by the Remuneration Committee within which to exercise any such VCP Option.

Change of control and other events

When any of the following events occur the Remuneration Committee will notify any relevant employee, any VCP Entitlement shall convert to a VCP Option subject to the satisfaction of the performance requirements measured to the relevant date, and all VCP Options shall vest and be exercisable (in a period as determined by the Remuneration Committee). The relevant events are a change of control, a scheme of arrangement which amounts to such a change, a person becoming bound or entitled to acquire New Regus Ordinary Shares compulsorily or a summary or creditors or other compulsory winding up of New Regus.

There are provisions for awards to be cancelled in exchange for new replacement awards over shares in the acquiring company (or a company with control of it) with the participant's agreement.

Lapse of awards

Any existing VCP Option will lapse on any of the following events:

- (A) cessation of employment, unless the Remuneration Committee decides otherwise;
- (B) change of control at the end of a period to exercise VCP Options as determined by the Remuneration Committee;
- (C) the seventh anniversary of the date of grant of the VCP Option;
- (D) the relevant employee being adjudicated as bankrupt; or
- (E) the expiry of a period during which the VCP Option remains exercisable.

Listing

Application will be made for admission to the Official List of New Regus Ordinary Shares issued under the VCP and for permission to trade in those New Regus Ordinary Shares. New Regus Ordinary Shares issued under the plan will rank equally in all respects with existing New Regus Ordinary Shares except for rights attaching to New Regus Ordinary Shares by reference to a record date prior the date of the allotment. New Regus will at all times keep available, where necessary for issue, sufficient authorised and unissued New Regus Ordinary Shares to satisfy outstanding options to subscribe for New Regus Ordinary Shares.

Variation of capital

If a variation of capital takes place then the number of New Regus Ordinary Shares subject to a VCP Entitlement or VCP Option and the terms and conditions applying to such awards may be adjusted in such a manner and with effect from such date as the Remuneration Committee may determine to be appropriate and as the advisers of New Regus shall have confirmed in writing to be in their opinion fair and reasonable.

Benefits non-pensionable

Benefits under the plan will not form part of a participant's remuneration for pension purposes.

Amendments

The Remuneration Committee shall have the power to amend the VCP from time to time provided that:

- (A) no amendment can be made to the advantage of participants in respect of the provisions governing eligibility, limits, the basis for determining a participant's entitlement to shares; and the rights in relation to a variation of capital without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the plan, to take account of a change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the plan or for any Regus Group company); and
- (B) no alteration shall be made which would materially affect any subsisting rights of participants without the prior consent of the majority of the number of participants who respond to notification by New Regus of such alteration.

6.4 The Employee Trust

The schemes may, as described above, be operated in conjunction with one or more Employee Trusts. Each such trust will be a general discretionary trust whose beneficiaries will include employees of the Regus Group and their dependants. There is an existing Employee Trust, although it does not currently hold any shares.

The principal purpose of such a trust will be to encourage and facilitate the holding of New Regus Ordinary Shares by or for the benefit of employees of the Regus Group. This will be achieved by the trust acquiring New Regus Ordinary Shares and distributing them in accordance with the schemes and other employee share schemes of the Regus Group.

An Employee Trust may acquire New Regus Ordinary Shares by purchase or, subject to the limits mentioned above, by subscription at a price not less than the nominal value of a New Regus Ordinary Share. The funds for the acquisition of New Regus Ordinary Shares may be provided by loans and/or contributions by New Regus and other members of the Regus Group. Alternatively, funds may be obtained from third party sources and guaranteed by New Regus and/or other Regus Group companies.

No New Regus Ordinary Shares will be acquired by an Employee Trust if to do so would cause the trust or trusts to control more than 5 per cent. of the New Regus Ordinary Shares. For this purpose, any New Regus Ordinary Shares which a trust holds as nominee for another person shall be ignored.

7. Dresdner Kleinwort

Dresdner Kleinwort has given and not withdrawn its written consent to the issue of this document and the references to its name in the form and context in which it is included.

In accordance with customary practice in providing financial advice Dresdner Kleinwort has not provided legal or taxation advice in relation to the Scheme.

8. Costs and expenses

All costs and expenses relating to the issue of this document and the Prospectus and the negotiation, preparation and implementation of the Proposals will be borne by Old Regus. The Court's approval will be sought for this as part of the Scheme in order to ensure compliance with section 151 of the Companies Act 1985.

PART 4 — FORM OF SUBSCRIPTION AND CONTRIBUTION AGREEMENT

[] 2008

REGUS PLC

and

THE SCHEME ORDINARY SHAREHOLDERS

(hereinafter defined)

SUBSCRIPTION AND CONTRIBUTION AGREEMENT

THIS AGREEMENT is made at Luxembourg on [] 2008 among:

1. **REGUS PLC**, a public company limited by shares incorporated in Jersey with registered number 101523 and registered office in Jersey and with its central administration (head office) in Luxembourg and registered for that purpose only with the Luxembourg trade and companies registry as a *société anonyme* under number RCS Luxembourg B 141159 ("**New Regus**"); and
2. **THE SCHEME ORDINARY SHAREHOLDERS** (hereinafter defined), represented herein by [] (the "**Representative**"), who has been appointed as their representative pursuant to clause 1 of the Scheme.

