

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional financial adviser duly authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all your Tullett Securities, other than pursuant to the Offers, please send this document and the accompanying documentation at once to the purchaser or transferee, or to the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Tullett Securities, you should retain these documents.

Application has been made to the UK Listing Authority for the New Collins Stewart Shares to be admitted to the Official List. Application has also been made to the London Stock Exchange for the New Collins Stewart Shares to be admitted to trading on the London Stock Exchange's market for listed securities. It is expected that dealings in New Collins Stewart Shares issued pursuant to the Offers and the Option Proposals will commence on the business day following the date on which the Ordinary Offer becomes or is declared unconditional in all respects (save for the condition of the Ordinary Offer relating to Admission). No application is being made for the Loan Notes to be admitted to the Official List or to any other recognised investment exchange.

HSBC Bank plc, which is regulated in the United Kingdom by the Financial Services Authority, is acting for Collins Stewart and no one else in connection with the Offers and the Option Proposals and will not be responsible to anyone other than Collins Stewart for providing the protections afforded to clients of HSBC Bank plc, or for providing advice in relation to the Offers and the Option Proposals, or for giving advice in relation to the contents of this document or any offer or arrangement referred to herein.

Amethyst Corporate Finance PLC, which is regulated in the United Kingdom by the Financial Services Authority, is acting for Tullett and no one else in connection with the Offers and the Option Proposals and will not be responsible to anyone other than Tullett for providing the protections afforded to clients of Amethyst Corporate Finance PLC, or for providing advice in relation to the Offers and the Option Proposals, or for giving advice in relation to the contents of this document or any offer or arrangement referred to herein.

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING FORM(S) OF ACCEPTANCE, OPTION PROPOSALS FORM OF ELECTION AND THE PROSPECTUS RELATING TO COLLINS STEWART WHICH HAS BEEN PREPARED IN ACCORDANCE WITH THE LISTING RULES MADE UNDER SECTION 74 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000. A COPY OF THE PROSPECTUS HAS BEEN DELIVERED TO THE REGISTRAR OF COMPANIES IN ENGLAND AND WALES FOR REGISTRATION AS REQUIRED BY SECTION 83 OF THAT ACT.

Recommended Ordinary and Bond Offers, Option Proposals and related proposals by

HSBC 

on behalf of

Collins Stewart Holdings plc

for

Tullett plc

A letter from the Chairman of Tullett recommending that all Tullett Ordinary Shareholders and Tullett Bondholders accept the Ordinary and Bond Offers is set out in Part I of this document. Your attention is also drawn to the accompanying Tullett Circular which contains, *inter alia*, notice of the Tullett EGM and notices of separate Tullett Preference Shareholder class meetings. You are urged to complete and return the relevant forms of proxy accompanying the Tullett Circular so as to vote in favour of the resolutions to be proposed at those meetings.

Acceptances of the Offers should be despatched as soon as possible and, in any event, so as to be received by no later than 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 21 February 2003. The procedures for acceptance of the Offers and (if eligible) for making elections for the Partial Cash Alternative and the Loan Note Alternative, under the Additional Cash Facility and the Bond Offer Additional Share Facility and for new Collins Stewart Shares in respect of the Further Payment under the A Preference Offer are set out in paragraph 23 of Part III of this document and in the accompanying Form(s) of Acceptance. The procedure for accepting the Option Proposals is also set out in paragraph 23 of Part III of this document and in the accompanying Option Proposals Form of Election.

Neither the New Collins Stewart Shares nor the Loan Notes have been and nor will they be registered under the US Securities Act or under the securities laws of any state of the United States. Accordingly, the New Collins Stewart Shares and the Loan Notes are not being, and will not be, offered or sold in the United States except, in the case of New Collins Stewart Shares, to Eligible US Securityholders in reliance on an exemption from the registration requirements of the US Securities Act. The New Collins Stewart Shares and the Loan Notes may not be reoffered or resold without registration under the US Securities Act except pursuant to an exemption therefrom and, with respect to the New Collins Stewart Shares delivered to Eligible US Securityholders, are not transferable except in accordance with the restrictions described in paragraph 8 of Part B of Appendix I to this document. Non-Eligible US Securityholders who accept the Offers or the Option Cancellation Proposal will not receive New Collins Stewart Shares but will be deemed to have irrevocably authorised Collins Stewart to arrange for the sale or allotment of New Collins Stewart Shares to which such Non-Eligible US Securityholder would otherwise have been entitled and to remit the cash proceeds, net of expenses, of such sale or allotment to such Non-Eligible US Securityholder. The New Collins Stewart Shares and the Loan Notes are being offered outside the United States in reliance on Regulation S under the US Securities Act.

Neither the New Collins Stewart Shares nor the Loan Notes may (unless an exemption under relevant securities laws is applicable) be offered, sold or delivered, as appropriate, directly or indirectly, in or into any jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration thereof in, such jurisdiction or to, or for the account or benefit of, any person in any such jurisdiction.

Persons resident in, or with a registered address in, any jurisdiction outside the United Kingdom and their nominees should read paragraph 8 of Part B, paragraphs 1.5 to 1.7 of Part C and paragraphs 1.10 to 1.12 and 2.12 to 2.14 of Part D of Appendix I to this document, the relevant notices on pages 2 to 4 of this document and the relevant provisions of the Forms of Acceptance and the Option Proposals Form of Election.

NOTICE REGARDING THE APPROVED PLAN:

In the event of any conflict between the information included in this document in relation to the Approved Plan and the rules of the Approved Plan or any legislation relating to it, those rules and legislation will take precedence.

RULE 8 NOTICES:

Any person who, alone or acting together with any other person(s) pursuant to an agreement or understanding (whether formal or informal) to acquire or control securities of Collins Stewart or Tullett, owns or controls, or becomes the owner or controller, directly or indirectly, of one per cent. or more of any class of securities of Collins Stewart or Tullett is generally required under the provisions of Rule 8 of the City Code to notify a Regulatory Information Service by fax or electronic delivery on the appropriate form by no later than 12.00 noon (London time) on the business day following the date of the transaction of every dealing in any such securities during the Offer Period. A copy of such notification on the appropriate form should also be faxed to the Panel by that time on + 44 (0) 20 7256 9386. In the event of any doubt as to the application of these requirements, the Panel should be consulted on + 44 (0) 20 7638 0129. Dealings by Collins Stewart, by Tullett or by their respective "associates" (within the definition set out in the City Code) in any class of securities of Collins Stewart or Tullett or referable thereto until such time must also be so disclosed. Please consult your financial adviser immediately if you believe Rule 8 may be applicable to you.

NOTICES REGARDING JURISDICTIONS OUTSIDE THE UNITED KINGDOM:

The distribution of this document, the Forms of Acceptance, the Option Proposals Form of Election and the Prospectus in certain jurisdictions may be restricted by law and persons into whose possession comes this document, the Forms of Acceptance, the Option Proposals Form of Election or the Prospectus should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been taken by Collins Stewart to permit a public offering of the New Collins Stewart Shares or the Loan Notes or to permit the possession or distribution of this document, the Forms of Acceptance, the Option Proposals Form of Election or the Prospectus in any jurisdiction other than the United Kingdom where action for that purpose is or may be required. Accordingly, this document, the Forms of Acceptance, the Option Proposals Form of Election and the Prospectus may not be distributed or published in any such jurisdiction except under circumstances that would result in compliance with any applicable laws and regulation. This document, the Forms of Acceptance, the Option Proposals Form of Election and the Prospectus do not constitute an offer to sell, or the solicitation of an offer to buy, New Collins Stewart Shares or Loan Notes in any jurisdiction where it is unlawful to make such offer or solicitation.

If you are resident in any of the jurisdictions discussed below, you must read, and act in accordance with, the notice relating to that jurisdiction.

United States of America

General

Neither the New Collins Stewart Shares nor the Loan Notes have been and nor will they be registered under the US Securities Act or under the securities laws of any state of the United States. Accordingly, the New Collins Stewart Shares and the Loan Notes are not being, and will not be, offered or sold in the United States except, in the case of New Collins Stewart Shares, to Eligible US Securityholders in reliance on an exemption from the registration requirements of the US Securities Act. The New Collins Stewart Shares and the Loan Notes may not be reoffered or resold without registration under the US Securities Act except pursuant to an exemption therefrom and, with respect to the New Collins Stewart Shares delivered to Eligible US Securityholders, are not transferable except in accordance with the restrictions described in paragraph 8 of Part B of Appendix I to this document. Non-Eligible US Securityholders who accept the Offers or the Option Proposals will not receive New Collins Stewart Shares but will be deemed to have irrevocably authorised Collins Stewart to arrange for the sale or allotment of the New Collins Stewart Shares to which such Non-Eligible US Securityholder would otherwise have been entitled and to remit the cash proceeds, net of expenses, of such sale or allotment to such Non-Eligible US Securityholder. The New Collins Stewart Shares and the Loan Notes are being offered outside the United States in reliance on Regulation S under the US Securities Act.

