

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt about the contents of this document and what action you should take, you are recommended to seek your own personal financial advice immediately from your independent financial adviser, stockbroker, bank manager, solicitor or accountant who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all your shares in the Company, you should forward this document, together with the accompanying Form of Proxy, immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, this document should not be forwarded or transmitted in or into the United States, Canada, Japan, Australia or South Africa or any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of shares in the Company, you should retain this document and should contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

The Directors (whose names appear on page 3 of this document) accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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# **LIGHTHOUSE GROUP PLC**

*(Incorporated and registered in England and Wales with registered number 4042743)*

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Daniel Stewart & Company plc (“Daniel Stewart”), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Lighthouse and for no one else in connection with the Merger and will not be responsible to anyone other than Lighthouse for providing the protections afforded to clients of Daniel Stewart, nor for providing advice in connection with the Merger or this document or any matter referred to herein.

A notice convening an Extraordinary General Meeting of the Company to be held at 26 Throgmorton Street, London, EC2N 2AN at 10 a.m. on 14 April 2008 is set out at the end of this document. The enclosed Form of Proxy for use at the Extraordinary General Meeting should be completed and returned in accordance with the reply paid facility, or by hand during normal business hours only, to Capita Registrars, (PROXIES), The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and to be valid the Form of Proxy must arrive not less than 48 hours before the time fixed for the Extraordinary General Meeting. Completion and return of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting should you wish to do so.

In accordance with the AIM Rules, a copy of this document is also available on Lighthouse’s website, [www.lighthousegroup.plc.uk](http://www.lighthousegroup.plc.uk). In addition, a copy of the Scheme Document will be made available on Lighthouse’s website.

# CONTENTS

	Page
Directors, Secretary and Advisers	3
Expected Timetable of Principal Events	4
Merger Statistics	5
PART I: Letter from the Chairman of Lighthouse Group plc	6
PART II: Summary of the Scheme of Arrangement	15
PART III: Additional Information	18
PART IV: Definitions	20
Notice of Extraordinary General Meeting	24

## DIRECTORS, SECRETARY AND ADVISERS

Lighthouse Group plc Directors	David Hickey ( <i>Executive Chairman</i> ) Malcolm Streatfield ( <i>Chief Executive Officer</i> ) Päivi Grigg ( <i>Finance Director</i> ) John Stevenson ( <i>Executive Director</i> ) Philip Whitehead ( <i>Non-Executive Director</i> ) Richard Last ( <i>Non-Executive Director</i> ) <i>All of whose business address is at 26 Throgmorton Street, London, EC2N 2AN</i>
Secretary and Registered Office	Mark Ross 26 Throgmorton Street, London, EC2N 2AN
Financial Adviser, Nominated Adviser and Broker to Lighthouse	Daniel Stewart & Company plc Becket House 36 Old Jewry London EC2R 8DD
Solicitors to Lighthouse	DLA Piper UK LLP 1 St Paul's Place Sheffield S1 2JX Foot Anstey Senate Court Southernhay Gardens Exeter EX1 1UG
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Registrars	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular publication date	20 March 2008
Last time and date for receipt of Forms of Proxy	10 a.m. on 12 April 2008
Extraordinary General Meeting of Lighthouse Group plc	10 a.m. on 14 April 2008
Scheme Court Hearing	30 April 2008 <sup>1</sup>
Court hearing to approve the reduction in capital of Sumus	1 May 2008 <sup>1</sup>
Effective Date	6 May 2008 <sup>1</sup>
Admission of New Lighthouse Shares to trading on AIM and commencement of dealings in New Lighthouse Shares on AIM	6 May 2008 <sup>1</sup>

- <sup>1</sup> These dates are indicative only. They depend, *inter alia*, on the date upon which the conditions to the implementation of the Merger are either satisfied or waived; the dates upon which the Court sanctions the Scheme and confirms the Capital Reduction; and the date on which the Court orders sanctioning the Scheme and confirming the Capital Reduction are delivered to the Registrar of Companies and, in respect of the Capital Reduction, is registered by the Registrar of Companies. If the expected dates of the Court hearings (and consequently the Effective Date) change, the Company will give notice of these changes to the extent practicable by issuing an announcement through a Regulatory Information Service.

## MERGER STATISTICS

Number of Lighthouse Shares in issue prior to the Merger	83,718,751
Minimum number of New Lighthouse Shares to be issued under the Merger assuming full take up of the Partial Cash Alternative by all Scheme Shareholders, other than by Allan Rosengren (save in respect of the SSAS Shares in respect of which Allan Rosengren has irrevocably undertaken to elect for the Partial Cash Alternative)	approximately 37,138,804
Maximum number of New Lighthouse Shares to be issued under the Merger assuming no take up of the Partial Cash Alternative by any Scheme Shareholders, other than by Julian Telling (including in respect of the SSAS Shares) and Allan Rosengren (in respect of the SSAS Shares only)	approximately 49,134,301
Minimum number of Ordinary Shares in issue following the Merger assuming full take up of the Partial Cash Alternative by all Scheme Shareholders, other than by Allan Rosengren (save in respect of the SSAS Shares in respect of which Allan Rosengren has irrevocably undertaken to elect for the Partial Cash Alternative)	approximately 120,857,555
Maximum number of Ordinary Shares in issue following the Merger assuming no take up of the Partial Cash Alternative by any Scheme Shareholders, other than by Julian Telling (including in respect of the SSAS Shares) and Allan Rosengren (in respect of the SSAS Shares only)	approximately 132,853,052
Number of existing Lighthouse Shares as a percentage of the Enlarged Share Capital assuming full take up of the Partial Cash Alternative by all Scheme Shareholders, other than by Allan Rosengren (save in respect of the SSAS Shares in respect of which Allan Rosengren has irrevocably undertaken to elect for the Partial Cash Alternative)	approximately 69.3 per cent.
Number of existing Lighthouse Shares as a percentage of the Enlarged Share Capital assuming no take up of the Partial Cash Alternative by any Scheme Shareholders, other than by Julian Telling (including in respect of the SSAS Shares) and Allan Rosengren (in respect of the SSAS Shares only)	approximately 63.0 per cent.

## PART I

### LETTER FROM THE CHAIRMAN OF LIGHTHOUSE GROUP PLC



*(Incorporated and registered in England and Wales, registered number 4042743)*

*Directors:*

David Hickey (*Executive Chairman*)  
Malcolm Streatfield (*Chief Executive Officer*)  
Päivi Grigg (*Finance Director*)  
John Stevenson (*Executive Director*)  
Philip Whitehead (*Non-Executive Director*)  
Richard Last (*Non-Executive Director*)

*Registered Office:*

26 Throgmorton Street  
London  
EC2N 2AN

20 March 2008

*To Shareholders and, for information only, to holders of options under the Share Option Schemes*

Dear Shareholder

#### **RECOMMENDED PROPOSALS FOR THE MERGER OF LIGHTHOUSE GROUP PLC AND SUMUS PLC**

##### **1. Introduction**

On 11 March 2008, the boards of Lighthouse and Sumus announced that they had agreed the terms of a merger between Lighthouse and Sumus whereby Lighthouse would acquire, for shares and cash, the entire issued and to be issued share capital of Sumus. A copy of the Merger Announcement was sent to Lighthouse Shareholders on 11 March 2008.

The boards of Lighthouse and Sumus have agreed the basis for the Merger by reference to the respective market capitalisations of Lighthouse and Sumus throughout the period of discussions between them, which commenced on 2 January 2008 and continued until 10 March 2008, being the last Business Day prior to the Merger Announcement, disregarding minor share price fluctuations during such period.