WHEREAS:

- (A) Under the Scheme, all the Scheme Ordinary Shares will be cancelled and the resulting reserve in the books of Old Regus will be capitalised by the issue of the New Ordinary Shares to New Regus. New Regus will issue New Regus Ordinary Shares to the Scheme Ordinary Shareholders on a one-for-one basis in consideration for the cancellation of all the Scheme Ordinary Shares and the contribution of the New Ordinary Shares to New Regus as further described below.
- (B) The issue of the New Regus Ordinary Shares pursuant to the Scheme has received all applicable regulatory approvals and clearances.
- (C) In accordance with clause 1 of the Scheme, the Representative has been appointed to execute this Agreement (governed by Luxembourg law) on behalf of the Scheme Ordinary Shareholders.

NOW IT IS AGREED as follows:

1. INTERPRETATION AND PRELIMINARY

In this Agreement:

" Agreement "	means this subscription and contribution agreement;
" Business Day "	means any day other than a Saturday or Sunday on which banks are open for business in London other than solely for the purposes of trading and settlement in Euro;
" Court "	means the High Court of Justice of England and Wales;
" Court Meeting "	the meeting of Old Regus Ordinary Shareholders that was held at 3:00 p.m. on 24 September 2008 and was convened by order of the Court pursuant to sections 895 to 899 of the Companies Act;
" New Ordinary Shares "	the ordinary shares in Old Regus of 5 pence each to be issued to New Regus pursuant to the Scheme;
" New Regus Ordinary Shares "	means the ordinary shares of 1 pence each in the capital of New Regus;
" Old Regus "	means Regus Group plc, a public limited company incorporated in England and Wales with registered number 04868977;

“Old Regus Ordinary Shares”	means the ordinary shares of 5 pence each in the share capital of Old Regus;
“Old Regus Ordinary Shareholder”	means a holder for the time being of Old Regus Ordinary Shares;
“Schedule of Entitlements”	means the schedule of entitlements delivered to New Regus by or on behalf of Old Regus;
“Scheme”	means the scheme of arrangement pursuant to sections 895 to 899 of the Companies Act 2006 between Old Regus and the Scheme Ordinary Shareholders, as detailed in the circular dispatched by Old Regus on 8 September 2008;
“Scheme Effective Date”	means the date on which the Scheme becomes effective in accordance with its terms, being the date of this Agreement;
“Scheme Ordinary Shareholder”	means a holder of Scheme Ordinary Shares;
“Scheme Ordinary Shares”	means: <ul style="list-style-type: none"> (a) all Old Regus Ordinary Shares in issue at the date of the Scheme and remaining in issue at the Scheme Record Time; (b) all (if any) additional Old Regus Ordinary Shares in issue 48 hours prior to the Court Meeting at which the Scheme is approved and remaining in issue at the Scheme Record Time; and (c) all (if any) further Old Regus Ordinary Shares which may be in issue immediately prior to the confirmation by the Court of the reduction of capital provided for under the Scheme in respect of which the original or any subsequent holder shall be bound or shall have agreed in writing by such time to be bound by the Scheme and remaining in issue at the Scheme Record Time; but excluding any Old Regus Ordinary Shares held by New Regus;
“Scheme Record Date”	means the Business Day immediately preceding the Scheme Effective Date; and
“Scheme Record Time”	means 6:00 p.m. London time on the Scheme Record Date.

2. SUBSCRIPTION

The Representative hereby subscribes, on behalf of the Scheme Ordinary Shareholders, for the New Regus Ordinary Shares set out in the Schedule of Entitlements.

3. CONTRIBUTION

The Scheme Ordinary Shareholders and New Regus agree that the cancellation of the Scheme Ordinary Shares on terms that the reserves arising on cancellation of such shares are applied in paying up the New Ordinary Shares and the contribution of the New Ordinary Shares to New Regus in the form of their being issued under the Scheme, satisfies the consideration for the issue of the New Regus Ordinary Shares.

4. NEW REGUS SHARE CAPITAL INCREASE

New Regus will issue and allocate the New Regus Ordinary Shares to the Scheme Ordinary Shareholders against receipt of the New Ordinary Shares, in accordance with the Schedule of Entitlements on the date hereof immediately after execution of this Agreement and in pursuance of its obligations under the Scheme.

5. GOVERNING LAW

This Agreement shall be governed by Luxembourg law.

6. JURISDICTION

The courts of Luxembourg shall have exclusive jurisdiction in relation to any dispute arising in respect of this Agreement.

SIGNED at Luxembourg on [] 2008:

.....
[]

on behalf of

REGUS PLC

.....
[]

on behalf of

THE SCHEME ORDINARY SHAREHOLDERS

PART 5 — SCHEME OF ARRANGEMENT
(under sections 895 to 899 of the Companies Act 2006)

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT**

No. 7398 of 2008

between
Regus Group plc
and
the Scheme Ordinary Shareholders (as hereinafter defined)

Preliminary

(A) In this scheme of arrangement, references to Clauses are references to clauses of this scheme of arrangement and the following expressions shall, unless inconsistent with the subject or context, bear the following meanings:

Act	means the Companies Act 2006;
Business Day	means a day (other than a Saturday or a Sunday) on which banks are open for business in London other than solely for trading and settlement in euro;
Court	means the High Court of Justice of England and Wales;
Court Meeting	means the meeting of Old Regus Ordinary Shareholders convened by order of the Court pursuant to sections 895 to 899 of the Act, notice of which is set out on pages 68 to 70 of this document, or any adjournment thereof;
CREST	means the computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
CREST Regulations	means the Uncertificated Securities Regulations 2001 (S1 2001 No. 3755), or the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended from time to time (as applicable);
General Meeting	means the general meeting of Old Regus convened for 3:15 p.m. on 24 September 2008 or if later, as soon as possible after the conclusion or adjournment of the Court Meeting;
Euroclear	means Euroclear UK and Ireland Limited, the operator of CREST;
Holder	means a registered holder and includes any person entitled by transmission;
New Ordinary Shares	means ordinary shares of 5 pence each in the capital of Old Regus to be issued to New Regus;
New Regus	Regus plc, a public limited company incorporated in Jersey with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered as a société anonyme under number RCS Luxembourg B 141159;
New Regus Ordinary Shares	means ordinary shares of 1 pence each in the capital of New Regus;