Neither the fact that a registration statement or an application for a licence has been filed under Chapter 421-b of New Hampshire Revised Statutes ("RSA 421-b") 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 of New Hampshire 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.

The securities offered hereby have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon or endorsed the merits of the Offers or the Option Proposals or confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

This document, the Forms of Acceptance, the Option Proposals Form of Election and the Prospectus are confidential in the United States and are being furnished by Collins Stewart to US holders of Tullett Securities and Tullett Options in connection with an offering exempt from registration under the US Securities Act for the purpose of enabling US holders of Tullett Securities and Tullett Options to consider the Offers and the Option Proposals, including enabling Eligible US Securityholders to consider the acquisition of New Collins Stewart Shares pursuant to the Offers or the Option Proposals. Each US holder of Tullett Securities and Tullett Options, by accepting delivery of this document, agrees that any reproduction or distribution of this document, the Forms of Acceptance, the Option Proposals Form of Election or the Prospectus, in whole or in part, and any disclosure of their contents or use of any information therein or herein in the United States for any purpose other than considering the Offers and the Option Proposals and, with respect to Eligible US Securityholders, an investment in the New Collins Stewart Shares, is prohibited.

In making an investment decision, prospective investors must rely on their own examination of Collins Stewart and Tullett and the terms of the Offers and the Option Proposals, including the merits and risks involved. The contents of this document, including any general advice or recommendations contained therein, the Forms of Acceptance, the Option Proposals Form of Election and the Prospectus are not to be construed as legal, business or tax advice. Prospective investors should consult with their own lawyer, financial adviser or tax adviser for legal, financial or tax advice.

The Offers and the Option Proposals are being made in the United States by Collins Stewart. References in this document and in the accompanying documents to the Offers and the Option Proposals being made by HSBC on behalf of Collins Stewart should be read and construed accordingly.

Enforceability of judgments

Collins Stewart is a public limited company incorporated under the laws of England and Wales. Most of Collins Stewart's directors and executive officers are citizens or residents of countries other than the United States. A substantial portion of the assets of such persons and a substantial portion of Collins Stewart's assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or upon Collins Stewart or to enforce against them judgments of US courts, including judgments predicated upon the civil liabilities provisions under the US federal securities laws or the securities laws of any state or territory within the United States. There is doubt as to the enforceability in England and Wales, in original actions or in actions for enforcement of judgments of US courts, of civil liabilities predicated solely upon the civil liability provisions of such laws. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales.

Forward looking statements

This document and the Prospectus contain certain forward-looking statements (as defined in the US Private Securities Litigation Reform Act of 1995) regarding future business and financial prospects, dividends, financing plans, business strategies, operating efficiencies and synergies, budgets, capital and other expenditures, competitive positions, growth opportunities, plans and objectives of management and other matters. These forward-looking statements are generally identified by words such as “may”, “will”, “expect”, “anticipate”, “believe”, “estimate”, “plan”, “intend” and similar expressions. Forward-looking statements are based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed and thus you should not place undue reliance on any of these forward-looking statements. Any forward-looking statements are qualified in their entirety by reference to the other information presented in this document and the Prospectus. Further, any forward-looking statement speaks only as of the date on which it is made, and Collins Stewart and Tullett, and their respective directors, undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

This document and the Prospectus contain a profit estimation relating to Collins Stewart, which is inherently subject to uncertainty due to a number of factors, many of which are not within Collins Stewart’s control, and the Prospectus contains pro forma financial information. Collins Stewart’s actual results may differ from such profit estimation and such differences may be material. Under no circumstances should the inclusion of the profit estimation, or any statements relating thereto, be regarded as a representation, warranty or prediction with respect to its accuracy or the accuracy of the underlying assumptions or that Collins Stewart has or will achieve or is likely to achieve any particular result. There can be no assurance that Collins Stewart’s actual results will not vary significantly from the profit estimation set forth in this document and the Prospectus. Collins Stewart does not intend to furnish any updated or revised profit estimation. Readers are cautioned not to place undue reliance on the profit estimation.

The pro forma financial information in the Prospectus has not been prepared with a view toward compliance with published rules and/or guidelines of the US Securities and Exchange Commission or the American Institute of Certified Public Accountants. The pro forma financial information does not purport to represent what Collins Stewart’s financial position or results of operations would have actually been had the transactions in fact occurred as of such date or to project results for any future period. The profit estimation and pro forma financial information should be reviewed in conjunction with Collins Stewart’s and Tullett’s historical financial information and the other information contained in this document and the Prospectus.

Presentation of information

The Offers and the Option Proposals are made for or in respect of the securities of a UK company and are subject to UK disclosure requirements. Readers, and in particular US readers, should be aware that this document and the Prospectus have been prepared in accordance with UK format and style, which differs from US format and style and should be read accordingly. In particular, the Appendices to this document contain information concerning the Offers that has been included to satisfy UK disclosure requirements that may be material and that in some cases has not been summarised elsewhere. In addition, but without limitation, the financial information contained in this document and the Prospectus has been prepared in accordance with UK generally accepted accounting principles, and thus may not be comparable to financial statements of US companies prepared in accordance with US generally accepted accounting principles.

Canada

Neither the New Collins Stewart Shares nor the Loan Notes have been, nor will they be, qualified by prospectus under the applicable securities laws of any province or territory of Canada. In the context of the Offers, the distribution of the New Collins Stewart Shares and the Loan Notes in Canada is being made pursuant to exemptions from registration and prospectus requirements and accordingly, any resale of New Collins Stewart Shares and Loan Notes must be made in accordance with applicable securities laws and exemptions from registration and prospectus requirements. Canadian holders of New Collins Stewart Shares are advised to seek legal advice prior to any resale of New Collins Stewart Shares.

The Offers and the Option Proposals are being made in Canada by Collins Stewart. References in this document and in the accompanying documents to the Offers and the Option Proposals being made by HSBC on behalf of Collins Stewart should be read and construed accordingly.

Japan

The New Collins Stewart Shares have not been and will not be registered under the Securities and Exchange Law of Japan and may not be offered or sold in Japan or to any resident of Japan save in accordance with an exemption from the registration requirement and in compliance with applicable laws.

The Offers and the Option Proposals are being made in Japan by Collins Stewart. References in this document and in the accompanying documents to the Offers and the Option Proposals being made by HSBC on behalf of Collins Stewart should be read and construed accordingly.

Australia

This document and the accompanying Prospectus: (i) have been prepared for the purpose of compliance with the legislative requirements applicable in respect of the offers in the United Kingdom and the operating rules of the London Stock Exchange; and (ii) may not contain all the information required to be contained in disclosure documents under Australian law.

Collins Stewart is not subject to the continuous disclosure requirements of the Corporations Act that apply in Australia.

No prospectus, notice or other document in relation to the New Collins Stewart Shares has been lodged with the Australian Securities and Investment Commission. An offer of New Collins Stewart Shares for sale in Australia within 12 months after their issue may require disclosure under Part 6D.2 of the Corporations Act unless an exception applies.

France

The New Collins Stewart Shares may not be offered or sold to the public in France; accordingly, neither this document, which has not been submitted to the *Commission des Opérations de Bourse* in France for approval nor filed with the Commission, nor any other documents relating to the New Collins Stewart Shares or the information contained therein may be supplied to the public in France or used in connection with any offer or sale of the New Collins Stewart Shares to the public in France.

Germany

The offer and sale of the New Collins Stewart Shares do not constitute a public offering (*öffentliches Angebot*) within the meaning of the Securities Sales Prospectus Act (the “SPA”) of the Federal Republic of Germany (*Wertpapier-Verkaufsprospektgesetz*) of 13 December 1990 (as amended) and therefore no German language Sales Prospectus within the meaning of the SPA has been or will be published. No person may insofar as the SPA is applicable offer or sell the New Collins Stewart Shares through actions other than as provided in section 2 of the SPA.

Hong Kong

This document has not been delivered for registration to the registrar of companies in Hong Kong. Accordingly, the New Collins Stewart Shares may not be offered or sold in Hong Kong by means of this document or any other document other than (i) in circumstances which do not constitute an offer or sale of the New Collins Stewart Shares to the public in Hong Kong; or (ii) to persons in Hong Kong whose

ordinary business is to buy or sell shares or debentures (whether as principal or agent). Unless otherwise permitted by the laws of Hong Kong, no person may issue, circulate or distribute or cause to be issued, circulated or distributed in Hong Kong this document or any other invitation, advertisement or documents relating to the New Collins Stewart Shares to any person other than a person whose business involves the acquisition, disposal or holding of securities (whether as principal or agent).

The Netherlands

In the Netherlands, the New Collins Stewart Shares may not be offered, distributed, sold, transferred or delivered, directly or indirectly, to any person other than as permitted under the law or under a relevant exemption.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this and any other document or material in connection with the offer or sale of the New Collins Stewart Shares may not be circulated or distributed, nor may the New Collins Stewart Shares be offered or sold, whether directly or indirectly, to the public or any member of the public in Singapore other than: (i) to an institutional investor or other person specified in section 274 of the Securities and Futures Act 2001 of Singapore (the "SFA"); (ii) to a sophisticated investor, and in accordance with the conditions specified in section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with, the conditions of any other applicable provisions of the SFA.