Based on the respective sizes of the businesses of Sumus and Lighthouse and the respective average market capitalisations of Sumus (approximately £13.3 million) and Lighthouse (approximately £19.6 million) during the period of discussions between the boards of Sumus and Lighthouse, the Merger represents an approximate Sumus:Lighthouse merger ratio of 40:60.

The Basic Consideration pursuant to the Merger values each Sumus Share at 42.3 pence and the existing issued share capital of Sumus at approximately £12.6 million (based on the Closing Price of 22.5 pence per Lighthouse Share on 10 March 2008 (the latest practicable date prior to the date of the Merger Announcement)).

The Merger is to be effected by way of a scheme of arrangement of Sumus under section 425 of the Companies Act 1985 involving a reduction of capital of Sumus under section 135 of the Companies Act 1985. The Scheme requires the approval of the Scheme Shareholders and the sanction of the Court.

This letter sets out the terms of, and background to, the Merger as well as the reasons why the Directors are unanimously recommending that Lighthouse Shareholders vote in favour of the Resolutions to be proposed at the EGM, including the Scheme Resolution, and explains what action you need to take.

## **2. Information on Sumus, including current trading**

Sumus was formed in 2000 as the holding company of Falcon, an independent financial advisory business and IFA network. Falcon had been founded in 1983 by Allan Rosengren and Julian Telling, Group Chief Executive and Group Operations Director respectively of Sumus. In 2004 Sumus launched Financial Synergies to act on behalf of IFAs who wished to access greater economies of scale whilst continuing to be directly regulated by the FSA.

Sumus' ordinary shares were admitted to trading on AIM in February 2005. At the same time, Sumus raised £3 million, before expenses, through a placing of new ordinary shares of 0.5 pence each at 40 pence per share with institutional and other investors. Sumus' strategy, and the principal reason for its admission to AIM, was to grow Falcon's business and to extend its geographic reach through a combination of organic growth and the acquisition of, or stakes in, IFA businesses, as it considered that it was well positioned to act as a core around which to add other IFA businesses through direct part-ownership and co-venture structures.

In September 2006, Sumus acquired FSAS, an IFA network group headquartered in Dunfermline, Scotland, for a maximum consideration of £2 million, comprising a combination of new shares and cash. FSAS was and remains one of Scotland's leading IFA networks with over 160 IFAs, approximately 60,000 clients and approximately £700 million of assets under advice. This acquisition was the first by Sumus following its admission to AIM and increased the total number of IFAs and mortgage advisers within the Sumus Group to over 300, the value of assets under advice to approximately £2 billion and improved Sumus' national coverage, particularly in Scotland and the North of England.

Sumus' offering was expanded further in February 2007 with the launch by Falcon of its proprietary asset management product, The Brunel Funds. This 'Fund of Funds' asset management facility enabled Sumus to derive further margin and value from its existing offering of independent financial advice and associated investment management services.

In June 2007, Sumus acquired 50.1 per cent. of the issued share capital of Deverill Black, a Bristol based IFA firm, for a total consideration of £0.75 million, in a combination of cash and new shares. Deverill Black had been an Appointed Representative firm of Falcon since its incorporation in 2001. The acquisition secured for the Sumus Group the above average level of fund based recurring income (from a highly selective fund management firm) and other income and fees generated by Deverill Black for the foreseeable future and also provided the principal of Deverill Black, who remains committed to the continued growth of the business, with access to capital.

Sumus' audited final results for the 12 months ended 30 September 2007, which were announced on 22 January 2008, comprised revenue which increased by 96 per cent. to £29.8 million (2006: £15.2 million), profit before tax which increased by 76 per cent. to £1.5 million (2006: £0.9 million), earnings per share which increased by 64 per cent. to 3.55p (2006: 2.17p) and Sumus declared a total dividend of 1p per share, an increase of 47 per cent. from 2006. As at 30 September 2007, Sumus had audited net assets of £5.6 million and its number of advisers had increased by 6 per cent. from 30 September 2006 to 335.

At its Annual General Meeting held on 26 February 2008, Paul Bradshaw, Sumus' Chairman, stated that:

"Progress so far in the current financial year is satisfactory, with trading remaining at acceptable levels despite the challenging conditions being experienced in equity and investment markets. However, the Board remains confident of the Group's progress and looks forward to another successful year in 2008."

## **3. Background to, and reasons for, the Merger**

### ***Background***

Lighthouse was incorporated as a private limited company in July 2000 and was re-registered as a public limited company in October 2000. Lighthouse's shares were admitted to trading on AIM in October 2000. Its core activities comprise the provision of services to IFAs and pension scheme administrators servicing and advising clients throughout the UK. The Group has a number of operating divisions, many of which are the result of acquisitions, being LighthouseCarrwood, LighthouseTemple, LighthouseXpress, Lighthouse Group Benefits and City Pensions Limited.

## *Reasons for the Merger*

Discussions between Lighthouse and Sumus commenced on 2 January 2008 and have progressed quickly and positively. The Directors believe that Sumus and Lighthouse are complementary businesses and that their merger will create the largest autonomous entity in the market for the provision of independent financial advice and wealth management and the distribution of retail financial products in the UK, with a combined pro-forma turnover of in excess of £80 million and approximately £13 million of gross cash (which is considered to be an appropriate level of cash for the ongoing requirements of the Enlarged Group). It will have no debt, other than pursuant to the trade facility with Liverpool Victoria Friendly Society Limited, which the Company entered into on 10 March 2008, further details of which are set out in the Scheme Document. The Merger is expected to increase the proportion of the Enlarged Group's recurring revenues, thereby increasing margins and profits, and to spread central costs over a broader business base.

The Enlarged Group will have enhanced strength and depth in its advisory, investment and business development teams and enhanced distribution opportunities. The merged entities are expected to have a combined pool of assets under advice of an estimated £8 billion, providing further opportunities to develop funds under management and to increase the Enlarged Group's share of product margins. Furthermore, the Merger combines the second and third fastest growing IFA businesses in the UK<sup>1</sup> and, in the opinion of the Directors, would fulfil a number of key objectives in terms of achieving meaningful size, scale and geographic coverage, whilst further broadening the range of services offered to IFAs and clients.

The Directors also believe that due to strategic benefits and its strengthened position in the market, the Enlarged Group will be better placed to exploit opportunities arising from matters such as regulatory change and other developments in the IFA and wealth management market. In addition, the increased size and scale of the Enlarged Group should strengthen its trading relationships with product manufacturers and asset managers. The Directors anticipate that the Enlarged Group will have the size, scale and reputation to continue and accelerate Lighthouse's successful growth strategy, both organically and by acquisition.

The directors of Sumus and Lighthouse have undertaken a review of the Enlarged Group's business which suggests that it should be possible to make significant savings, of at least £1 million per annum, across the Enlarged Group and also to exploit revenue synergies following the Merger becoming Effective. It is anticipated that such cost savings will arise from the effects of changes in the composition of the boards of Sumus and Lighthouse as described in paragraph 4 below, along with certain other operational cost reductions. Achieving such savings will require the payment of one-off costs of approximately £850,000.

Sumus has historically paid dividends in respect of each financial year where justified by reference to the distributable profits of Sumus for each of those years. Lighthouse has historically not paid dividends, however, the Board has recommended a maiden final dividend of 0.5p per Lighthouse Share, payable in respect of its financial year ended 31 December 2007. In addition, as announced on 11 March 2008, the Board intends to declare a special interim dividend of 0.5p per Lighthouse Share, which it is intended would be conditional, *inter alia*, on the Scheme becoming Effective. If the intended special interim dividend is declared and paid, it would be payable to Lighthouse Shareholders on the register on 25 March 2008 (which would be the record date for such dividend) and it is expected that payment would be made to such Lighthouse Shareholders within seven days of the Scheme becoming Effective. It is the intention of the Enlarged Group to adopt a progressive dividend policy having regard to appropriate levels of dividend cover in terms of the post tax profits of the Enlarged Group and its plans for the future development of the combined businesses. It is likely that future dividend payments will be made in or around November and May, respectively, in each year following publication of the interim and final results of the Enlarged Group.