Old Regus	means Regus Group plc;
Old Regus Articles	means the articles of association of Old Regus as at the date of this Scheme;
Old Regus Ordinary Shares	means ordinary shares of 5 pence each in the capital of Old Regus in issue prior to the Scheme Effective Date;
Overseas Shareholders	means a Scheme Ordinary Shareholder who is a citizen, resident or national of any jurisdiction outside the United Kingdom;
Scheme	means this scheme of arrangement in its present form or with any modification thereof or addition thereto or condition approved or imposed by the Court;
Scheme Effective Date	means the date on which the Scheme becomes effective in accordance with Clause 7.1;
Scheme Effective Time	means the time at which this Scheme becomes effective on the Scheme Effective Date;
Scheme Ordinary Shareholder	means a holder of Scheme Ordinary Shares;
Scheme Ordinary Shares	means: <ul style="list-style-type: none"> (a) all Old Regus Ordinary Shares in issue at the date of the Scheme and which remain in issue at the Scheme Record Time; (b) all (if any) additional Old Regus Ordinary Shares in issue 48 hours prior to the Court Meeting at which the Scheme is approved and which remain in issue at the Scheme Record Time; and (c) all (if any) further Old Regus Ordinary Shares which may be in issue immediately prior to the confirmation by the Court of the reduction of capital provided for under the Scheme in respect of which the original or any subsequent holders shall be bound or shall have agreed in writing by such time to be bound by the Scheme and which remain in issue at the Scheme Record Time, but excluding any Old Regus Ordinary Shares held by New Regus;
Scheme Record Date	means the Business Day immediately preceding the Scheme Effective Date;
Scheme Record Time	means 6:00 p.m. on the Scheme Record Date; and
Subscription and Contribution Agreement	means the subscription and contribution agreement to be entered into (1) on behalf of the holders of the Scheme Ordinary Shares and (2) by or on behalf of New Regus with such modifications as may be agreed between Old Regus and New Regus prior to the hearing of the petition to sanction the Scheme.
(B)	The authorised share capital of Old Regus as at the date of this Scheme is £80,050,000 divided into 1,600,000,000 Old Regus Ordinary Shares of 5 pence each, of which 948,219,822 are in issue (excluding treasury shares) and fully paid up and 50,000 redeemable preference shares of £1 each, none of which are in issue;
(C)	New Regus was incorporated and registered in Jersey on 8 August 2008 under the Jersey Companies Law as a private company limited by shares under the name Regus Limited with registered number 101523. Its name was changed to Regus plc and it was re-registered as a public company on 15 August 2008 pursuant to special resolutions passed that day. On 21 August 2008,

New Regus transferred its place of central administration (head office) to Luxembourg and registered as a société anonyme with registered number RCS Luxembourg B 141159. The authorised share capital of New Regus at the date of this Scheme is £80,000,000 divided into 8,000,000,000 ordinary shares of 1 pence each of which 2,750,000 are issued and fully paid.

- (D) New Regus has agreed to appear by Counsel on the hearing of the claim form to sanction the Scheme and to undertake to the Court to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to the Scheme.

The Scheme

Subscription and Contribution Agreement

1. (a) Each of the Scheme Ordinary Shareholders hereby authorises such person as may be appointed for this purpose by the board of directors of Old Regus (or a duly authorised committee thereof) to enter into the Subscription and Contribution Agreement on behalf of such Scheme Ordinary Shareholders and upon execution by such person on behalf of all Scheme Ordinary Shareholders and by or on behalf of New Regus, the Subscription and Contribution Agreement shall be binding on each Scheme Ordinary Shareholder as if it had been entered into by such Scheme Ordinary Shareholder under the hand of such Scheme Ordinary Shareholder.
- (b) Before, or forthwith upon, this Scheme becoming effective, the board of directors of Old Regus shall appoint a person to enter into the Subscription and Contribution Agreement on behalf of the Scheme Ordinary Shareholders and the Subscription and Contribution Agreement shall be entered into on their behalf as soon as practicable after the reduction of capital provided for by clause 2. (a) of this Scheme has become effective.

Cancellation of Scheme Ordinary Shares

2. (a) The share capital of Old Regus shall be reduced by cancelling and extinguishing the Scheme Ordinary Shares.
- (b) Immediately before the allotment of share capital referred to in sub-clause (c)(ii) of this Clause taking effect, Old Regus shall be re-registered as a private company pursuant to section 139(3) of the Companies Act 1985 and Old Regus's memorandum and the amended Old Regus Articles shall be amended accordingly.
- (c) Forthwith and contingently upon the reduction of capital referred to in sub-clause (a) and the re-registration referred to in sub-clause (b) taking effect:
 - (i) the authorised share capital of Old Regus shall be increased by the creation of such number of New Ordinary Shares as have an aggregate nominal value equal to aggregate nominal value of the Scheme Ordinary Shares cancelled in accordance with sub-clause (a) of this Clause; and
 - (ii) Old Regus shall apply the credit arising in its books of account as a result of the reduction of the Scheme Ordinary Shares pursuant to sub-clause (a) of this Clause in paying up in full at par such number of New Ordinary Shares created pursuant to sub-clause (c)(i) of this Clause and shall allot and issue the same, credited as fully paid, to New Regus and/or its nominee(s).