CONTENTS

	<i>Page</i>
PART I: Letter from the Chairman of Tullett plc	6
PART II: Letter from the Chairman of Collins Stewart Holdings plc.. .. .	20
PART III: Letter from HSBC Bank plc.. .. .	22
1. Introduction	22
2. The Offers	23
3. The Partial Cash Alternative to the Ordinary Offer	27
4. The Additional Cash Facility to the Partial Cash Alternative	28
5. The Bond Offer Additional Share Facility	29
6. The Loan Note Alternative	29
7. Further terms of the Offers	30
8. Irrevocable undertakings	31
9. Financial effects of acceptance of the Ordinary Offer	32
10. Reasons for the Offers and strengths of the Enlarged Group	32
11. Information on Collins Stewart	33
12. Financial information on Collins Stewart	33
13. Information on Tullett.. .. .	33
14. Financial information on Tullett	35
15. Current trading	35
16. Financing of the Offers	36
17. The Collins Stewart Placing and Open Offer	37
18. Management and employees.. .. .	37
19. Proposals to Tullett Optionholders	37
20. Merger Agreement	40
21. Taxation	40
22. Overseas Securityholders	40
23. Procedures for acceptance	41
24. Settlement	46
25. Compulsory acquisition of Tullett Ordinary Shares	46
26. Admission of the New Collins Stewart Shares.. .. .	46
27. Further information	47
28. Action to be taken	47
APPENDICES	
I Conditions and further terms of the Offers	48
Part A: Conditions of the Offers	48
Part B: Further terms of the Offers	56
Part C: Forms of Acceptance	72
Part D: Option Proposals Form of Election	79
II Particulars of the Loan Notes	84
III Taxation	87
IV Additional information	99
V Definitions	124

PART I

Letter from the Chairman of Tullett plc



Cable House
54 - 62 New Broad Street
London EC2M 1ST

23 January 2003

To Tullett Securityholders

Dear Tullett Securityholder

Recommended Ordinary and Bond Offers, Option Proposals and related proposals by HSBC on behalf of Collins Stewart

1. Introduction

On 17 September 2002, it was announced that Tullett had received an initial expression of interest that might lead to an offer being made for Tullett. I am pleased to report that it was announced earlier today that the boards of Tullett and Collins Stewart have reached agreement on the terms and conditions of a combination of Collins Stewart and Tullett. The transaction is to be effected by way of recommended offers to acquire the whole of the issued and to be issued ordinary share capital of Tullett and the Tullett Bonds and offers to acquire the Tullett A Preference Shares and the Tullett B Preference Shares. I am writing to you to explain the background to the Offers and related Option Proposals and why your board (with the exception of Michael Whitaker who is considered by the Panel to be acting in concert with Collins Stewart and has therefore not been able to join in the recommendation to Tullett Securityholders and Tullett Optionholders), which has been so advised by Amethyst, considers the terms of the Ordinary Offer, the Bond Offer and the Option Proposals to be fair and reasonable and the Recommending Directors are recommending them. Information about Collins Stewart is provided in paragraph 11 of the letter from HSBC in Part III of this document and in the accompanying Prospectus.

In aggregate, on the basis of the Closing Price of 333.5p per Collins Stewart Share on 22 January 2003 (the latest practicable date prior to the posting of this document), the Ordinary Offer values the fully diluted ordinary share capital of Tullett at approximately £232.5 million and the preference share capital may be redeemed upon a change of control for up to £22.5 million. Taking into account the contractual entitlement of persons on the register of ordinary members of Tullett on 21 October 1999 to the virt-x special payment described in paragraph 10(a) of Appendix IV to this document, which (pursuant to the Merger Agreement) Collins Stewart has agreed to procure that Tullett will pay by no later than 31 December 2004, this would imply an overall value of Tullett of up to approximately £259 million. The formal Offers and the Option Proposals, together with the procedures for acceptance, are set out in the letter from HSBC (which is making the Offers and the Option Proposals on behalf of Collins Stewart) contained in Part III of this document and in the Forms of Acceptance and the Option Proposals Form of Election accompanying this document.

In order to facilitate the implementation of the Offers, all Tullett Securityholders are urged to vote in favour of the resolutions to be proposed at the Tullett EGM and, whether or not they intend accepting the offers for the Tullett Preference Shares, the resolutions to be proposed at the separate class meetings of holders of Tullett A Preference Shares and Tullett B Preference Shares and to complete and return the forms of proxy for such meetings as soon as possible. Notices convening such meetings are contained in the accompanying Tullett Circular to shareholders, which provides explanatory background to the resolutions to be proposed.

Certain Tullett Ordinary Shareholders have given irrevocable undertakings in favour of Collins Stewart to accept the Ordinary Offer in respect of approximately 79.7 per cent. of Tullett's issued ordinary share capital. Further details of these irrevocable undertakings are set out in paragraph 4 of Appendix IV to this document.

Persons resident in, or with a registered address in, any jurisdiction outside the United Kingdom and their nominees should read paragraph 8 of Part B, paragraphs 1.5 to 1.7 of Part C and paragraphs 1.10 to 1.12 and 2.12 to 2.14 of Part D of Appendix I to this document, the relevant notices on pages 2 to 4 of this document and the relevant provisions of the Forms of Acceptance and the Option Proposals Form of Election.

2. Terms of the Ordinary Offer

The Ordinary Offer is being made on the following basis:

for every Tullett Ordinary Share

2.52 New Collins Stewart Shares

and so in proportion for any other number of Tullett Ordinary Shares held. Fractions of New Collins Stewart Shares will not be allotted and the number of New Collins Stewart Shares to be allotted to each Tullett Ordinary Shareholder who validly accepts the Ordinary Offer will be rounded down to the nearest whole number.

On the basis of the Closing Price of 333.5 pence per Collins Stewart Share on 22 January 2003 (the latest practicable date prior to the posting of this document) the Ordinary Offer values each Tullett Ordinary Share at approximately 840.4 pence and values the whole of the issued ordinary share capital of Tullett at approximately £212.7 million.

The New Collins Stewart Shares to be issued under the Ordinary Offer will be allotted credited as fully paid and will rank in full for any dividends declared by Collins Stewart after the date of this document (including the final dividend to be declared by Collins Stewart in respect of its financial year ended 31 December 2002).

The Ordinary Offer is subject to the conditions set out in paragraph 1 of Part A of Appendix I to this document. Further details of the terms of the Ordinary Offer are set out in paragraph 2(a) of the letter from HSBC in Part III of this document.

3. Terms of the Partial Cash Alternative to the Ordinary Offer

Tullett Ordinary Shareholders who validly accept the Ordinary Offer may elect under the Partial Cash Alternative to receive cash instead of some of the New Collins Stewart Shares that they would otherwise be entitled to receive under the Ordinary Offer. By making an election for the Partial Cash Alternative, such Tullett Ordinary Shareholders will receive cash and New Collins Stewart Shares on the following basis:

for every Tullett Ordinary Share

**400 pence in cash and
1.26 New Collins Stewart Shares**

and so in proportion for any other number of Tullett Ordinary Shares which are the subject of a valid election for the Partial Cash Alternative. Fractions of New Collins Stewart Shares will not be allotted and the number of New Collins Stewart Shares to be allotted to each elector for the Partial Cash Alternative will be rounded down to the nearest whole number. Fractions of New Collins Stewart Shares not allotted to Tullett Ordinary Shareholders will be aggregated and sold under the cash underpinning and cash placing arrangements and the cash equivalent of the Tullett Ordinary Shareholder's fractional entitlement will then be added to the cash element of the consideration.

On the basis of the Closing Price of 333.5 pence per Collins Stewart Share on 22 January 2003 (the latest practicable date prior to the posting of this document), the Partial Cash Alternative values each Tullett Ordinary Share at approximately 820.2 pence.

Further details of the terms of the Partial Cash Alternative are set out in paragraph 3 of the letter from HSBC in Part III of this document.

Your decision as to whether or not and to what extent to elect for the Partial Cash Alternative in respect of your Tullett Ordinary Shares will depend on your individual circumstances, including your financial and tax position and your investment objectives. In forming your view, you should consider carefully the information on Collins Stewart that you are urged to read in paragraph 12 of this letter. However, you should note that under the Ordinary Offer itself, no cash is available as consideration for your Tullett Ordinary Shares and accordingly, to fix the value of part of your consideration and to maximise your entitlement to cash under the various proposals outlined in this document relating to your Tullett Ordinary Shares (including (if eligible) the facility to elect for additional cash under the Additional Cash Facility, and to have the option to receive Loan Notes under the Loan Note Alternative in lieu of cash), you should elect for the Partial Cash Alternative in respect of all your Tullett Ordinary Shares. You should also note that, on the basis of the Closing Price of a Collins Stewart Share referred to above, the Partial Cash Alternative represents 97.6 per cent. of the value of

the Ordinary Offer but it is less sensitive to any future movements in the price of Collins Stewart Shares. You should also note that the Partial Cash Alternative may be closed earlier than the Ordinary Offer to which it is an alternative. Furthermore, you should note that in certain jurisdictions such as the UK, the tax treatment of an acceptance of the Ordinary Offer alone and of the election for the Partial Cash Alternative may differ. Appendix III to this document sets out some of the tax considerations applicable to Tullett Ordinary Shareholders who are resident in the United Kingdom or the United States.