The Enlarged Group will have a market capitalisation, based on Lighthouse's share price as at 19 March 2008 (the latest practicable date prior to the posting of this document), of approximately £30.22 million based on the assumption that no Scheme Shareholders, other than Julian Telling (including in respect of the SSAS Shares) and Allan Rosengren (in respect of the SSAS Shares only), elect for the Partial Cash Alternative and approximately £27.50 million based on the assumption that all Scheme Shareholders, other than Allan Rosengren (save in respect of the SSAS Shares in respect of which Allan Rosengren has irrevocably undertaken to elect for the Partial Cash Alternative) elect for the Partial Cash Alternative. This

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<sup>1</sup> Source: Professional Adviser Supplement: edition February 2008.

should enhance the marketability of the Enlarged Group's shares and, in particular, their attractiveness to potential institutional investors. In addition, the Directors would expect there to be an improvement in liquidity in the Enlarged Group's shares.

#### **4. Board of Lighthouse post Merger**

There are a number of proposed changes to the Lighthouse board. It is intended that on the Scheme becoming Effective, Allan Rosengren, Sumus' Group Chief Executive, Peter Smith, Sumus' Group Finance Director, and Andrew Snowball, one of Sumus' non executive directors and an executive director of FSAS, will join the Lighthouse board. It has also been agreed that John Stevenson and Philip Whitehead will resign as Directors (in the case of John Stevenson, his resignation will take effect on 3 May 2008 and in the case of Philip Whitehead, his resignation will take effect from the later of 3 May 2008 and the Effective Date).

It is expected that the responsibilities of the members of the Lighthouse board following the Scheme becoming Effective will be as follows:

- I will remain as executive chairman and will have primary responsibility for the development of the strategy of the Enlarged Group and for maintaining and developing institutional and capital market relations.
- Allan Rosengren will be appointed as joint chief executive with primary responsibility for the further development of both groups' funds under management offerings, the Lighthouse SIPP business and for relationships with product manufacturers.
- Malcolm Streatfield will be joint chief executive with principal responsibility for the Enlarged Group's operations.
- Peter Smith will join the Board as Group Finance Director.
- The Lighthouse board will have two additional executive directors, being Paivi Grigg and Andrew Snowball, who are currently on the boards of Lighthouse and Sumus respectively.
- Richard Last will remain as a non-executive director and Lighthouse intends to appoint a second non-executive director as soon as practicable following the Scheme becoming Effective.

The Board has also given assurances to the directors of Sumus that, following the Merger becoming Effective, it intends to give the management and employees of the Sumus Group equivalent opportunities to participate in relevant share option schemes operated by Lighthouse as the management and employees of the Lighthouse Group and that, following the Merger becoming Effective, it intends, subject to the terms and conditions of such share option schemes, to grant options thereunder to those managers and employees of the Sumus Group to whom the Sumus board made formal commitments, whether legally binding or not, regarding the grant of options over Sumus Shares prior to the date of the Merger Announcement. It is intended that approval from Shareholders will be sought at the Company's annual general meeting, which is expected to be held on 24 April 2008, for the rules of the Share Option Schemes to be amended to allow the Board to grant options to such Sumus managers and employees after the Effective Date.

#### **5. Details of the Merger**

##### **(a) Basic Consideration**

Under the terms of the Scheme which is subject to the conditions and further terms set out in Appendix I to the Merger Announcement, Scheme Shareholders will be entitled to receive, in respect of all of their Scheme Shares where no valid election for the Partial Cash Alternative (as explained below) is made:

**for every Scheme Share**

**1.88 New Lighthouse Shares**

and so in proportion for such number of Scheme Shares held where no valid Cash Election is made.

Fractions of New Lighthouse Shares will not be allotted or issued pursuant to the Scheme and, accordingly, each Scheme Shareholder's aggregate entitlement to New Lighthouse Shares will be rounded down to the nearest whole number of Lighthouse Shares.

The New Lighthouse Shares will not carry the right to receive Lighthouse's final dividend in respect of the year ended 31 December 2007, the record date for which precedes the earliest date on which the Scheme may become Effective, but will carry the right to receive all dividends and other distributions declared, paid or made on the Lighthouse Shares which have a record date after the date on which the Scheme becomes Effective. The New Lighthouse Shares will not, in any event, carry the right to receive the intended special interim dividend referred to in paragraph 3 above.

**(b) Partial Cash Alternative**

Under the terms of the Scheme, which is subject to the conditions and further terms set out in Appendix I to the Merger Announcement, Scheme Shareholders will be entitled to elect to receive, in respect of such whole number of Scheme Shares as represents 50 per cent. of their total holdings of Scheme Shares, rounded down to the nearest whole number of Scheme Shares, immediately prior to the Reorganisation Record Time, a Partial Cash Alternative of:

**for every Scheme Share**

**43.5 pence in cash**

and so in proportion for such number of Scheme Shares in respect of which a valid Cash Election is made and they will be entitled to receive, in respect of the balance of their total holdings of Scheme Shares, at the Reorganisation Record Time, the Basic Consideration described in paragraph 5(a) above.

Fractions of pence will not be paid pursuant to the Scheme and, accordingly, each Scheme Shareholder's aggregate entitlement to cash pursuant to the Partial Cash Alternative shall be rounded down to the nearest whole number of pence.

Allan Rosengren, Sumus' Group Chief Executive, has irrevocably undertaken to Lighthouse not to elect for the Partial Cash Alternative (save with respect to the SSAS Shares in respect of which he has undertaken to elect for the Partial Cash Alternative). Julian Telling, Sumus' Group Operations Director, has irrevocably undertaken to Lighthouse to elect for the Partial Cash Alternative (including in respect of the SSAS Shares). Further details of these and other irrevocable undertakings are set out in paragraph 6 below. On this basis and on the basis of the issued share capital of Sumus as at close of business on 19 March 2008 (the latest practicable date prior to the Merger Announcement), the maximum amount of cash payable pursuant to the Partial Cash Alternative is approximately £4.4 million.

The Partial Cash Alternative will not affect the entitlements of those Scheme Shareholders who do not make Cash Elections under the Partial Cash Alternative, who will receive New Lighthouse Shares in accordance with the terms set out in paragraph 5(a) above.

Furthermore, a Scheme Shareholder's entitlement to elect to receive the Partial Cash Alternative will not depend on Cash Elections made by other Scheme Shareholders under the Partial Cash Alternative.

**(c) Value of the Basic Consideration**

The Basic Consideration pursuant to the Merger values each Sumus Share at 42.3 pence and the existing issued share capital of Sumus at approximately £12.6 million, based on the Closing Price of 22.5 pence per Lighthouse Share on 10 March 2008, being the latest practicable date prior to the Merger Announcement.

These terms represent:

- a discount of approximately 4.7 per cent. to the average Closing Price of a Sumus Share between 2 January 2008 and 10 March 2008, being the period during which the Merger was negotiated between the boards of Sumus and Lighthouse;
- a premium of approximately 0.7 per cent. to the Closing Price of 42.0 pence per Sumus Share on 10 March 2008, the last Business Day prior to the date of the Merger Announcement; and
- a premium of approximately 0.7 per cent. to the Closing Price of 42.0 pence per Sumus Share on 19 March 2008, the last Business Day prior to the date of this document.

Assuming no Scheme Shareholders, other than Julian Telling (including in respect of the SSAS Shares) and Allan Rosengren (in respect of the SSAS Shares only), elect for the Partial Cash Alternative and the maximum number of New Lighthouse Shares is issued pursuant to the Merger and the Scheme and no other Lighthouse Shares are issued in the period between the date of this document and the Effective Date, Scheme Shareholders will hold, in aggregate, approximately 49,134,301 Lighthouse Shares representing approximately 37.0 per cent. of the issued share capital of the Enlarged Group.