New Shares

3. (a) In consideration of the cancellation of the Scheme Ordinary Shares and the issue by way of contribution of the New Ordinary Shares to New Regus and/or its nominee(s) pursuant to Clause 2, New Regus shall (subject to the provisions of sub-clause (b) of this Clause) allot and issue (credited as fully paid) New Regus Ordinary Shares to the Scheme Ordinary Shareholders on the following basis:

one **New Regus Ordinary Share** for each **Scheme Ordinary Share** held at the Scheme Record Time.

- (b) The provisions of sub-clause (a) of this Clause shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Overseas Shareholders, New Regus is advised that the allotment and issue of New Regus Ordinary Shares pursuant to this Clause would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require New Regus to obtain any governmental or other consent or effect any registration, filing or other formality, then New Regus may in its sole discretion determine that:
- (i) New Regus Ordinary Shares shall not be allotted and issued to such Overseas Shareholder under this Clause but shall instead be allotted and issued to a nominee appointed by New Regus, as trustee for such Overseas Shareholder, on terms that they shall, as soon as reasonably practicable following the Scheme Effective Date, be sold on behalf of such Overseas Shareholder at the best price which can reasonably be obtained and the net proceeds of such sale shall (after the deduction of all expenses and commissions) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of Clause 4. None of Old Regus, New Regus, any nominee referred to in this sub-clause (2)(b)(i) or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any such sale; or
 - (ii) such New Regus Ordinary Shares shall be sold, in which event the New Regus Ordinary Shares shall be allotted and issued to such holder and New Regus shall appoint a person to act pursuant to this sub-clause 3(b)(ii) and such person shall be authorised on behalf of such holder to procure that any shares in respect of which New Regus has made such determination shall, as soon as practicable following the Scheme Effective Date, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable comprised therein) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of Clause 4. To give effect to any such sale, the person so appointed shall be authorised on behalf of such holder to execute and deliver a form of transfer and to give instructions and do all such things which he may consider necessary or expedient in connection with such sale. None of Old Regus, New Regus, any appointee referred to in this sub-clause (3)(b)(ii) or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any such sale.

Certificates and payment

4. (a) Not later than five (5) Business Days after the Scheme Effective Date, New Regus shall allot and issue all the New Regus Ordinary Shares which it is required to allot and issue pursuant to Clause 3(a) and not later than ten (10) Business Days after the Scheme Effective Date, New Regus shall send by post to the allottees of the allotted and issued New Regus Ordinary Shares certificates in respect of such shares, save that where Scheme Ordinary Shares are held in uncertificated form, New Regus shall procure that CREST is instructed to cancel the entitlement to Scheme Ordinary Shares of each of the Scheme Ordinary Shareholders concerned and to credit to the appropriate stock account in CREST of the Scheme Ordinary Shareholder concerned such shareholder's entitlement to New Regus Ordinary Shares.
- (b) Not later than five (5) Business Days after the Scheme Effective Date, Old Regus shall arrange for the delivery to New Regus of certificates in respect of its holdings of New Regus Ordinary Shares.
- (c) Not later than five (5) Business Days following the sale of any relevant New Regus Ordinary Shares pursuant to Clause 3(b), New Regus shall procure that the nominee or appointee, as the case may be, shall account for the cash payable by despatching to the persons respectively entitled thereto cheques by post.
- (d) All certificates required to be sent by New Regus pursuant to sub-clause (a) of this Clause and all cheques required to be sent pursuant to sub-clause (c) of this Clause shall be sent

through the post in pre-paid envelopes addressed to the person respectively entitled thereto at their respective addresses appearing in the register of members of Old Regus at the close of business on the Scheme Record Date (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of Old Regus prior to the Scheme Record Date.

- (e) None of Old Regus, New Regus, any nominee referred to in Clause 2(b) or any agent of them shall be responsible for any loss or delay in transmission of certificates or cheques or condition imposed by law.
- (f) The preceding sub-clauses of this Clause shall take effect subject to any prohibition or condition imposed by law.
- (g) All cheques shall be made payable to the holder or, in the case of joint holders, to all such holders of the Scheme Ordinary Shares concerned and the encashment of any such cheque shall be a complete discharge of New Regus for the moneys represented thereby.

Certificates representing Scheme Ordinary Shares

- 5. With effect from and including the Scheme Effective Date, all certificates representing holdings of Scheme Ordinary Shares shall cease to be valid in respect of such holdings and the holders of such shares shall be bound at the request of Old Regus to deliver such certificates for cancellation to Old Regus or to any person appointed by Old Regus to receive the same.

Mandates

- 6. Each mandate in force at the Scheme Record Time relating to the payment of dividends on Scheme Ordinary Shares and each instruction then in force as to notices and other communications from Old Regus shall, unless and until varied or revoked, be deemed from and including the Scheme Effective Date to be a valid and effective mandate or instruction to New Regus in relation to the corresponding New Regus Ordinary Shares to be allotted and issued pursuant to the Scheme.

Scheme Effective Date

- 7.1 The Scheme shall become effective as soon as an office copy of the Order(s) of the Court sanctioning the Scheme under section 899 of the Act and confirming under section 137 of the Companies Act 1985 the reduction of capital provided for under the Scheme shall have been duly delivered to the Registrar of Companies for registration and, in the case of the confirmation of the reduction of capital, have been registered by him.
- 7.2 Unless the Scheme shall have become effective on or before 31 March 2009 or such later date, if any, as Old Regus and New Regus may agree and the Court may allow, it shall lapse.

