

FOUNDATIONS PROGRAM PLC – in liquidation
and FPA LIMITED – in liquidation

Notice to Participants

The High Court of Justice in the Isle of Man made a Winding-up Order against Foundations Program PLC (“FPP”) and FPA Ltd (“FPA”) on 23 November 2011.

Michael Fayle of KPMG LLC, Heritage Court, 41 Athol Street, Douglas, Isle of Man, IM99 1HN and Andrew Paul Shimmin of Shimmin Wilson, 13-15 Hope Street, Douglas, Isle of Man, IM1 1AQ (“MF & PS”) were appointed Joint Deemed Official Receivers (“Official Receivers”) and Joint Provisional Liquidators (“Provisional Liquidators”) of both FPP & FPA.

This notice is not a formal notice, but is intended to give Participants an indication of what the liquidation means for them in the immediate future, and the timetable for the next steps.

It is important to note that, at this stage, the appointments are provisional. MF & PS in their capacity as Official Receivers, are now required to convene first meetings for contributories and creditors. It is the purpose of these meetings is to approve their appointment as Provisional Liquidators or whether to apply to the court to appoint alternative liquidators in their place. In the event an application is made and there is disagreement between the meetings, the Court will adjudicate. The meetings will also have the opportunity to express a view as to whether there should be an application to Court to appoint a Committee of Inspection. The Court Order specified that the first meetings should take place by 23 January 2011.

Before the meetings can be convened, the Provisional Liquidators will need to consider the Statement of Affairs of the companies (which have been formally requested to be delivered to by 16 December 2011) and will have to identify potential contributories and creditors in part based on the information contained in the Statement of Affairs.

The entitlement of the Participants to attend and vote at either meeting is, at present, unclear; primarily due to the precise legal standing of the Participants in both FPP and FPA. Participants are not shareholders. They are, through the terms of the contractual arrangements, required to make good losses before they can exit. In this respect they may be described as debtors. However, they are also entitled to the release of any assets forming part of the assignment once they have discharged their obligations to the FPP. This may render them to contingent creditors and their ability to attend and vote at the above meetings will also need further consideration.

The Provisional Liquidators, therefore, are seeking urgent legal advice to establish the status of the Participants before calling the first meetings; they also await receipt of the Statement of Affairs.

It is the intention of the Provisional Liquidators to keep you informed of the progress of the Winding-up and would anticipate updating this web-site when there is anything meaningful

to report. This will not be a running commentary on the conduct of the winding-up but will advise of significant events.

Queries should be addressed to Michael Fayle in the first instance at the above address or by email to mfayle@kpmg.co.im