Alternatively, assuming all Scheme Shareholders, other than Allan Rosengren (save in respect of the SSAS Shares in respect of which he has irrevocably undertaken to elect for the Partial Cash Alternative), elect for the Partial Cash Alternative and the minimum number of New Lighthouse Shares is issued pursuant to the Merger and the Scheme and no other Lighthouse Shares are issued in the period between the date of this document and the Effective Date, Scheme Shareholders will receive, in aggregate, approximately £4.4 million in cash and will hold, in aggregate, approximately 37,138,804 Lighthouse Shares representing approximately 30.7 per cent. of the issued share capital of the Enlarged Group.

Upon the Scheme becoming Effective:

- the Scheme Shares will be cancelled and in their place new ordinary shares in the capital of Sumus will be issued to Lighthouse;
- Sumus will become a private limited company and a wholly-owned subsidiary of Lighthouse;
- the New Lighthouse Shares and any cash due to each Scheme Shareholder pursuant to the Scheme will be issued or paid to such Scheme Shareholder within 14 days of the Effective Date; and
- the New Lighthouse Shares will be issued credited as fully paid, will not carry the right to receive Lighthouse's final dividend in respect of the year ended 31 December 2007 but will, in all other respects, rank *pari passu* with the Lighthouse Shares in issue at the time the New Lighthouse Shares are issued pursuant to the Scheme, including the right to receive dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. The New Lighthouse Shares will not in any event carry the right to receive the intended special interim dividend referred to in paragraph 3 above.

## **6. Irrevocable Undertakings from Sumus Shareholders**

The Merger and the implementation of the Scheme are conditional, *inter alia*, on the requisite majority of Scheme Shareholders approving the Scheme at the Scheme Meeting and the requisite majority of Sumus Shareholders passing the special resolution to be proposed at the Sumus Extraordinary General Meeting.

Lighthouse has received irrevocable undertakings from each of the Sumus Directors and certain persons connected with them, who together are interested in a total of 17,578,627 Sumus Shares, representing approximately 58.83 per cent. of the existing issued share capital of Sumus, to vote (or procure the vote of) such Sumus Shares in favour of the Scheme and the Merger at the Scheme Meeting and the Sumus Extraordinary General Meeting, respectively. All such irrevocable undertakings will remain binding even if a higher competing offer is made for Sumus.

Pursuant to his irrevocable undertaking given to Lighthouse, Allan Rosengren, Sumus' Group Chief Executive, has undertaken not to elect to receive the Partial Cash Alternative (save in respect of the SSAS Shares in respect of which he has undertaken to elect to receive the Partial Cash Alternative).

Pursuant to his irrevocable undertaking given to Lighthouse, Julian Telling, Sumus' Group Operations Director, has undertaken to elect to receive the Partial Cash Alternative, including in respect of the SSAS Shares.

Lighthouse has also received irrevocable undertakings from certain other Sumus Shareholders, who together are interested in a total of 3,158,132 Sumus Shares, representing approximately 10.57 per cent. of the existing issued share capital of Sumus, to vote (or procure the vote of) such Sumus Shares in favour of the Merger and the Scheme at the Scheme Meeting and the Sumus Extraordinary General Meeting, respectively. These irrevocable undertakings will remain binding even if a higher competing offer is made for Sumus.

Accordingly, Lighthouse has received irrevocable undertakings in respect of, in aggregate, 20,736,759 Sumus Shares, representing, in aggregate, approximately 69.40 per cent. of Sumus's existing issued share capital to vote (or procure the vote) in favour of the Scheme and the Merger at the Scheme Meeting and the Sumus Extraordinary General Meeting.

The total number of Sumus Shares in respect of which Lighthouse has received undertakings to vote (or procure the vote) in favour of the Merger and the Scheme at the Scheme Meeting and the Sumus Extraordinary General Meeting respectively set out above varies from the total number set out in the Merger Announcement, as Lighthouse has received further such irrevocable undertakings following the Merger Announcement.

The Scheme Document is being sent to Sumus Shareholders on 20 March 2008.

## **7. Financing of the Merger**

Full acceptance of the Partial Cash Alternative (other than by Allan Rosengren who has irrevocably undertaken not to elect to receive the Partial Cash Alternative, other than in respect of the SSAS Shares in relation to which he has irrevocably undertaken to accept the Partial Cash Alternative) would result in a maximum cash consideration of approximately £4.4 million being payable by Lighthouse to Sumus Shareholders to be financed from Lighthouse's existing resources, including the trade facility details of which are set out in the Scheme Document, a copy of which will be made available on the Company's website and will be available for inspection, as set out in paragraph 4 of Part III of this document.

## **8. Extraordinary General Meeting**

As a result of the New Lighthouse Shares to be allotted and issued by Lighthouse under the terms of the Scheme, the Board is required to seek the approval of Shareholders to the requisite authorities and powers to issue and allot such New Lighthouse Shares at the Extraordinary General Meeting.

The Merger and the implementation of the Scheme are therefore conditional, *inter alia*, on Lighthouse Shareholders passing the Scheme Resolution.

The Directors have irrevocably undertaken to vote (or procure or use reasonable endeavours to procure the vote) in favour of the Resolutions, including the Scheme Resolution, in respect of all their beneficial holdings of, in aggregate, 2,147,684 Lighthouse Shares which represent, in aggregate, approximately 2.56 per cent. of the existing issued share capital of Lighthouse.

In addition, undertakings to vote (or procure the vote) in favour of the Resolutions, including the Scheme Resolution, have been received from certain other Lighthouse Shareholders in respect of, in aggregate, 40,370,650 Lighthouse Shares representing approximately a further 48.22 per cent. of the existing issued share capital of Lighthouse.

Accordingly, Lighthouse has received irrevocable undertakings to vote (or procure or use all reasonable endeavours to procure the vote) in favour of the Resolutions, including the Scheme Resolution, in respect of, in aggregate, 42,518,334 Lighthouse Shares, representing, in aggregate, approximately 50.79 per cent. of Lighthouse's existing issued share capital.

The total number of Lighthouse Shares in respect of which Lighthouse has received undertakings to vote (or procure or use reasonable endeavours to procure the vote) in favour of the Resolutions set out above varies from the total number set out in the Merger Announcement, as Lighthouse has received further such irrevocable undertakings following the Merger Announcement.

A notice is set out at the end of this document convening an Extraordinary General Meeting to be held at 10.00 a.m. on 14 April 2008. At the Extraordinary General Meeting, the Scheme Resolution will be proposed to enable the New Lighthouse Shares to be allotted pursuant to the Scheme. In addition, resolutions will be proposed, which will be conditional on the Scheme becoming Effective, to generally authorise the Directors to allot up to 16,378,101 Ordinary Shares and to authorise the Directors to allot Ordinary Shares for cash, otherwise than on a non-pre-emptive basis.

Further details of the Resolutions are set out below:

*Resolution 1:*

The Scheme Resolution is an ordinary resolution to:

- (a) increase Lighthouse's authorised share capital from £1,200,000 to £2,000,000 by the creation of 80,000,000 new Ordinary Shares, an increase of approximately 66.66 per cent., in order to create the New Lighthouse Shares which are to be issued pursuant to the Scheme and which may be issued pursuant to the authority being sought in Resolution 2 below; and
- (b) authorise the Directors to allot the New Lighthouse Shares pursuant to the Scheme.

The Scheme Resolution is subject to confirmation by the High Court of Justice in England and Wales of the Capital Reduction.

The authority given by paragraph (b) of the Scheme Resolution will, if passed, expire on 30 June 2008.