Modification

- 8. Old Regus and New Regus may jointly consent on behalf of all persons concerned to any modification of or addition to the Scheme or to any condition which the Court may think fit to approve or impose.

Costs

- 9. Old Regus is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of the Scheme.

PART 6 — NOTICE OF MEETINGS

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT**

No. 7398 of 2008

IN THE MATTER OF REGUS GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACTS 1985 AND 2006

NOTICE IS HEREBY GIVEN that by an Order dated 5 September made in the above matters the Court has granted permission for a meeting (the “**Court Meeting**”) to be convened of the holders of the ordinary shares of 5 pence each (hereinafter called the “**Old Regus Ordinary Shares**”) in Regus Group plc (hereinafter called the “**Company**”) for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and the holders of Old Regus Ordinary Shares expressed to be subject to that Scheme of Arrangement and that such meeting will be held at City Point, 1 Ropemaker Street, London EC2Y 9HT at 3:00 p.m. on 24 September 2008 at which place and time all the holder of Old Regus Ordinary Shares are requested to attend.

A copy of the said Scheme of Arrangement and a copy of the Explanatory Statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this Notice forms part.

Holders of Old Regus Ordinary Shares entitled to vote at the Court Meeting may vote thereat in person or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A blue form of proxy for use at the Court Meeting is enclosed herewith.

It is requested that forms of proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority) be lodged with the Registrars of the Company, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL no later than 48 hours before the time appointed for the Court Meeting but, if forms are not so lodged, they may be handed to the Registrars or the Chairman at the Court Meeting.

If shares are held in uncertificated form, a proxy may also be appointed through CREST as detailed in the Notes for CREST Members below.

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6:00 p.m. on 22 September 2008 (or, in the case of adjournment, as at 6:00 p.m. on the date two days preceding the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after such time will be disregarded in determining the right of any person to attend and/or vote at the meeting.

A shareholder which is a corporate and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and on a poll (a corporate representative) must appoint such a person by resolution of its directors or other governing body. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it was an individual member of the Company. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representative for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for

further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names appear in the register of members of the Company in respect of the joint holding.

As at 5 September 2008 (being the last business day prior to the publication of this document) the Company's issued share capital (excluding treasury shares) consists of 948,219,822 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 5 September 2008 are 948,219,822.

By the said Order, the Court has appointed John Matthews or, failing him, Stephen East, or failing him any other director to act as Chairman of the Court Meeting and has directed the Chairman to report the result thereof to the Court.

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

Slaughter and May,
One Bunhill Row,
London EC1Y 8YY

Solicitors for the Company

Dated 8 September 2008

NOTE FOR CREST MEMBERS

Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by 3:00 p.m. on 22 September 2008 (or 48 hours preceding the date and time for any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

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

Regus Group plc
(registered in England No. 4868977)

Notice of General Meeting

NOTICE IS HEREBY GIVEN that a General Meeting of Regus Group plc (the "Company") will be held at City Point, 1 Ropemaker Street, London EC2Y 9HT on 24 September 2008 at 3:15 p.m. (or as soon as possible after the meeting of the holders of ordinary shares of 5p in the capital of the Company convened by the High Court of Justice in England and Wales for the same place and date has been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions, as a special resolution, in respect of resolutions 1, 2, 3 and 4 and as an ordinary resolution, in respect of all the other resolutions:

1. That, subject to and conditional upon the passing of all the other resolutions in this notice ("**Notice**") of meeting dated 8 September 2008:
 - (a) the Scheme of Arrangement dated 8 September 2008, between the Company and the holders of the Company's ordinary shares expressed to be subject to that Scheme of Arrangement, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court (the "**Scheme**") be approved and the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
 - (b) for the purpose of giving effect to the Scheme, the capital of the Company be reduced by cancelling and extinguishing the ordinary shares in the Company subject to the Scheme (the "**Scheme Ordinary Shares**"); and
 - (c) forthwith and contingently upon the said reduction of capital taking effect:
 - (i) the authorised share capital of the Company be increased to its former amount by the creation of the same number of new ordinary shares in the Company (the "**New Ordinary Shares**") as is equal to the number of Scheme Ordinary Shares cancelled pursuant to paragraph (b) of this resolution;
 - (ii) the Company shall apply the credit arising in its books of account as a result of such reduction of capital in paying up, in full at par, the new shares created pursuant to sub-paragraph (c)(i) of this resolution and shall allot and issue the same, credited as fully paid, to Regus plc and/or Regus plc's nominee or nominees; and
 - (d) the directors of the Company be and they are hereby generally and unconditionally authorised, for the purposes of section 80 of the Companies Act 1985, to allot the New Ordinary Shares referred to in paragraph (c) above provided that (i) the maximum number of shares which may be allotted hereunder is the number (not exceeding 1,600,000,000) necessary to effect such allotments, (ii) this authority shall expire on 31 March 2009 and (iii) this authority shall be in addition to any subsisting authority conferred on the directors of the Company pursuant to the said section 80; and
 - (e) the Articles of Association of the Company be hereby amended by: (i) the adoption and inclusion of the following new Article 139:

"SHARES NOT OTHERWISE SUBJECT TO THE SCHEME

New Article 139

- (A) In this article only, the "Scheme" means the Scheme of Arrangement dated 8 September 2008 proposed between the Company and its members subject to that scheme of arrangement, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and "Regus plc" means Regus plc, a company limited by shares incorporated in Jersey with registration number 101523.
- (B) Notwithstanding any other provision of the articles, if the Company issues any ordinary shares after the time at which this article becomes effective and prior to the confirmation by the Court of the reduction of capital provided for under the Scheme, such shares shall be allotted and issued subject to the terms of the Scheme and the holders of such shares shall be bound by the Scheme accordingly.