The Recommending Directors, who have been so advised by Amethyst, consider the terms of the Partial Cash Alternative to be fair and reasonable. In providing its advice, Amethyst has taken into account the commercial assessments of the Tullett Directors. However, in light of the considerations set out above, neither the Tullett Directors nor Amethyst are making any recommendation to any Tullett Ordinary Shareholder as to whether or not or to what extent to elect for the Partial Cash Alternative. Tullett Ordinary Shareholders who are in doubt as to what action they should take should immediately consult an appropriately qualified and authorised independent professional financial or tax adviser.

4. Terms of the Additional Cash Facility to the Partial Cash Alternative

Under the terms of the Additional Cash Facility, Collins Stewart has agreed that, to the extent that any Tullett Ordinary Shareholder does not elect for the Partial Cash Alternative in respect of the whole of its holding of Tullett Ordinary Shares, then other Tullett Ordinary Shareholders validly accepting the Ordinary Offer and validly electing for the Partial Cash Alternative in respect of the whole of their holdings of Tullett Ordinary Shares may elect to receive additional cash beyond their entitlement under the Partial Cash Alternative, such additional cash representing 400 pence per Tullett Ordinary Share for which an election under the Additional Cash Facility is satisfied in full.

The aggregate cash available for elections under the Additional Cash Facility is equal to the aggregate cash available under the Partial Cash Alternative but not utilised by elections under it. To the extent that elections for cash under the Additional Cash Facility cannot be satisfied in full at the date(s) of settlement of the consideration due under the Ordinary Offer, they will be scaled down on a *pro rata* basis. You should only consider making an election under the Additional Cash Facility if you have elected for the Partial Cash Alternative in respect of all of the Tullett Ordinary Shares that you have assented to the Ordinary Offer and wish to receive a greater proportion of cash than your maximum entitlement under the Partial Cash Alternative.

Further details of the terms of the Additional Cash Facility are set out in paragraph 4 of the letter from HSBC in Part III of this document.

Your decision as to whether or not to elect for additional cash under the Additional Cash Facility will depend on your individual circumstances, including your financial and tax position and your investment objectives. You should note that it is likely that elections for additional cash under the Additional Cash Facility will be scaled down, in which event they will be scaled down *pro rata*. Neither the Tullett Directors nor Amethyst are making any recommendations to any Tullett Ordinary Shareholder as to whether or not to elect for additional cash under the Additional Cash Facility. Tullett Ordinary Shareholders who are in any doubt as to what action they should take should immediately consult an appropriately qualified and authorised independent professional financial or tax adviser.

5. Terms of the Bond Offer

The Bond Offer is being made on the following basis:

for every £3.33 in nominal value of Tullett Bonds denominated in pounds sterling	400 pence in cash and 1.26 New Collins Stewart Shares
for every US\$4.7542 in nominal value of Tullett Bonds denominated in US dollars	400 pence in cash and 1.26 New Collins Stewart Shares

and so in proportion for any other nominal amount of Tullett Bonds held. Fractions of New Collins Stewart Shares will not be allotted and will be rounded down to the nearest whole number. Fractions of New Collins Stewart Shares not allotted to Tullett Bondholders will be aggregated and sold under the cash underpinning and cash placing arrangements and the cash equivalent of the Tullett Bondholder’s fractional entitlement will then be added to the cash element of the consideration.

On the basis of the Closing Price of 333.5 pence per Collins Stewart Share on 22 January 2003 (the latest practicable date prior to the posting of this document), the Bond Offer values all of the existing issued Tullett Bonds at approximately £11.4 million.

Under the terms of the Bond Offer, Collins Stewart will withhold from the cash element of the consideration payable to each eligible Tullett Bondholder who validly accepts the Bond Offer an amount equal to any Relevant Tax Liabilities. To the extent that such withholding would not provide sufficient cash to satisfy such liabilities, Collins Stewart will be authorised to sell such of the New Collins Stewart Shares which such accepting Tullett Bondholder would otherwise be entitled to receive so as to realise sufficient cash to satisfy such liabilities. By accepting the Bond Offer, Tullett Bondholders consent for all purposes to such withholdings and/or sales being made on the basis that Collins Stewart undertakes to pay the amount withheld and/or realised to Tullett, and procure that Tullett discharges the said liabilities and promptly returns to the relevant Tullett Bondholder any surplus monies not required to be paid to the relevant authorities.

The New Collins Stewart Shares to be issued under the Bond Offer will be allotted credited as fully paid and will rank in full for any dividends declared by Collins Stewart after the date of this document (including the final dividend to be declared by Collins Stewart in respect of its financial year ended 31 December 2002).

Tullett Bondholders will be entitled to keep and retain any interest accrued on the Tullett Bonds in respect of the period up to and including the date on which interest is next due for payment by Tullett, being 18 February 2003. However, Tullett Bondholders should note that upon acceptance of the Bond Offer and transfer of the Tullett Bonds to Collins Stewart, the right to receive any interest accruing after that date will pass with the Tullett Bonds to Collins Stewart.

The Bond Offer is conditional on the Ordinary Offer becoming or being declared unconditional in all respects. The Bond Offer is also conditional on the holders of 75 per cent. or more in nominal value of the Tullett Bonds in issue consenting to certain amendments to the terms of their Tullett Bonds. In the event that this condition is not satisfied and if the Ordinary Offer is declared unconditional in all respects, Collins Stewart intends to make an alternative appropriate proposal for the Tullett Bonds in accordance with the City Code which will contain no such condition.

Further details of the terms of the Bond Offer are set out in paragraph 2(b) of the letter from HSBC in Part III of this document.

6. Terms of the Bond Offer Additional Share Facility

Tullett Bondholders (other than Tullett Bondholders who are Non-Eligible US Securityholders) who validly accept the Bond Offer may elect to receive New Collins Stewart Shares instead of all (but not part only) of the cash that they would otherwise be entitled to receive under the Bond Offer, being the cash element of the consideration under the Bond Offer less the amount withheld in respect of any Relevant Tax Liabilities. By making an election under the Bond Offer Additional Share Facility, such Tullett Bondholders will receive New Collins Stewart Shares on the basis of 1 New Collins Stewart Share for every 317.5 pence in cash to which they would otherwise have been entitled under the Bond Offer.

Fractions of New Collins Stewart Shares will not be allotted and the number of New Collins Stewart Shares to be allotted to each Tullett Bondholder who validly makes an election under the Bond Offer Additional Share Facility will be rounded down to the nearest whole number.

Further details of the terms of the Bond Offer Additional Share Facility are set out in paragraph 5 of the letter from HSBC in Part III of this document.

Your decision as to whether or not to make an election under the Bond Offer Additional Share Facility in respect of your Tullett Bonds will depend on your individual circumstances, including your financial and tax position and your investment objectives. The Bond Offer Additional Share Facility provides eligible Tullett Bondholders with the opportunity, so far as is practicable, to receive their consideration wholly in the form of New Collins Stewart Shares rather than to receive consideration, as is available under the Bond Offer itself, based upon the Partial Cash Alternative mix of cash and New Collins Stewart Shares. Accordingly, in deciding whether or not to make an election under the Bond Offer Additional Share Facility, Tullett Bondholders should have regard to the considerations drawn to the attention of Tullett Ordinary Shareholders in relation to the Partial Cash Alternative to the Ordinary Offer, which are set out above. You should also note that in certain jurisdictions such as the UK, the tax treatment of an acceptance of the Bond Offer and of an election under the Bond Offer Additional Share Facility may differ depending upon the form(s) of consideration received. Appendix III to this document sets out some of the tax considerations applicable to Tullett Bondholders who are resident in the United Kingdom or the United States.

Neither the Tullett Directors nor Amethyst are making any recommendation to any Tullett Bondholder as to whether or not to make an election under the Bond Offer Additional Share Facility. Tullett Bondholders who

are in doubt as to what action they should take should immediately consult an appropriately qualified and authorised independent professional financial or tax adviser.

7. Tullett Share Option Plan and the Option Proposals

Although no options granted under the Tullett Share Option Plan are currently exercisable, they will become so if the Ordinary Offer becomes or is declared unconditional in all respects and Collins Stewart (and persons who, under the rules of the Tullett Share Option Plan, are deemed to be associates of Collins Stewart) acquires at least 75 per cent. of the Tullett Ordinary Shares then in issue.

The terms of the Option Proposals made by HSBC on behalf of Collins Stewart are set out in paragraph 19 of the letter from HSBC in Part III of this document. The Option Proposals will allow Tullett Optionholders to accept the Option Cancellation Proposal or the Option Exercise Proposal while the Ordinary Offer remains open for acceptance. Details of the Option Proposals are set out below.