*Resolution 2:*

Resolution 2 is an ordinary resolution to authorise the Directors to generally allot up to 16,378,101 Ordinary Shares. Resolution 2 is subject to the Scheme becoming Effective and will, if passed, when aggregated with the Company's existing authority to allot, which is proposed to be renewed at the Company's annual general meeting which is expected to be held on 24 April 2008, give the Directors authority to allot up to a third of the Enlarged Share Capital (based on no take up of the Partial Cash Alternative, other than by Julian Telling who has irrevocably undertaken to elect to receive the Partial Cash Alternative (including in respect of the SSAS Shares) and Allan Rosengren who has irrevocably undertaken to receive the Partial Cash Alternative (in respect of the SSAS Shares only). Therefore, this authority, together with the Company's existing authority, complies with guidelines currently in place to ensure investor protection. The Board has confirmed that it would not seek to exercise this authority so as to allot Ordinary Shares having a nominal value in excess of an amount equal to one third of the total nominal value of the New Lighthouse Shares actually issued pursuant to the Scheme.

The authority given by Resolution 2 will, if passed, expire at the conclusion of the Company's annual general meeting in 2009 or on 14 June 2009 (whichever is the earlier).

*Resolution 3*

Resolution 3 is a special resolution. If passed, it would enable the Directors to allot Lighthouse Shares for cash on a non pre-emptive basis in limited circumstances. It is proposed to authorise the Directors to issue shares for cash up to an aggregate nominal amount of £24,567.16 (which will, when aggregated with the Company's existing authority, which is proposed to be renewed at the Company's annual general meeting which is expected to be held on 24 April 2008, together represent approximately five per cent. of the Enlarged Share Capital (based on no take up of the Partial Cash Alternative, other than by Julian Telling, who has irrevocably undertaken to elect to receive the Partial Cash Alternative (including in respect of the SSAS Shares) and Alan Rosengren who has irrevocably undertaken to elect to receive the Partial Cash Alternative (in respect of the SSAS Shares only), without having to first offer them to Lighthouse Shareholders in proportion to their existing holdings of Lighthouse Shares. This percentage is in line with the guidelines issued by the Pre-emption Group. In addition, in accordance with normal practice, the resolution would enable the Board to deal with overseas shareholders and fractional entitlements as it thinks fit in the context of any rights issue or open offer. The Board has confirmed that it would not seek to exercise this authority so as to allot Ordinary Shares having a nominal value in excess of an amount equal to five per cent of the total nominal amount of the New Lighthouse Shares actually issued pursuant to the Scheme.

The authority given by Resolution 3 will, if passed, expire at the conclusion of the Company's annual general meeting in 2009 or on 14 June 2009 (whichever is the earlier).

## **9. Action to be taken**

You will find enclosed a Form of Proxy for use at the Extraordinary General Meeting. Whether or not you intend to be present in person at the Extraordinary General Meeting, you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Capita Registrars, (PROXIES), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to arrive by no later than 10.00 a.m. on 12 April 2008. Completion and return of the Form of Proxy will not prevent you from attending the Extraordinary General Meeting and voting in person if you wish.

## **10. Admission, Settlement and Dealings**

Application will be made to the London Stock Exchange for the New Lighthouse Shares to be admitted to trading on AIM conditionally upon the approval of the Scheme by Sumus Shareholders and the Court.

It is expected that Admission will become effective and dealings will commence in the New Lighthouse Shares on 6 May 2008. No application has or will be made for the Enlarged Share Capital to be admitted to trading or to be listed on any other stock exchange.

No temporary documents of title will be issued in respect of the New Lighthouse Shares and, pending despatch of the definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

## **11. Further information**

Your attention is drawn to the remainder of this document which provides additional information on the matters referred to above.

## **12. Recommendation**

Your Directors, who have been so advised by Daniel Stewart, believe the Merger to be in the best interests of the Company and its shareholders as a whole. In providing its advice to the Directors, Daniel Stewart has taken into account the Directors' commercial assessments. Accordingly, the Board unanimously recommends that Lighthouse Shareholders vote in favour of the Resolutions, including the Scheme Resolution, as they intend to do in respect of all their own beneficial holdings of Lighthouse Shares amounting, in aggregate, to 2,147,684 Lighthouse Shares, representing approximately 2.56 per cent. of the Company's existing issued share capital at the date of this document.

Yours faithfully

**David Hickey**  
*Chairman*

## **PART II**

### **SUMMARY OF THE SCHEME OF ARRANGEMENT**

The Merger is to be effected by way of a scheme of arrangement under section 425 of the Companies Act 1985 involving a reduction of capital under section 135 of the Companies Act 1985. The Scheme requires the approval of the Scheme Shareholders and the sanction of the Court.

Before the Court can be asked to sanction the Scheme, the Scheme must be approved by Scheme Shareholders at the Scheme Meeting and the special resolution approving the Sumus share capital reorganisation, the Capital Reduction, amendments to be made to Sumus' articles of association and other matters connected with the Scheme must be passed by Sumus Shareholders at the Sumus Extraordinary General Meeting.

The Scheme Meeting is being convened for 11.00 a.m. on Monday, 14 April 2008 at the offices of Burges Salmon LLP at Narrow Quay House, Narrow Quay, Bristol BS1 4AH for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme.

The Sumus Extraordinary General Meeting is being convened for 11.15 a.m. on Monday, 14 April 2008 (or as soon thereafter as the Scheme Meeting is concluded or adjourned) at the offices of Burges Salmon LLP at Narrow Quay House, Narrow Quay, Bristol BS1 4AH for the purpose of considering and, if thought fit, passing a special resolution which relates to:

- (a) the reorganisation of Sumus' share capital;
- (b) the Capital Reduction and the issue of New Sumus Shares to Lighthouse provided for in the Scheme; and
- (c) certain amendments to the articles of association of Sumus in accordance with the Scheme.

The Scheme will include a reorganisation of Sumus' share capital whereby the Scheme Shares will, in accordance with the terms of the Scheme, be reclassified into A Shares and B Shares. The share capital reorganisation will take effect from the Reorganisation Record Time, from which point the A Shares will carry the right to receive the New Lighthouse Shares and the B Shares will carry the right to receive the cash payable under the Partial Cash Alternative, in each case in accordance with the terms of the Scheme. Each A Share shall confer upon the Holder thereof the right to receive 1.88 New Lighthouse Shares and each B Share shall confer upon the Holder thereof the right to receive 43.5 pence in cash, subject to no fractions of New Lighthouse Shares being allotted and no fractions of pence being paid in respect of aggregate entitlements to New Lighthouse Shares and cash, respectively.

Following the share capital reorganisation taking effect and upon the Capital Reduction becoming effective, the A Shares and the B Shares will be cancelled and Scheme Shareholders will be issued with New Lighthouse Shares and paid cash under the Partial Cash Alternative in proportion to their holdings of A Shares and B Shares respectively. No temporary documents of title will be issued to Sumus Shareholders in respect of the A Shares or the B Shares. If, for any reason, the Capital Reduction does not become effective within five Business Days of the Reorganisation Record Time, or such later time and date as Sumus and Lighthouse may agree and the Court may allow, the share capital reorganisation described above will be reversed and Scheme Shareholders will hold such number of Sumus Shares as they held immediately prior to the Reorganisation Record Time.

The Scheme also requires the sanction of the Court. The Scheme Court Hearing to sanction the Scheme is expected to be held on Wednesday, 30 April 2008. The Court hearing to confirm the Capital Reduction is expected to be held on Thursday, 1 May 2008.

As a result of the New Lighthouse Shares to be allotted and issued by Lighthouse under the terms of the Scheme, Lighthouse is required to seek the approval of the Lighthouse Shareholders to the requisite authorities and powers to issue and allot such New Lighthouse Shares at the Extraordinary General Meeting.