- (C) If any ordinary shares are issued to any person (a “**new member**”) (other than to Regus plc or its nominee(s)) at or after confirmation by the Court of the reduction of capital provided for under the Scheme they will, provided that the Scheme has become effective and that Regus plc is a member of the Company, be immediately transferred to Regus plc (and/or its nominee(s)) in consideration of and conditional upon the issue to the new member of the same number of ordinary shares in Regus plc as such member would have received under the Scheme had such shares been subject to the Scheme.
- (D) The ordinary shares in Regus plc issued pursuant to paragraph (C) of this article shall be credited as fully paid and shall rank pari passu in all respects with all other ordinary shares in Regus plc of the same class in issue at the time (other than as regards any dividend or other distribution payable, or return of capital made, by reference to a record time preceding the date of exchange) and be subject to the Memorandum and Articles of Association of Regus plc.
- (E) The number of ordinary shares in Regus plc to be allotted and issued under paragraph (C) of this article may be adjusted by the board following any variation in the share capital of either the Company or Regus plc or such other event as the board considered fair and reasonable on such adjusted terms as the board may determine provided that no such adjustment may be made unless the auditors have confirmed in writing to the board that, in their opinion, such adjustment is fair and reasonable.
- (F) To give effect to any transfer required by this article, the Company may appoint any person to execute and deliver as transferor a form or instructions of transfer on behalf of the new member in favour of Regus plc and/or Regus plc’s nominee(s) and to agree for and on behalf of the new member to become a member of Regus plc. Pending the registration of Regus plc as the holder of any shares in the Company, Regus plc shall be empowered to appoint a person to act as attorney on behalf of the new member in accordance with such directions as Regus plc may give in relation to any dealings with or disposal of such shares (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and, if a person is so appointed to act as attorney, the new member shall not be entitled to exercise any rights thereto except:
 - (i) to the extent that the person appointed to act as attorney fails to act in accordance with the directions of Regus plc; and
 - (ii) in accordance with the directions of Regus plc.”

2. That, subject to and conditional upon:

- (a) the passing of all the other resolutions in this Notice; and
- (b) the Scheme becoming effective and fully implemented,
 - (i) the authorised share capital of the Company be increased above £80,050,000 by an amount equal to the sum standing to the credit of the non-distributable profit and loss reserve of the Company, such sum to be divided into ordinary shares of 1 pence each (the “**A Shares**”) with the rights and restrictions as set out in sub-clauses (b) below;
 - (ii) the holder of an A Share shall;
 - (1) not be entitled to receive any share in the profits of the Company;
 - (2) not be entitled to receive any dividend or other distribution;
 - (3) not be entitled to receive notice of or attend or vote at any general meeting of the Company; and
 - (4) be entitled on a return of assets in a winding-up to receive the nominal amount thereof after payment of £1,000,000 per ordinary share but no other right to participate in any amount whatsoever;
 - (iii) the directors of the Company be and they are hereby generally and unconditionally authorised, for the purposes of Section 80 of the Companies Act 1985, to allot and issue the A Shares created pursuant to paragraph (a) of this resolution provided that (i) the maximum aggregate nominal value of the shares which may be allotted hereunder shall be equal to the nominal value of the A Shares created pursuant

to paragraph (b)(i) above; (ii) this authority shall expire on 31 March 2009; and (iii) this authority shall be in addition to any subsisting authority conferred on the Directors subject to the said section 80;

- (iv) pursuant to Article 126 of the Company's Articles of Association the Company shall apply the unrealisable profits standing to the credit of the non-distributable profit and loss reserve of the Company in paying up in full, at par, the A Shares created pursuant to paragraph (a) of this resolution and shall allot and issue the same, credited as fully paid, to New Regus; and
- (v) subject to the confirmation of the Court, the share capital of the Company shall be reduced by the cancellation and extinguishment of all of the A Shares.

3. That, subject to and conditional upon:

- (a) the passing of all the other resolutions in this Notice;
- (b) the ordinary shares required to be allotted and issued by Regus plc pursuant to the Scheme (the "**New Regus Shares**") having been allotted and issued and registered in the names of the persons entitled to the New Regus Shares in Regus plc's register of members; and
- (c) the Scheme becoming effective and fully implemented,

the proposed reduction of Regus plc's share premium account by the sum of £520 million (or, if less, all amounts standing to the credit of New Regus plc's share premium account) and the crediting of such amount to a reserve of profit available to Regus plc to be:

- (i) distributed by Regus plc from time to time as dividends in accordance with article 115 of the Companies (Jersey) Law 1991 and the articles of association of Regus plc; or
- (ii) applied by Regus plc from time to time toward any other lawful purpose to which such a reserve may be applied,

and approved by way of shareholder resolution of Regus plc (as described in paragraph 13 of Part 2 of the explanatory statement sent out with the Scheme), be approved.

- 4. That, subject to and conditional upon the passing of all the other resolutions in this Notice, the New Regus Articles (as described in paragraphs 1 and 2 of Part 3 of this document and as are available for inspection as referred to in note 15 below), adopted by Regus plc, be approved.
- 5. That, subject to and conditional upon the passing of all the other resolutions in this Notice, the Regus plc Co-Investment Plan, adopted by Regus plc, the principal terms of which are summarised in the explanatory statement sent out with the Scheme, be approved.
- 6. That, subject to and conditional upon the passing of all the other resolutions in this Notice, the Regus plc Value Creation Plan, adopted by Regus plc, the principal terms of which are summarised in the explanatory statements sent out with the Scheme, be approved.
- 7. That, subject to and conditional upon the passing of all other resolutions in this Notice, the Regus plc Share Option Plan, adopted by Regus plc, the principal terms of which are summarised in the explanatory statements sent out with the Scheme, be approved.