The Option Proposals are conditional on the Ordinary Offer becoming or being declared unconditional in all respects and, in the case of the Option Exercise Proposal, on Collins Stewart (and persons who, under the rules of the Tullett Share Option Plan are deemed to be associates of Collins Stewart) acquiring at least 75 per cent. of the Tullett Ordinary Shares then in issue.

Tullett Optionholders should note that, if they take no action with respect to their options, their options will in time lapse and become worthless if the Ordinary Offer becomes or is declared unconditional in all respects.

The Option Cancellation Proposal

Tullett Optionholders who accept the Option Cancellation Proposal will thereby agree to the cancellation of any option or part thereof in respect of which they accept it for a consideration that will depend on the option price of the relevant option and on whether the relevant Tullett Optionholder is an Overseas Securityholder. The consideration receivable under the Option Cancellation Proposal has been calculated to reflect the difference between the value of the Ordinary Offer based on the Closing Price of a Collins Stewart Share on 22 January 2003 (the latest practicable date prior to the posting of this document) and the relevant option price. The cash amount paid will be subject to withholding in respect of any Relevant Tax Liabilities which will be remitted to the person required to pay or account for the same.

If the amount which can be withheld from the cash element is less than the Relevant Tax Liabilities, Collins Stewart will sell sufficient of the New Collins Stewart Shares which the relevant Tullett Optionholder would otherwise receive to realise the shortfall as is explained in paragraph 19 of the letter from HSBC in Part III of this document.

In respect of options with an option price of 333 pence per share, Tullett Optionholders (other than Tullett Optionholders who are Non-Eligible US Securityholders) will be entitled to receive 0.81 New Collins Stewart Shares and 239 pence in cash for each Tullett Ordinary Share subject to the option in respect of which they elect for the Option Cancellation Proposal. In respect of options with an option price of 375 pence per share, Tullett Optionholders (other than Tullett Optionholders who are Non-Eligible US Securityholders) will be entitled to receive 0.74 New Collins Stewart Shares and 219 pence in cash for each Tullett Ordinary Share subject to the option in respect of which they elect for the Option Cancellation Proposal.

Tullett Optionholders who are Non-Eligible US Securityholders are referred to the sub-paragraph headed '*The Option Cancellation Proposal with respect to Non-Eligible US Securityholders*' in paragraph 19 of the letter from HSBC in Part III of this document, which explains the consideration they will receive.

Fractions of New Collins Stewart Shares not allotted to a Tullett Optionholder will be aggregated and sold under the cash underpinning and cash placing arrangements and the cash equivalent of the Tullett Optionholder's fractional entitlement will then be added to the cash element of the consideration.

The Option Exercise Proposal

As an alternative to the Option Cancellation Proposal, Tullett Optionholders may elect to exercise any option or part thereof and then assent the Tullett Ordinary Shares acquired to the Ordinary Offer (although in such circumstances, they may only make elections for the Partial Cash Alternative, the Additional Cash Facility or the Loan Note Alternative available thereunder to the extent that those alternatives are, at that time, available). However, if Tullett Optionholders do so elect, they should be aware that in certain jurisdictions (including the United Kingdom) this would result in more cash being owed in exercise monies and payable in respect of taxation (including in the UK, National Insurance obligations) than they would receive by accepting the Ordinary Offer and validly electing for their full entitlement under the Partial Cash Alternative.

Collins Stewart will withhold an amount equal to the Relevant Tax Liabilities from the cash consideration, if any, payable under the Ordinary Offer to a Tullett Optionholder (by virtue of an actual or deemed election for the Partial Cash Alternative) in respect of Tullett Ordinary Shares acquired under the Option Exercise Proposal. If the amount which can be withheld from the cash consideration is less than the Relevant Tax Liabilities, Collins Stewart will sell sufficient of the New Collins Stewart Shares to which the relevant Tullett Optionholder would otherwise be entitled to realise the shortfall as is explained in paragraph 19 of the letter from HSBC in Part III of this document.

Tullett Optionholders who are Non-Eligible US Securityholders may not accept the Option Exercise Proposal. Any purported acceptance of the Option Exercise Proposal by a Non-Eligible US Securityholder will be deemed to be an acceptance of the Option Cancellation Proposal instead.

Tullett Optionholders should be aware that if they accept the Option Exercise Proposal, any subsequent acceptance of the Ordinary Offer will only be effective from the date on which (i) the Ordinary Offer becomes or is declared unconditional in all respects and (ii) Collins Stewart (and persons who, under the rules of the Tullett Share Option Plan, are deemed to be associates of Collins Stewart) has acquired at least 75 per cent. of the Tullett Ordinary Shares then in issue. It is likely that the Partial Cash Alternative, the Additional Cash Facility and the Loan Note Alternative will have closed on such date and, in those circumstances, any purported election for such alternative(s) or any such facility will be invalid and any such Tullett Optionholder will be deemed to have accepted the Ordinary Offer without any such election(s). If a Tullett Optionholder is deemed to have accepted the Ordinary Offer without such election(s), Collins Stewart will sell sufficient of the New Collins Stewart Shares to which the relevant Tullett Optionholder would otherwise be entitled, to realise an amount of money equal to the Relevant Tax Liabilities.

Any such Tullett Optionholder who wishes to exercise his or her option(s) in this way will have to provide a cheque for the option price of the options (or part thereof) in respect of which the Option Exercise Proposal is accepted, as provided for in the rules of the Tullett Share Option Plan.

Other courses of action

Tullett Optionholders are not obliged to accept either of the Option Proposals. Any Tullett Optionholder who does not wish to accept either of the Option Proposals may, subject to the Ordinary Offer becoming or being declared unconditional in all respects and Collins Stewart (and persons who, under the rules of the Tullett Share Option Plan, are deemed to be associates of Collins Stewart) acquiring 75 per cent. or more of Tullett's Ordinary Shares then in issue, instead exercise his or her option(s) in the usual way using an exercise form. Any Tullett Optionholder who wishes to exercise his or her option(s) in this way, will have to provide a cheque for the exercise price plus, in respect of any option granted under the Unapproved Plan, any tax liabilities arising as a result thereof as provided for in the rules of the Tullett Share Option Plan.

Any such Tullett Optionholder may then retain the resulting Tullett Ordinary Shares or assent these to the Ordinary Offer while it remains open for acceptance. It should be noted, however, that an election for the Partial Cash Alternative, the Additional Cash Facility or the Loan Note Alternative available pursuant to the Ordinary Offer may only be made to the extent those alternatives continue to be available at that time. Tullett Optionholders should also note that, if Collins Stewart becomes bound or entitled to acquire Tullett Ordinary Shares compulsorily under sections 428 to 430F (inclusive) of the Act, it intends compulsorily to acquire all outstanding Tullett Ordinary Shares for the same consideration payable under the Ordinary Offer or as required by such sections.

Tullett Optionholders should note that if they take no action with respect to their options, their options will in time lapse and become worthless if the Ordinary Offer becomes or is declared unconditional in all respects.

Further details of the Option Proposals are set out in paragraph 19 of the letter from HSBC in Part III of this document. The attention of Tullett Optionholders is also drawn to Appendix III to this document which sets out some of the tax considerations applicable to Tullett Optionholders resident in the UK or the United States. Tullett Optionholders who are in any doubt as to the course of action they should take should consult a duly authorised independent professional financial or tax adviser immediately.

The Recommending Directors of Tullett, who have been so advised by Amethyst, consider the terms of the Option Proposals to be fair and reasonable and recommend that Tullett Optionholders elect for the course of action that is most appropriate to them after taking into account their personal situation. In providing its advice, Amethyst has taken into account the commercial assessments of the Tullett Directors.

The evaluation by a Tullett Optionholder as to whether to accept the Option Cancellation Proposal or the Option Exercise Proposal will depend on the Tullett Optionholder's individual circumstances, including his or her financial and tax position and investment objectives. Neither the Tullett Directors nor Amethyst are making any recommendation to any Tullett Optionholder as to which of the Option Proposals to accept.

Tullett Optionholders who are in any doubt as to which they should accept should immediately consult an independent duly authorised professional financial or tax adviser.

8. Terms of the A Preference Offer

Under the Tullett Articles, the Tullett A Preference Shares will fall due for redemption by Tullett if the Ordinary Offer becomes or is declared unconditional in all respects and, as a result thereof and/or by other purchases of Tullett Ordinary Shares, Collins Stewart (and persons acting in concert with Collins Stewart) holds two thirds or more by nominal value of the Tullett Ordinary Shares then in issue. The terms of the redemption are set out in summary in paragraph 2(c) of the letter from HSBC in Part III of this document and could effectively result in a Tullett A Preference Shareholder receiving capital repayments of 100 pence per Tullett A Preference Share and income (dividend) payments of up to approximately 230.6 pence per Tullett A Preference Share over the period to 19 February 2005, amounting in aggregate to up to approximately 330.6 pence per Tullett A Preference Share (ignoring the time value of money). In order to assist Tullett A Preference Shareholders with their taxation planning, Collins Stewart has agreed to make an offer for the Tullett A Preference Shares, whereby accepting Tullett A Preference Shareholders would receive (instead of the capital and income redemption payments mentioned above) consideration in the form of capital receipts of broadly similar amounts and at broadly similar times, and subject to the same contingent deductions. The aggregate payments under the A Preference Offer could amount to up to 327.4 pence per Tullett A Preference Share (ignoring the time value of money), representing approximately 99 per cent. of the aggregate maximum amount that could be received upon redemption. This discount is to reflect the costs (including stamp duty) Collins Stewart expects to incur in making the A Preference Offer which would not have been incurred on a redemption of Tullett A Preference Shares. In addition, under the A Preference Offer, eligible accepting A Preference Shareholders may elect to receive part of their consideration in the form of new Collins Stewart Shares rather than cash, an alternative not available upon redemption.