The Merger is therefore conditional on, *inter alia*, the Scheme Resolution being passed by Lighthouse Shareholders at the Extraordinary General Meeting.

The conditions to the Merger and the Scheme are set out in full in Appendix I to the Merger Announcement.

These include, *inter alia*:

- (a) the approval of the Scheme and the special resolution to approve matters connected with the Scheme by the requisite majorities of Scheme Shareholders and of Sumus Shareholders at the Scheme Meeting and the Sumus Extraordinary General Meeting respectively;
- (b) the approval of the Scheme Resolution by the requisite majority of Lighthouse Shareholders at the Extraordinary General Meeting;
- (c) the sanction of the Scheme by the Court and the confirmation of the Capital Reduction by the Court;
- (d) the approval by the FSA of the acquisition and/or increase in control of each of the regulated members of the Sumus Group and Lighthouse Group;
- (e) the FSA giving its approval to the use of a waiver under Article 22 of the Capital Adequacy Directive in respect of the prudential supervision of the Enlarged Group; and
- (f) the Admission of the New Lighthouse Shares to be issued in connection with the Merger and the Scheme,

and, as at 19 March 2008 (being the latest practical date prior to the publication of this document) the condition for the approval by the FSA of the acquisition and/or increase in control of each of the regulated members of the Sumus Group and Lighthouse Group had been satisfied.

Under the terms of the Scheme, which is subject to the conditions and further terms set out in Appendix I to the Merger Announcement, Scheme Shareholders will be entitled to receive, in respect of all their Scheme Shares where no valid election for the Partial Cash Alternative (as explained below) is made:

**for every Scheme Share** **1.88 New Lighthouse Shares**

and so in proportion for such number of Scheme Shares held where no valid Cash Election is made.

Fractions of New Lighthouse Shares will not be allotted or issued pursuant to the Scheme and, accordingly, each Scheme Shareholder's aggregate entitlement to New Lighthouse Shares will be rounded down to the nearest whole number of New Lighthouse Shares.

The New Lighthouse Shares will not carry the right to receive Lighthouse's final dividend in respect of the year ended 31 December 2007, the record date for which precedes the earliest date on which the Scheme may become Effective, but will carry the right to receive all dividends and other distributions declared, paid or made on the Lighthouse Shares which have a record date after the date on which the Scheme becomes Effective. The New Lighthouse Shares will not in any event carry the right to receive the intended special interim dividend referred to in paragraph 3 of Part I of this document.

Under the terms of the Scheme, which is subject to the conditions and further terms set out in Appendix I to the Merger Announcement, Scheme Shareholders will be entitled to elect to receive, in respect of such whole number of Scheme Shares as represents 50 per cent. of their total holdings of Scheme Shares, rounded down to the nearest whole number of Scheme Shares, immediately prior to the Reorganisation Record Time a Partial Cash Alternative of:

**for every Scheme Share** **43.5 pence in cash**

and so in proportion for such number of Scheme Shares in respect of which a valid Cash Election is made and they will be entitled to receive, in respect of the balance of their total holdings of Scheme Shares at the Reorganisation Record Time, the Basic Consideration described above.

Fractions of pence will not be paid pursuant to the Scheme and, accordingly, each Scheme Shareholder's aggregate entitlement to cash pursuant to the Partial Cash Alternative will be rounded down to the nearest whole number of pence.

Allan Rosengren, Sumus' Group Chief Executive, has irrevocably undertaken to Lighthouse not to elect for the Partial Cash Alternative (save with respect to the SSAS Shares in respect of which he has undertaken to elect for the Partial Cash Alternative). Julian Telling, Sumus' Group Operations Director, has irrevocably undertaken to Lighthouse to elect for the Partial Cash Alternative (including in respect of the SSAS Shares). On this basis, and on the basis of the issued share capital of Sumus as at the close of business on 19 March 2008, the maximum amount of cash payable pursuant to the Partial Cash Alternative is approximately £4.4 million.

Assuming no Scheme Shareholders, other than Julian Telling (including in respect of the SSAS Shares) and Allan Rosengren (in respect of the SSAS Shares only), elect for the Partial Cash Alternative and the maximum number of New Lighthouse Shares is issued pursuant to the Merger and the Scheme and no other Lighthouse Shares are issued in the period between the date of this document and the Effective Date, Scheme Shareholders will hold, in aggregate, approximately 49,134,301 Lighthouse Shares representing approximately 37.0 per cent. of the issued share capital of the Enlarged Group.

Alternatively, assuming all Scheme Shareholders, other than Allan Rosengren (save in respect of the SSAS Shares), elect for the Partial Cash Alternative and the minimum number of New Lighthouse Shares is issued pursuant to the Merger and the Scheme and no other Lighthouse Shares are issued in the period between the date of this document and the Effective Date, Scheme Shareholders will receive, in aggregate, approximately £4.4 million in cash and will hold, in aggregate, approximately 37,138,804 Lighthouse Shares representing approximately 30.7 per cent. of the issued share capital of the Enlarged Group.

Upon the Scheme becoming Effective:

- (a) the Scheme Shares will be cancelled and in their place new ordinary shares in the capital of Sumus will be issued to Lighthouse;
- (b) Sumus will become a private limited company and a wholly-owned subsidiary of Lighthouse;
- (c) the New Lighthouse Shares and any cash due to each Scheme Shareholder pursuant to the Scheme will be issued or paid to such Scheme Shareholder within 14 days of the Effective Date; and
- (d) the New Lighthouse Shares will be issued credited as fully paid, will not carry the right to receive Lighthouse's final dividend in respect of the year ended 31 December 2007 but will, in all other respects, rank *pari passu* with the Lighthouse Shares in issue at the time the New Lighthouse Shares are issued pursuant to the Scheme, including the right to receive dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. The New Lighthouse Shares will not in any event carry the right to receive the intended special interim dividend referred to in paragraph 3 of Part I of this document.

## PART III

### ADDITIONAL INFORMATION

#### 1. Share Capital of the Company

- 1.1 The authorised and issued share capital of Lighthouse as at 19 March 2008, being the latest practicable date prior to the posting of this document, is as follows (all such shares being fully paid):

	<i>Number</i>	<i>£'000</i>
Authorised: Ordinary Shares	120,000,000	1,200,000.00
Allotted, called up and fully paid: Ordinary Shares	83,718,751	837,187.51

- 1.2 All the Ordinary Shares in issue are in registered form, and may be held in certificated or uncertificated form.

#### 2. Other Information

- 2.1 Daniel Stewart has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which it appears.
- 2.2 Lighthouse and Sumus entered into the Inducement Fee Agreement on 10 March 2008.

Pursuant to the Inducement Fee Agreement, Sumus has agreed to pay Lighthouse an inducement fee of £125,000 (inclusive of any irrecoverable VAT) upon the occurrence of certain trigger events as follows:

- Sumus committing any material breach of the terms of the Implementation Agreement and the Merger not occurring or becoming effective within 3 months of the date of the Merger Announcement; or
- the directors of Sumus withdrawing or adversely modifying their recommendation of the Merger and the Merger not occurring or becoming effective within 3 months of the date of the Merger Announcement; or
- the directors of Sumus approving the announcement of or recommending any competing offer for Sumus by any third party other than Lighthouse; or
- the resolutions which are to be proposed at the Scheme Meeting and the Sumus Extraordinary General Meeting failing to be passed within 3 months of the date of the Merger Announcement; or
- a competing offer or a scheme of arrangement for Sumus being announced by any third party other than Lighthouse, in each case to acquire more than 50 per cent. of the issued ordinary shares of Sumus, or any other arrangement with a third party which is inconsistent with the Merger, being announced after the date of the Merger Announcement and such competing offer or scheme of arrangement subsequently becoming effective or being declared unconditional in all respects or otherwise completing.

