

The Transaction

For purposes of this outline, assume that the "size-of-transaction" and \$100 million element of the "size-of-person" tests are met.

1. "Purchaser," a recently formed ^{Go Target} public limited company organized under the laws of England and Wales proposes to commence a tender offer pursuant to which Purchaser would seek to acquire all of the outstanding capital stock of "Target," a public limited company incorporated and registered in England and Wales for cash in an amount exceeding \$15 million (the "Transaction"). Target owns a wholly-owned United States subsidiary ("U.S. Sub") that has annual net sales in excess of \$25 million. Accordingly, for Hart-Scott-Rodino purposes, the acquisition of Target could be potentially subject to the reporting requirements of the Act if the applicable "size-of-person" and "size-of-transaction" tests were met. See 16 C.F.R. § 802.51(b) (1997).
2. Purchaser is a wholly-owned subsidiary of "Holdings", a recently formed limited liability company organized under the laws of England and Wales, which in turn is a wholly-owned subsidiary of "Parent," a recently formed limited liability company organized under the laws of England and Wales ("Parent").
3. None of Purchaser, Holdings or Parent have traded since formation.
4. At least eleven (and possibly more) employees (each an "Employee" and together, "Employees") of "Alpha," a public limited company organized under the laws of England and Wales, will hold all of the issued and outstanding membership interests of Parent.
5. No Employee will have a right to fifty percent or more of the profits of Parent or have the right to fifty percent of Parent's assets upon dissolution.
6. No person or entity will have the contractual right to appoint fifty percent or more of the board of directors of Holdings or Purchaser.
7. For Hart-Scott-Rodino purposes, Parent would be deemed to be its own sole "ultimate parent entity" and would be the sole "ultimate parent entity" of each of Holdings and Purchaser.
8. Until immediately prior to the time that Purchaser will purchase the shares of Target pursuant to the Transaction, it is anticipated that none of Purchaser, Holdings or Parent will have any significant assets or liabilities or engage in activities other than those incident to its formation and capitalization and the transactions contemplated by the Transaction.
9. In addition, two tranches of warrants will be issued by Holdings ("Holdings Warrants"). Tranche 1 ("Capital Holdings Warrants") will be issued to Alpha and tranche 2 ("Income Holdings Warrants") will be issued to an affiliate of Alpha. The Holdings Warrants will be issued for a nominal value and will be exercisable for a nominal amount. After the Holdings Warrants become exercisable, at the option of Holdings, the Holdings Warrants can be exercisable for a number of Holding Shares

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representing 99.99% of the outstanding Holdings Shares or, at the option of Alpha, redeemed for cash in an amount equal to the net asset value of Holdings.

10. Funding to finance the Transaction will be at two levels: (i) Alpha will provide financing to Holdings; and (ii) either Alpha or a third party will provide financing to Purchaser.