The A Preference Offer has no minimum acceptance threshold and, assuming the conditions to the A Preference Offer (being the Ordinary Offer becoming or being declared unconditional in all respects and the passing of the necessary extraordinary resolution to be proposed at the class meeting of Tullett A Preference Shareholders to facilitate implementation of the A Preference Offer) are fulfilled or waived, Tullett A Preference Shareholders will have the option either to accept the A Preference Offer or to retain their Tullett A Preference Shares pending their redemption by Tullett, whichever is the most beneficial to their individual tax or other financial circumstances or investment preferences (assuming redemption is triggered).

The A Preference Offer is being made on the following basis:

for each Tullett A Preference Share	236.0 pence in cash and the Further Payment (being a further payment of 91.4 pence in either cash or new Collins Stewart Shares subject to certain contingent deductions)
--	--

and so in proportion for any other number of Tullett A Preference Shares held.

The amount of the Further Payment (which is payable on 19 November 2004) is dependent on the extent to which Tullett or any subsidiary of Tullett becomes obliged to make any payment to the Belgium Office of Social Security or under a deed of tax indemnity in favour of Madge Networks NV prior to 19 November 2004. The Further Payment essentially replicates certain rights attaching to the Tullett A Preference Shares under the Tullett Articles (as proposed to be amended pursuant to the resolution(s) to be proposed at the Tullett EGM and the class meeting of Tullett A Preference Shareholders).

The A Preference Offer values all of the existing issued Tullett A Preference Shares at approximately £17.8 million (assuming the Further Payment is made in cash without any deduction and ignoring any time value relating to its payment terms).

The A Preference Offer is conditional upon the Ordinary Offer becoming or being declared unconditional in all respects and on the passing of a resolution at a class meeting of Tullett A Preference Shareholders to allow the A Preference Offer to be implemented.

Tullett A Preference Shareholders who validly accept the A Preference Offer (other than holders of Tullett A Preference Shares who are Non-Eligible US Securityholders) may elect to receive all but not part only of any sum becoming due for payment as the Further Payment in the form of new Collins Stewart Shares. If such an election is made: (i) the new Collins Stewart Shares to be issued will be allotted credited as fully

paid and will, on issue, rank *pari passu* in all respects with the Collins Stewart Shares in issue on 19 November 2004; (ii) the number of new Collins Stewart Shares to be allotted for each Tullett A Preference Share pursuant to such election will be calculated by reference to the average Closing Price of a Collins Stewart Share on each of the five Business Days prior to allotment (with an appropriate adjustment in the event that the Collins Stewart Shares are marked ex-dividend entitlement by the London Stock Exchange on any of the relevant Business Days); and (iii) fractions of new Collins Stewart Shares will not be allotted and the number of new Collins Stewart Shares allotted to each accepting A Preference Shareholder so electing will be rounded down to the nearest whole number.

Further details of the terms of the A Preference Offer, including the terms of the Further Payment, are set out in paragraph 2(c) of the letter from HSBC in Part III of this document.

Assuming that the Ordinary Offer becomes or is declared unconditional in all respects and Collins Stewart (and persons acting in concert with Collins Stewart), acquires control of two thirds or more by nominal value of the Tullett Ordinary Shares then in issue, each Tullett A Preference Share not assented to the A Preference Offer will fall to be redeemed by Tullett in accordance with the redemption provisions under Tullett's Articles (or the Tullett Articles, as amended, if so amended). Accordingly, those Tullett A Preference Shareholders who do not accept the A Preference Offer will, as a result of the change of control of Tullett, have their Tullett A Preference Shares redeemed in accordance with the terms of the Tullett Articles (or the Tullett Articles, as amended, if so amended). Details of the redemption provisions attaching to the Tullett A Preference Shares and the circumstances in which redemption of the Tullett A Preference Shares may occur are set out in paragraph 2(c) of the letter from HSBC in Part III of this document.

The evaluation by a Tullett A Preference Shareholder of the A Preference Offer as against the redemption alternative available on a change of control to Tullett A Preference Shareholders who do not assent their A Preference Shares to the A Preference Offer will be driven, *inter alia*, by such shareholder's individual tax considerations as well the differences in the financial aspects of the A Preference Offer and the terms of redemption. Tullett A Preference Shareholders should also be aware that, as is currently the case, Tullett's ability to redeem Tullett A Preference Shares will be dependent upon sufficient distributable reserves being available to Tullett to make such redemption payments. Collins Stewart has not undertaken to put Tullett in funds so that it can make any redemption payments. Accordingly, neither the Tullett Directors, nor Amethyst, are making any recommendation to Tullett A Preference Shareholders in relation to the A Preference Offer.

However, irrespective of whether Tullett A Preference Shareholders wish to accept the A Preference Offer or not, the Tullett Directors urge Tullett A Preference Shareholders to vote in favour of the resolution to be proposed at the class meeting of Tullett A Preference Shareholders to enable the implementation of the A Preference Offer and to return their duly completed blue forms of proxy for use at that meeting ensuring that Tullett A Preference Shareholders who would prefer to accept the A Preference Offer have the opportunity to do so.

9. Terms of the B Preference Offer

Under the Tullett Articles, the Tullett B Preference Shares will fall due for redemption by Tullett if the Ordinary Offer becomes or is declared unconditional in all respects and, as a result thereof and/or by other purchases of Tullett Ordinary Shares, Collins Stewart (and persons acting in concert with Collins Stewart) holds two thirds or more by nominal value of the Tullett Ordinary Shares then in issue. The terms of the redemption are set out in summary in paragraph 2(d) of the letter from HSBC in Part III of this document and would result in Tullett B Preference Shareholders receiving a dividend payment of approximately 31.3 pence per Tullett B Preference Share on 30 December 2003 together with a capital repayment of 10.0 pence per Tullett B Preference Share not later than 31 March 2004, amounting in aggregate to approximately 41.3 pence per Tullett B Preference Share (ignoring the time value of money).

In order to assist Tullett B Preference Shareholders with their taxation planning and to make available consideration to them earlier than payments would be received upon redemption under the Tullett Articles, Collins Stewart has agreed to make an offer for the Tullett B Preference Shares, whereby accepting Tullett B Preference Shareholders would receive (instead of the capital and dividend redemption payments referred to above) cash consideration upon the B Preference Offer becoming or being declared unconditional in all respects. As the B Preference Offer is 37.7 pence per Tullett B Preference Share, this equates (ignoring the time value of money) to approximately 91 per cent. of the aggregate receipts that could be received upon redemption. This discount is to reflect the time value of money and the additional costs (including stamp duty) Collins Stewart expects to incur in making the B Preference Offer which would not have been incurred on a redemption of Tullett B Preference Shares. The B Preference Offer has no minimum acceptance threshold and, assuming the conditions to the B Preference Offer (being the Ordinary Offer

becoming or being declared unconditional in all respects and the passing of the necessary extraordinary resolution to be proposed at the class meeting of Tullett B Preference Shareholders to facilitate implementation of the B Preference Offer) are fulfilled or waived, Tullett B Preference Shareholders will have the option either to accept the B Preference Offer or to retain their Tullett B Preference Shares pending their redemption by Tullett, whichever is the most beneficial to their individual tax or other financial circumstances (assuming redemption is triggered).

The B Preference Offer is being made on the following basis:

for each Tullett B Preference Share	37.7 pence in cash
--	---------------------------

and so in proportion for any other number of Tullett B Preference Shares held.

The B Preference Offer values all of the existing issued Tullett B Preference Shares at approximately £4.1 million.

The B Preference Offer is conditional upon the Ordinary Offer becoming or being declared unconditional in all respects and on the passing of a resolution at a class meeting of Tullett B Preference Shareholders to allow the B Preference Offer to be implemented.

Further details of the terms of the B Preference Offer are set out in paragraph 2(d) of the letter from HSBC in Part III of this document.

Assuming that the Ordinary Offer becomes or is declared unconditional in all respects and Collins Stewart (and persons acting in concert with Collins Stewart) acquires control of two thirds or more by nominal value of the Tullett Ordinary Shares then in issue, each Tullett B Preference Share will fall to be redeemed by Tullett in accordance with the redemption provisions under the Tullett Articles. Accordingly, those Tullett B Preference Shareholders who do not accept the B Preference Offer will, as a result of the change of control, have their Tullett B Preference Shares redeemed in accordance with the terms of the Tullett Articles. Details of the redemption provisions attaching to the Tullett B Preference Shares and the circumstances in which redemption of the Tullett B Preference Shares may occur are set out in paragraph 2(d) of the letter from HSBC in Part III of this document.