Pursuant to the Inducement Fee Agreement, Lighthouse has agreed to pay Sumus a fee of £190,000 (inclusive of irrecoverable VAT) upon the occurrence of certain trigger events as follows:

- the Scheme Resolution failing to be passed within 3 months of the date of the Merger Announcement; or
- Lighthouse committing any material breach of the terms of the Implementation Agreement and the Merger not occurring or becoming effective within 3 months of the date of the Merger Announcement.

### **3. Sources and bases**

#### **3.1 Unless otherwise stated:**

3.1.1 financial information relating to Sumus has been extracted or provided without material adjustment from the audited annual report and accounts for Sumus for the three years ended 30 September 2005, 30 September 2006 and 30 September 2007; and

3.1.2 financial information relating to Lighthouse has been extracted or provided without material adjustment from the audited annual report and accounts for Lighthouse for the two years ended 31 December 2005 and 31 December 2006 and from the audited preliminary results of Lighthouse for the year ended 31 December 2007 which were announced on 11 March 2008.

3.2 Unless otherwise stated, all prices quoted for Lighthouse Shares or Sumus Shares are closing middle market prices and are derived from the AIM Appendix to the Daily Official List of the London Stock Exchange.

3.3 The expected operational cost savings have been calculated on the basis of the existing cost and operating structures of the Lighthouse Group and the Sumus Group, respectively. These statements of estimated cost savings and one-off costs for achieving them relate to future actions and circumstances which, by their nature, involve risks, uncertainties and other factors. Because of this, the cost savings referred to may not be achieved, or those achieved could be materially different from those estimated. This statement is not intended to be a profit forecast and should not be interpreted to mean that the earnings per share in 2008, 2009 or in any subsequent financial period, would necessarily match or be greater than those for the relevant preceding financial period.

### **4. Documents available for inspection**

Copies of the following documents will be available for inspection at the offices of DLA Piper UK LLP, 3 Noble Street, London, EC4V 7EE during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the Effective Date:

- 4.1 the Memorandum and Articles of Association of Lighthouse;
- 4.2 the irrevocable undertakings referred to in the letter from the chairman, in Part I of this document;
- 4.3 the written consent from Daniel Stewart referred to in paragraph 2 above;
- 4.4 this document and the Form of Proxy;
- 4.5 the Scheme Document; and
- 4.6 the Inducement Fee Agreement.

## PART IV

### DEFINITIONS

The following words and expressions shall have the following meanings, unless the context otherwise requires:

<b>Act</b>	the Companies Act 1985 or the Companies Act 2006, as appropriate
<b>Admission</b>	admission to trading on AIM in accordance with the AIM Rules or, if Sumus and Lighthouse so determine and subject to the consent of the Panel, the London Stock Exchange agreeing to admit such shares to trading on AIM subject only to (i) the allotment of such shares and/or (ii) the Merger becoming Effective
<b>AIM</b>	the market of that name operated and regulated by the London Stock Exchange
<b>AIM Rules</b>	the AIM Rules for Companies whose shares are admitted to trading on AIM published by the London Stock Exchange
<b>A Shares</b>	the A ordinary shares of 0.5 pence each in the capital of Sumus arising out of the reclassification of the Scheme Shares
<b>Basic Consideration</b>	the entitlement of a Scheme Shareholder to receive New Lighthouse Shares in respect of his entire holding of Scheme Shares at the Reorganisation Record Time or, if he has made a valid Cash Election, such whole number of his Scheme Shares as represents 50 per cent. of his total holding of Scheme Shares, rounded up to the nearest whole number of Scheme Shares, immediately prior to the Reorganisation Record Time
<b>Board or Directors</b>	the directors of Lighthouse, whose names appear on page 3 of this document
<b>B Shares</b>	the B ordinary shares of 0.5 pence each in the capital of Sumus arising out of the reclassification of the Scheme Shares
<b>Business Day</b>	any day on which banks are generally open in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday
<b>Capital Adequacy Directive</b>	the Capital Adequacy Directive (93/6/EEC), as amended, promulgated by the European Union
<b>Capital Reduction</b>	the proposed reduction of the capital of Sumus pursuant to the Scheme
<b>Cash Election</b>	an election to receive cash pursuant to the Partial Cash Alternative
<b>Closing Price</b>	the closing middle market price of a share as derived from AIM
<b>Company or Lighthouse</b>	Lighthouse Group plc
<b>Court</b>	the High Court of Justice in England and Wales
<b>Daniel Stewart</b>	Daniel Stewart & Company plc, the Company's nominated adviser and broker for the purposes of the AIM Rules, a member of the London Stock Exchange and regulated in the UK by the Financial Services Authority

<b>Deverill Black</b>	Deverill Black & Company Limited, a private limited company incorporated in England & Wales under registered number 04158413
<b>Effective</b>	in the context of the Merger, the Scheme having become effective in accordance with its terms
<b>Effective Date</b>	the date on which the Merger becomes Effective
<b>Enlarged Group</b>	the Group enlarged by the acquisition of Sumus following the Merger
<b>Enlarged Share Capital</b>	the entire issued share capital of Lighthouse following the Merger as enlarged by the issue of the New Lighthouse Shares
<b>Excluded Shares</b>	any ordinary shares of 0.5 pence each in the capital of Sumus registered in the name of any member of the Lighthouse Group
<b>Extraordinary General Meeting or EGM</b>	the extraordinary general meeting of Lighthouse (and any adjournment thereof) to be held at 10 a.m. at 26 Throgmorton Street, London EC2N 2AN on 14 April 2008, notice of which is set out at the end of this document
<b>Falcon</b>	The Falcon Group plc, a public limited company incorporated in England & Wales under registered number 01869421
<b>Financial Services Authority or FSA</b>	the Financial Services Authority, being the statutory body responsible for the regulation of the financial services industry, including IFAs
<b>Financial Synergies</b>	Financial Synergies Plc, a public limited company incorporated in England & Wales under registered number 04118876
<b>Form of Proxy</b>	the form of proxy for use at the EGM
<b>FSAS</b>	Financial Services Advice and Support Limited, a private limited company incorporated in Scotland under registered number SC219202
<b>Group or Lighthouse Group</b>	the Company and its Subsidiaries
<b>Holder</b>	a registered holder of shares, including any person(s) entitled by transmission
<b>IFA</b>	an independent financial adviser, being a person in relation to whom the FSA has given its approval under section 59 of the Financial Services and Markets Act 2000 to advise clients in relation to financial products across the entire market
<b>Inducement Fee Agreement</b>	the agreement dated 10 March 2008 between Sumus and Lighthouse in relation to the inducement fee arrangements relating to the Merger
<b>Implementation Agreement</b>	the implementation agreement dated 10 March 2008 between Sumus and Lighthouse in relation to the implementation of the Merger, including the Scheme
<b>London Stock Exchange</b>	the London Stock Exchange plc, together with any successor thereto