8 September 2008

By Order of the Board
Tim Regan
Company Secretary

Registered Office:
3000 Hillswood Drive,
Chertsey,
Surrey KT16 0RS
Registered in England and Wales No. 4868977

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Equiniti Limited, from the UK, on (0)871 384 2030 or, for international callers, on +44 (0)121 415 7047 between 8:30 a.m. and 5.30 p.m. each business day. Calls to this number are charged at 8p per minute from a BT landline. Other telephony providers' charges, whether local or international, may vary. Please note that calls may be monitored or recorded.
2. To be valid the form of proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority) must be lodged with the Registrars, Equiniti, by hand (during normal business hours only) at Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL, not later than 3:15 p.m. on 22 September 2008 (or 48 hours preceding the dates and time for any adjourned meeting).
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
6. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6:00 p.m. on 22 September 2008 (or, in the case of adjournment, as at 6:00 p.m. on the date two days preceding the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after such time will be disregarded in determining the right of any person to attend and/or vote at the meeting.
7. As at 5 September 2008 (being the last business day prior to the publication of this document) the Company's issued share capital (excluding treasury shares) consists of 948,219,822 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 5 September 2008 are 948,219,822.
8. In the case of joint shareholders, the vote of the first named in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
9. A shareholder which is a corporate and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and on a poll (a corporate representative) must appoint such a person by resolution of its directors or other governing body. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it was an individual member of the Company. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representative for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one

corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by 3:15 p.m. on 22 September 2008 (or 48 hours preceding the date and time for any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time). In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
14. Voting on all resolutions will be conducted by way of a poll rather than a show of hands.
15. Copies of:
 - (A) the Company's existing Articles of Association;
 - (B) the Company's Articles of Association as proposed to be adopted by paragraph (e) of resolution 1 set out in the notice of meeting;
 - (C) the Articles of Association of Regus plc; and
 - (D) the draft rules of the New Regus Share Schemes;

are available for inspection at the offices of Slaughter and May, the Company's solicitors, at One Bunhill Row, London EC1Y 8YY and at the Company's registered office at Regus Group plc, 3000 Hillswood Drive, Chertsey, Surrey KT16 0RS during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this notice until close of business on the date of the meeting and will also be available for inspection at the place of the meeting for at least 15 minutes before, and during, the meeting.

PART 7 — DEFINITIONS

The following definitions apply throughout this document (except in Part 5 and Part 6 which contains separate definitions) unless the context requires otherwise:-

“A Shares”	the A Shares of 1 pence each in the capital of Old Regus having the rights and restrictions set out in the notice of the General Meeting;
“admission” or “listing”	admission of New Regus Ordinary Shares to the Official List in accordance with the Listing Rules and the admission of the New Regus Ordinary Shares to trading by the London Stock Exchange on its market for listed securities in accordance with the Standards;
“Business Day”	any day other than a Saturday or Sunday on which banks are open for business in London other than solely for the purposes of trading and settlement in Euro;
“CIP”	the Regus plc co-investment plan;
“Closing Price”	the closing, middle market quotation of a relevant share, as published in the daily official list of the London Stock Exchange;
“Combined Code”	the UK Combined Code on Corporate Governance dated June 2006;
“Companies Act”	the UK Companies Act 2006;
“Companies Act 1985”	the UK Companies Act 1985 (as amended);
“Companies Acts”	means the Companies Act 1985 (as amended) and the Companies Act 2006;
“Court” or “High Court”	the High Court of Justice of England and Wales;
“Court Hearing”	the hearing of the claim form to sanction the Scheme;
“Court Meeting”	the meeting of Old Regus Ordinary Shareholders convened for 3:00 p.m. on 24 September 2008 by order of the Court pursuant to sections 895 to 899 of the Companies Act, notice of which is set out on pages 68 to 70 of this document and any adjournment of that meeting;
“CREST”	the computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S1 2001 No. 3755), or the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended from time to time (as applicable);
“Directors” or “Board”	the directors of Old Regus or the directors of New Regus, from time to time, as the context requires;
“Disclosure and Transparency Rules”	the disclosure and transparency rules relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market or for which a request for admission to trading on such a market has been made, as published by the Financial Services Authority of the United Kingdom;
“Dresdner Kleinwort”	Dresdner Kleinwort Limited;