The evaluation by a Tullett B Preference Shareholder of the B Preference Offer as against the redemption alternative available on a change of control to Tullett B Preference Shareholders who do not assent their Tullett B Preference Shares to the B Preference Offer will be driven, *inter alia*, by such shareholder's individual tax considerations as well the inherent differences in the financial and timing aspects of the B Preference Offer and the terms of redemption. Tullett B Preference Shareholders should also be aware that, as is currently the case, Tullett's ability to redeem Tullett B Preference Shares will depend on sufficient distributable reserves being available to Tullett to make such redemption payments. Collins Stewart has not undertaken to put Tullett in funds so that it can make any redemption payments. Accordingly, neither the Tullett Directors, nor Amethyst, are making any recommendation to Tullett B Preference Shareholders in relation to the B Preference Offer.

However, irrespective of whether Tullett B Preference Shareholders wish to accept the B Preference Offer or not, the Tullett Directors urge Tullett B Preference Shareholders to vote in favour of the resolution to be proposed at the class meeting of Tullett B Preference Shareholders to enable the implementation of the B Preference Offer and to return their duly completed green forms of proxy for use at that meeting ensuring that Tullett B Preference Shareholders who would prefer to accept the B Preference Offer have the opportunity to do so.

10. The Loan Note Alternative

As an alternative to (i) all or part of the cash consideration payable under the Partial Cash Alternative, (ii) all or part of the cash consideration payable under the A Preference Offer and the B Preference Offer (but not any cash payable in respect of the Further Payment under the A Preference Offer) and (iii) all (but not part only) of any additional cash payable as a result of elections under the Additional Cash Facility, Tullett Securityholders (other than Tullett Securityholders who are resident in, or who have a registered address in, any jurisdiction outside the United Kingdom) may elect to receive Loan Notes on the following basis:

for each £1 of cash consideration to which they are entitled	£1 nominal in Loan Notes.
---	----------------------------------

The maximum nominal amount of Loan Notes available under the Loan Note Alternative is £30 million and Loan Notes will not be issued (save at Collins Stewart's discretion) unless at least £2 million in nominal amount is elected for by the date specified in paragraph 6 of the letter from HSBC in Part III of this document. To the extent that elections for Loan Notes cannot be satisfied in full, the available Loan Notes will be applied first in satisfying, as far as possible on a *pro rata* basis, elections in respect of the basic

entitlement to cash under the Partial Cash Alternative. Any Loan Notes available thereafter will be applied in satisfying, as far as possible on a *pro rata* basis, elections for Loan Notes in respect of the cash consideration payable under the A Preference Offer (but not any cash payable in respect of the Further Payment under the A Preference Offer) and the B Preference Offer. Any Loan Notes available thereafter will be applied in satisfying, as far as possible on a *pro rata* basis, elections for Loan Notes in respect of additional cash allocated under the Additional Cash Facility.

The Loan Notes will bear interest at the rate of 1 per cent. per annum below six month LIBOR payable in arrears two times annually on 30 June and 31 December in each year, with the first interest payment date being on 31 December 2003. The Loan Notes will be guaranteed as to principal only by Bank of Scotland. The Loan Notes will be redeemable at par in whole or in part in integral multiples of £100 in nominal amount at the option of holders on any interest payment date on or after 31 December 2003 and any outstanding Loan Notes will be redeemed at par by Collins Stewart on 7 April 2008.

Further details of the terms of the Loan Notes are set out in paragraph 6 of the letter from HSBC in Part III of this document and in Appendix II to this document.

Your decision as to whether and to what extent to elect for Loan Notes under the Loan Note Alternative will depend on your individual circumstances, including your financial and tax position and your investment objectives. Neither the Tullett Directors nor Amethyst are making any recommendation to any Tullett Securityholder as to whether or not to make any such election. Tullett Securityholders who are in any doubt as to what action they should take should immediately consult an appropriately qualified and authorised independent professional financial or tax adviser.

11. Undertaking in relation to the virt-x plc payment entitlement

All persons who were ordinary shareholders on the register of members of Tullett on 21 October 1999 are entitled under the terms of an agreement dated 25 October 1999 between Tullett, Liberty Brokerage Investment Corporation and Cable House Limited to receive a special payment *pro rata* to their holding of Tullett Ordinary Shares on that date when Tullett sells all of its shares in virt-x plc. Tullett currently holds an investment in that company with a book value of approximately £0.1 million. The amount that will fall due to be paid to those Tullett Ordinary Shareholders eligible to receive this special payment will be approximately £3.8 million adjusted by any profit or loss after taxation on the remaining investment in virt-x plc when realised. If the offer for virt-x plc by SWX Holding AG made on 10 January 2003, becomes or is declared unconditional in all respects, the special payment due will be £3.8 million. Collins Stewart has agreed with Tullett in the Merger Agreement that if the SWX Holding AG offer does not become unconditional in all respects, it will procure that Tullett sells the remaining shares in virt-x plc held by Tullett and that this payment will be made by Tullett by no later than 31 December 2004. If the SWX Holding AG offer becomes or is declared unconditional in all respect and Tullett disposes of its remaining shares in virt-x plc under the terms of such offer, eligible Tullett Ordinary Shareholders will receive a special payment as follows:

for each Tullett Ordinary Share held in their name on the register at 21 October 1999	approximately 28p in cash.
--	-----------------------------------

12. Information on Collins Stewart

Information on Collins Stewart, including its rationale for making the Offers, is contained in the Prospectus issued today by Collins Stewart, a copy of which is enclosed with this document for your information. Summary details may also be found in this document in the letter from Collins Stewart's Chairman in Part II of this document and in the letter from HSBC in Part III of this document.

I urge you to read this documentation carefully, as some or all of the consideration under the Offers and under the Option Proposals is in the form of New Collins Stewart Shares. In particular, I draw to your attention the following paragraphs within the letter from the Chairman of Collins Stewart in Part I of the Prospectus: **Current trading**, which contains a profit estimate for Collins Stewart for its year ended 31 December 2002; **Split capital investment trusts**, which contains a summary of Collins Stewart's involvement in the split capital investment trust area (see also paragraph 22 below of this letter and paragraph 15 of Part III of this document); and **NewMedia SPARK plc**, a company with which Collins Stewart is considering a transaction (NewMedia SPARK, is the controlling shareholder of Spütz, a significant holder of Tullett Ordinary Shares).

13. Background to and reasons for the Offers

Tullett & Riley commenced operations in 1971 and became Tullett & Tokyo Forex International Ltd in 1983. In 1999, it merged with Liberty Brokerage Corporation and changed its company name to Tullett & Tokyo Liberty plc. At that time, Tullett's strategy was to expand its geographical and product focus with a view to becoming one of the world's pre-eminent inter-dealer brokers. The integration of the two businesses and the very significant expenditure on electronic broking platforms at that time, led to severe strains on Tullett. In 2000, I found it necessary to commit more time to the Tullett Group and oversaw a review of our strategy and a change in our management structure, starting with the appointment of Bruce Collins as Group Chief Executive Officer. With the support of our major shareholders and thanks to the hard work of management and staff, we emerged in 2001 from a difficult period and were able to focus on implementing our hybrid strategy combining voice broking and electronic deal execution and settlement, which your board believes has contributed to a subsequent increased turnover. Tullett & Tokyo Liberty plc changed its name to Tullett plc with effect from 29 November 2002.

This strategy has been pursued successfully over the last two years and the Tullett Group has continued to improve its financial position. Furthermore, the requirement for continued investment in technology and product development in order to meet the needs of the market has caused the Tullett Board to believe that some of the smaller participants in the IDB market may see the recent industry trend towards consolidation as likely to gain pace. Against this backdrop, it has been clear to your board for some time that there was a real opportunity to create shareholder value and participate proactively in the industry consolidation with the aim of building a world leading business that provides customers with a genuine alternative to our largest competitor.

Over a year ago, we established a committee of the board charged with examining a range of strategic options, including acquisitions, mergers with other similar organisations and a flotation of Tullett as an independent entity. In mid 2002, we formally appointed sponsors in connection with a planned flotation on the London market, while continuing to examine all other possible opportunities.

The approach from Collins Stewart to combine with Tullett has been under active consideration for a number of months, during which period the Tullett Board has taken into careful consideration the commercial merits of a combination as well as the interests of shareholders and other stakeholders in our business.

The letter from the Chairman of Collins Stewart in Part II of this document sets out Collins Stewart's view of the benefits of the combination of Collins Stewart and Tullett. I share those views in writing to you today with the Tullett Board's formal recommendation of the Ordinary Offer, the Bond Offer and the Option Proposals. We have examined in considerable detail other potential industry combinations and, while it may be appropriate for some of them to be pursued in the future by the combined Tullett and Collins Stewart entity, we do not believe that a more attractive business combination is currently available to Tullett on acceptable terms.