<b>Lighthouse Shareholders or Shareholders</b>	Holders of Lighthouse Shares
<b>Lighthouse Shares or Ordinary Shares</b>	ordinary shares of 1 pence each in the capital of Lighthouse
<b>Merger</b>	the proposed acquisition by Lighthouse of the entire issued and to be issued ordinary share capital of Sumus
<b>Merger Announcement</b>	the announcement of the Merger issued by Sumus and Lighthouse to a Regulatory Information Service on 11 March 2008
<b>New Lighthouse Shares</b>	the Lighthouse Shares proposed to be issued credited as fully paid to the Scheme Shareholders pursuant to the Scheme and ranking <i>pari passu</i> with the existing Lighthouse Shares in issue at the time the New Lighthouse Shares are issued pursuant to the Merger, save as set out in this document
<b>New Sumus Shares</b>	the ordinary shares of 0.5 pence each in the capital of Sumus to be created and issued fully paid to Lighthouse pursuant to the Scheme
<b>Panel</b>	the Panel on Takeovers and Mergers
<b>Partial Cash Alternative</b>	the facility under which a Scheme Shareholder may elect to receive cash in respect of such whole number of his Scheme Shares as represents 50 per cent. of his total holding of Scheme Shares, rounded down to the nearest whole number of Scheme Shares, immediately prior to the Reorganisation Record Time
<b>Registrar of Companies</b>	the Registrar of Companies in England and Wales
<b>Regulatory Information Service</b>	any of the services set out in appendix 3 to the Listing Rules of the Financial Services Authority in its capacity as competent authority under Part IV of the Financial Services and Markets Act 2000;
<b>Reorganisation Record Time</b>	6.00 pm on the day of the Scheme Court Hearing at which the Scheme Court Order is granted
<b>Resolutions</b>	the resolutions set out in the notice of EGM at the end of this document and reference to a “Resolution” shall be to the relevant resolution set out in the notice of EGM
<b>Scheme</b>	the proposed scheme of arrangement under section 425 of the Companies Act 1985 between Sumus and the Scheme Shareholders set out in Part III of the Scheme Document, with or subject to any modification thereof or in addition thereto or condition approved or imposed by the Court and agreed by Sumus and Lighthouse
<b>Scheme Court Hearing</b>	the hearing by the Court of the claim form to sanction the Scheme
<b>Scheme Court Order</b>	the order of the Court sanctioning the Scheme
<b>Scheme Document</b>	the document containing the Scheme which is being sent to Sumus Shareholders on 20 March 2008
<b>Scheme Meeting</b>	the meeting of the Scheme Shareholders to be convened pursuant to an order of the Court pursuant to section 425 of the Companies Act 1985 for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) (and any adjournment thereof)

<b>Scheme Resolution</b>	resolution number 1 set out in the notice of EGM at the end of this document, to be proposed at the Extraordinary General Meeting, being a resolution to increase the authorised share capital of the Company and to grant the Directors authority to allot the New Lighthouse Shares
<b>Scheme Shareholders</b>	a Holder of Scheme Shares
<b>Scheme Shares</b>	the Sumus Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of the Scheme;</li> <li>(ii) issued after the date of the Scheme but before the Voting Record Time; and</li> <li>(iii) issued at or after the Voting Record Time and before the Reorganisation Record Time on terms that the original or any subsequent Holders shall be, or shall have agreed in writing by such time to be, bound by the Scheme</li> </ul> but excluding the Excluded Shares
<b>Share Option Schemes</b>	the Lighthouse Group plc unapproved company share option plan, the Lighthouse Group plc approved company share option and the option agreement between Lighthouse Group plc and Adel Salman
<b>SSAS Shares</b>	500,000 Sumus Shares which are held by Allan Rosengren, Julian Telling and Brunel Trustees Limited as trustees of a pension scheme, the sole beneficiaries of which are Allan Rosengren, Julian Telling and their next of kin
<b>Subsidiaries</b>	the subsidiaries of the Company (as defined in section 736 of the Act)
<b>Sumus</b>	Sumus Plc, a public limited company incorporated in England and Wales under registered number 4127940
<b>Sumus Extraordinary General Meeting or Sumus EGM</b>	the extraordinary general meeting of the Sumus Shareholders (and any adjournment(s) thereof) convened in connection with the Merger and the Scheme
<b>Sumus Group</b>	Sumus, its subsidiaries, any holding company of Sumus (intermediate or otherwise) and their subsidiary undertakings from time to time, or any of them, as the context requires
<b>Sumus Shareholders</b>	Holders of Sumus Shares
<b>Sumus Shares</b>	(i) prior to the Reorganisation Record Time, ordinary shares of 0.5 pence each in the capital of Sumus and (ii) after the Reorganisation Record Time, ordinary shares of 0.5 pence each in the capital of Sumus, A Shares and B Shares
<b>United Kingdom or UK</b>	United Kingdom of Great Britain and Northern Ireland
<b>Voting Record Time</b>	the time fixed by the Court and Sumus for determining the entitlement of Scheme Shareholders to vote at, respectively, the Scheme Meeting and the Sumus Extraordinary General Meeting as set out in the notices thereof

# Lighthouse Group plc (“Company”)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting of Lighthouse Group plc will be held at 10.00 am on 14 April 2008 at 26 Throgmorton Street, London, EC2N 2AN for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 2 will be proposed as ordinary resolutions and resolution 3 will be proposed as a special resolution.

### ORDINARY RESOLUTIONS

#### RESOLUTION 1:

1. THAT, subject to and immediately upon confirmation by the High Court of Justice in England and Wales of the reduction of the capital of Sumus Plc (“**Sumus**”) connected with the scheme of arrangement (“**Scheme**”) under section 425 of the Companies Act 1985 (“**Act**”) between Sumus and its shareholders, details of which are contained in a document dated 20 March 2008 which has been sent to Sumus shareholders:
  - (a) the authorised share capital of the Company be increased from £1,200,000 to £2,000,000 by the creation of 80,000,000 new ordinary shares of one pence each in the capital of the Company, such new ordinary shares ranking *pari passu* in all respects with the existing ordinary shares of one pence each in the capital of the Company in issue;
  - (b) without prejudice and in addition to all existing authorities to the extent unused, the directors of the Company (“**Directors**”) be and are hereby generally and unconditionally authorised for the purposes of section 80 of the Act to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £491,343.01, provided that (unless previously revoked, varied or renewed) this authority shall expire on 30 June 2008, save that the Company may make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred by the resolution had not expired.

#### RESOLUTION 2:

2. THAT, subject to and immediately upon the Scheme becoming effective in accordance with its terms, pursuant to section 80 of the Act and in addition to all existing authorities under that section, the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to an aggregate nominal amount of £163,781.01, provided that (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the annual general meeting of the Company in 2009 or on 14 June 2009 (whichever is the earlier), save that the Company may make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired.

### SPECIAL RESOLUTION

#### RESOLUTION 3:

3. That, subject to the passing of resolution 2, pursuant to section 95 of the Act and in addition to all existing authorities under that section, the Directors be and are generally empowered to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the authority conferred by resolution 2 as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an offer (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange;
- (b) the allotment of equity securities for cash (otherwise than pursuant to paragraph (a) above) up to an aggregate nominal amount of £24,567.16,

and (unless previously revoked, varied or renewed) shall expire at the conclusion of the annual general meeting of the Company in 2009 or on 14 June 2009 (whichever is the earlier), save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted for cash after such expiry and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if the power conferred by this resolution had not expired.

Notes:

1. Only those members entered in the register of members of the Company as at 5.00 pm on 12 April 2008 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 5.00 pm on 12 April 2008 or, in the event that the meeting is adjourned, after 48 hours before the time of any adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. A member is entitled to appoint one or more persons as proxies to exercise all or any of his rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy you may photocopy the proxy form. Please indicate the proxyholders' name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by the member may result in the proxy appointment being invalid. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.  
  
The appointment of a proxy will not preclude a member from attending and voting in person at the meeting if he or she so wishes.
3. A form of proxy is enclosed. To be valid, it must be completed, signed and sent to the offices of the Company's registrars, Capita Registrars, so as to arrive no later than 10.00 am on 12 April 2008 (or, in the event that the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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 UK & Ireland Limited's (formerly CRESTCo'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 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 Capita Registrars (ID RA10) by no later than 10.00 am on 12 April 2008. No such message received through the CREST network after this time will be accepted. 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 registrars are 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 provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST

member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

5. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:
  - (a) 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 representatives 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
  - (b) 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 (<http://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 (a) above.