“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“FSA”	the United Kingdom Financial Services Authority;
“General Meeting”	the general meeting of Old Regus convened for 3:15 a.m. on 24 September 2008, notice of which is set out on pages 71 to 75 and any adjournment of that meeting;
“IAS”	the income access shares which may be issued by IAS Issuer’s as described in more detail in paragraph 4 of Part 3 of this document;
“IAS Election”	an election made (or deemed to be made) by a New Regus Ordinary Shareholder to receive dividends paid on the IAS by the IAS Issuers instead of dividends paid on his New Regus Ordinary Shares;
“IAS Issuers”	Old Regus and one or more of the other subsidiaries of New Regus resident for tax purposes in the UK;
“IAS Trust”	the English law trust under which the IAS will be held for the purposes of the income access share arrangements if the income access share arrangements have been implemented;
“IAS Trustee”	the trustee of the IAS Trust;
“Jersey Companies Law”	the Companies (Jersey) Law 1991 (as amended);
“Jersey Court”	the Royal Court of Jersey;
“Jersey Court Hearing”	the hearing of the claim form to confirm the New Regus Reduction of Capital;
“Jersey CREST Regulations”	the Companies (Uncertificated Securities) (Jersey) Order 1999 (as amended);
“Listing Rules”	the listing rules of the UK Listing Authority;
“London Stock Exchange”	the London Stock Exchange plc;
“Luxembourg Companies Law”	the Luxembourg law on commercial companies of 10 August 1915 (as amended);
“Luxembourg Official Gazette”	the <i>Mémorial C Recueil des Sociétés et Associations of Luxembourg</i> ;
“Luxembourg RCS”	means the Luxembourg Trade and Companies Registry;
“New Ordinary Shares”	the ordinary shares in Old Regus of 5 pence each to be issued to New Regus pursuant to the Scheme;
“New Regus”	Regus plc, a public limited company incorporated in Jersey with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered as a société anonyme under number RCS Luxembourg B 141159;
“New Regus Articles”	the memorandum and articles of association of New Regus as at the date of this document;
“New Regus Board”	the board of directors of New Regus;
“New Regus Directors”	the directors of New Regus whose names appear on page 17 of the Prospectus;
“New Regus Initial Ordinary Shares”	the 2,750,000 New Regus Ordinary Shares issued by New Regus prior to the Scheme Effective Date;
“New Regus Ordinary Shares”	the ordinary shares of 1 pence each in the capital of New Regus;
“New Regus Ordinary Shareholder”	a holder for the time being of New Regus Ordinary Shares;

“New Regus Reduction of Capital”	the proposed reduction of share premium in New Regus as described in paragraph 3.3 of Part 1 of this document;
“New Regus Share Schemes”	the Regus plc Share Option Plan, the VCP and the CIP;
“Official List”	the official list of the UK Listing Authority;
“Old Regus”	Regus Group plc, a public limited company incorporated in England and Wales with registered number 04868977;
“Old Regus Articles”	the memorandum and articles of association of Old Regus at the date of this document;
“Old Regus Board”	the board of directors of Old Regus;
“Old Regus Ordinary Shares”	the ordinary shares of 5 pence each in the share capital of Old Regus;
“Old Regus Ordinary Shareholder”	a holder for the time being of Old Regus Ordinary Shares;
“Old Regus Reduction of Capital”	the proposed reduction of capital in Old Regus through the cancellation of the A Shares as described in paragraph 3.2 of Part 1 of this document;
“Old Regus Share Schemes”	the Regus Group plc share option plan, the Regus Group plc co-investment plan and the Regus Group plc value creation plan;
“Overseas Shareholders”	Old Regus Ordinary Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom;
“Proposals”	the proposals relating to the implementation of the Scheme, the New Regus Reduction of Capital, the Old Regus Reduction of Capital and the adoption by New Regus of the New Regus Share Schemes;
“Prospectus”	the prospectus dated 8 September 2008 relating to New Regus and the New Regus Ordinary Shares prepared in accordance with the Prospectus Rules;
“Prospectus Rules”	the prospectus rules made under Part VI of the Financial Services and Markets Act 2000 (as set out in the Financial Services Authority’s Handbook of Rules and Guidance);
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Registrars”	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;
“Regus Group”	Old Regus and its subsidiary undertakings, or following the Scheme becoming effective, New Regus and its subsidiary undertakings, as the context may require;
“Remuneration Committee”	the remuneration committee of Old Regus or, following the Scheme becoming effective, of New Regus;
“Scheme”	the scheme of arrangement pursuant to sections 895 to 899 of the Companies Act set out on pages 63 to 67 of this document in its present form or with or subject to any modification, addition or condition approved or imposed by the Court;
“Scheme Effective Date”	the date on which the Scheme becomes effective in accordance with its terms, expected to be 14 October 2008;
“Scheme Effective Time”	the time at which the Scheme becomes effective on the Scheme Effective Date;
“Scheme Ordinary Shares”	(a) all Old Regus Ordinary Shares in issue at the date of the Scheme and remaining in issue at the Scheme Record Time;

- (b) all (if any) additional Old Regus Ordinary Shares in issue 48 hours prior to the Court Meeting at which the Scheme is approved and remaining in issue at the Scheme Record Time; and
- (c) all (if any) further Old Regus Ordinary Shares which may be in issue immediately prior to the confirmation by the Court of the reduction of capital provided for under the Scheme in respect of which the original or any subsequent holder shall be bound or shall have agreed in writing by such time to be bound by the Scheme and remaining in issue at the Scheme Record Time, but excluding any Old Regus Ordinary Shares held by New Regus.

“Scheme Ordinary Shareholder”	a holder of Scheme Ordinary Shares;
“Scheme Record Date”	the Business Day immediately preceding the Scheme Effective Date;
“Scheme Record Time”	6:00 p.m. London time on the Scheme Record Date;
“SEC”	the US Securities and Exchange Commission;
“Share Option Plan”	the Regus plc share option plan;
“Standards”	the current edition of the Admission and Disclosure Standards produced by the London Stock Exchange;
“Subscription and Contribution Agreement”	the subscription and contribution agreement to be entered into between New Regus and the Scheme Ordinary Shareholders;
“Takeover Code”	the UK City Code on Takeovers and Mergers;
“Takeover Panel”	means The Panel on Takeovers and Mergers;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority”	the Financial Services Authority acting in its capacity as competent authority for the purpose of Part VI of the Financial Services and Markets Act 2000;
“United Kingdom Takeover Code”	the City Code on Takeovers and Mergers;
“US” or “United States”	the United States of America its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
“US Shareholders”	Old Regus Ordinary Shareholders with registered addresses in the United States, its territories and possessions; and
“VCP”	the Regus plc 2008 value creation plan.