In financial terms, we have measured the Collins Stewart proposal against our view of a stand alone valuation of Tullett as an unquoted entity and our view of the likely valuation achievable – both for those shareholders wishing to remain invested and for those wishing to sell their shares – on a flotation. We have had regard to the current appetite for new issues of the size of Tullett in the London market, the likely timetable and costs of achieving a flotation and the fact that, while remaining unquoted, Tullett is at a disadvantage in competing for attractive acquisition candidates.

For shareholders, customers and Tullett itself, we believe that a combination with Collins Stewart on the terms offered provides:

- an opportunity for Tullett Ordinary Shareholders to maintain their investment exposure to our IDB business via a holding of listed New Collins Stewart Shares which will not be subject to retention obligations and which additionally carry a dividend and provide holders with some diversification into other broking and related areas;
- Tullett Ordinary Shareholders looking to realise their investment with the ability to elect under the Partial Cash Alternative to receive a fixed amount (of approximately 50 per cent.) of their consideration in cash (with no selling commissions) and the balance in listed New Collins Stewart Shares;
- Tullett Ordinary Shareholders with the ability to elect to receive greater or lesser proportions of New Collins Stewart Shares or cash depending on their preferences under the terms of the Partial Cash Alternative and (subject to availability) the Additional Cash Facility;

- individual Tullett Securityholders who are so eligible with the ability to elect for the Loan Note Alternative in lieu of cash (subject to availability) if this may assist their personal tax position;
- Tullett Preference Shareholders with the ability to receive consideration for their shares on the terms proposed under the A Preference Offer and the B Preference Offer or, if preferred, the ability to have their Tullett A Preference Shares and/or Tullett B Preference Shares redeemed in accordance with their terms if they do not accept the A Preference Offer and/or the B Preference Offer;
- Tullett Bondholders with the ability to receive a mix of New Collins Stewart Shares and cash with an ability to elect for further New Collins Stewart Shares in lieu of cash; and
- Tullett Optionholders with the ability to accept either the Option Cancellation Proposal or (if eligible) the Option Exercise Proposal, depending upon which is preferable for them.

The wholesale markets continually evolve. However, your board believes that the evolution of the markets during the past seven years has been as great as in the previous 25 years in which Tullett has traded. I believe that our management team has the skill to handle this change in corporate structure and, by being proactive, use it to Tullett's advantage. I am sure the future will bring new opportunities and challenges and I am convinced that Tullett has the management and personnel to enable Tullett to continue to flourish under its new ownership.

14. Directors, management and employees

Tullett's executive directors have agreed to continue in their current roles and, in addition, Bruce Collins, Tullett's Group Chief Executive Officer, and Stephen Jack, Tullett's Group Chief Financial Officer, will join the board of Collins Stewart as soon as the Ordinary Offer has become unconditional in all respects. Furthermore, I have agreed to continue my involvement with the business as President of Tullett and David Clark, currently an independent non-executive director of Tullett, will also join the board of Collins Stewart as an independent non-executive director.

The existing executive committee of Tullett, which runs the day-to-day operations of the business, will continue to function as currently composed and constituted save that it will in future report to the board of the Enlarged Group. Collins Stewart has given assurances that, as part of the Enlarged Group, our business will continue to be managed by the same Tullett management team which I believe has served Tullett well in recent times.

Collins Stewart has given assurances to the Tullett Board that, following the implementation of the Offers, the existing employment rights, including pension rights, of the employees of the Tullett Group, will be fully safeguarded.

15. Current trading of Tullett

The audited results for the six month period to 30 June 2002 set out in Part V of the Prospectus show that the Tullett Group made a profit before taxation of £19.1 million for that period. The Tullett Group has continued to trade strongly since that time and, as anticipated, has benefited from the continuing high levels of volatility in a number of key financial markets which it serves.

16. Extraordinary general meeting and class meetings of Tullett Preference Shareholders

As part of the implementation of the Offers, an extraordinary general meeting of Tullett and separate class meetings of holders of Tullett A Preference Shares and Tullett B Preference Shares have been convened for 21 February 2003 to seek approval for a number of resolutions designed to allow the relevant Offers to be implemented. Each of the Ordinary Offer, the A Preference Offer and the B Preference Offer is conditional on the relevant resolutions being passed. Full details of the meetings and the resolutions to be voted upon are set out in the Tullett Circular which accompanies this document. **I would urge all Tullett Ordinary Shareholders and Tullett Preference Shareholders entitled to vote to register your vote on these matters either in person or by proxy as they form an important part of the offer process.**

17. Support for the Offers

The Tullett Directors have given irrevocable undertakings to accept the Ordinary Offer and vote in favour of the resolutions at the Tullett EGM in respect of a total of 1,842,098 Tullett Ordinary Shares, representing approximately 7.3 per cent. of the existing issued ordinary share capital of Tullett. The Tullett Directors have also given irrevocable undertakings to accept the Bond Offer in respect of £300,000 in nominal amount of the Tullett Bonds held by them, representing approximately 6.5 per cent. of the nominal amount of the Tullett Bonds in issue and to accept the Option Proposals in respect of the 124,500 Tullett

Options held by them representing 13.1 per cent. of all existing Tullett Options. Further details and certain terms of these undertakings are set out in paragraph 4 of Appendix IV to this document.

The Tullett Directors have also undertaken to vote in favour of the resolution at the relevant class meetings of Tullett Preference Shareholders in respect of a total of 725,640 Tullett A Preference Shares and 1,451,278 Tullett B Preference Shares held by them, representing approximately 13.3 per cent. and 13.3 per cent. of the existing issued Tullett A Preference Shares and Tullett B Preference Shares, respectively. Further details and certain terms of these undertakings are set out in paragraph 4 of Appendix IV to this document.

In addition, Collins Stewart has received further irrevocable undertakings from additional Tullett Ordinary Shareholders to accept the Ordinary Offer and vote in favour of the resolutions at the Tullett EGM in respect of an aggregate total of 18,333,323 Tullett Ordinary Shares, representing approximately 72.4 per cent. of the existing issued ordinary share capital of Tullett. Collins Stewart has also received undertakings from additional Tullett Preference Shareholders to vote in favour of the resolutions at the relevant class meetings of Tullett Preference Shareholders in respect of an aggregate total of 3,935,477 Tullett A Preference Shares and 7,870,953 Tullett B Preference Shares, representing approximately 72.3 per cent. and 72.3 per cent. of the existing issued Tullett A Preference Shares and Tullett B Preference Shares, respectively. Further details and certain terms of these undertakings are set out in paragraph 4 of Appendix IV to this document.

Collins Stewart has therefore received, in aggregate, undertakings to accept the Ordinary Offer and to vote in favour of the resolutions at the Tullett EGM in respect of 20,175,421 Tullett Ordinary Shares, representing approximately 79.7 per cent. of Tullett's existing issued ordinary share capital and has received, in aggregate, undertakings to accept the Bond Offer in respect of £300,000 in nominal amount of the Tullett Bonds representing approximately 6.5 per cent. of the issued nominal value of the Tullett Bonds and has received, in aggregate, undertakings to accept the Option Proposals in respect of 124,500 Tullett Options, representing approximately 13.1 per cent. of the Tullett Options. Collins Stewart has also received undertakings to vote in favour of the resolutions at the relevant class meetings of Tullett Preference Shareholders, in aggregate, in respect of 4,661,117 Tullett A Preference Shares and 9,322,231 Tullett B Preference Shares representing approximately 85.6 per cent. and 85.6 per cent. of Tullett's existing issued Tullett A Preference Shares and Tullett B Preference Shares respectively. Each undertaking to accept the Ordinary Offer which specifies a mix of consideration to be received (representing approximately 68.8 per cent. of Tullett's existing issued ordinary share capital) provides for an election to be made for the Partial Cash Alternative to the maximum extent possible.

18. Support for the Offers from Collins Stewart Shareholders

Similarly, Tullett has received undertakings from Collins Stewart Directors to vote in favour of the resolution to enable the Offers to be implemented by Collins Stewart at an extraordinary general meeting of Collins Stewart convened for 17 February 2003 in respect of 16,107,467 Collins Stewart Shares, representing approximately 15.2 per cent. of Collins Stewart's existing issued ordinary share capital. Further details and certain terms of these undertakings are set out in sub-paragraph 4 of Appendix IV to this document.

19. Merger Agreement

As an inducement to Collins Stewart to make the Offers and under the terms of the Merger Agreement, Tullett has agreed that it will pay Collins Stewart an inducement fee of £2 million in cash (representing approximately 0.8 per cent. of the value of the Offers, based on the Closing Price of a Collins Stewart Share on 22 January 2003 (the latest practicable date prior to the posting of this document)) if the Ordinary Offer is withdrawn or lapses in accordance with its terms due to the Tullett EGM convened for 21 February 2003 failing to pass the resolution to be proposed thereat.

Under the terms of the Merger Agreement, Collins Stewart has agreed, *inter alia*, in most circumstances to keep the Ordinary Offer open and to extend the closing date(s) for the Ordinary Offer for up to 60 days from the date of this document, unless the Ordinary Offer becomes or is declared unconditional in all respects on an earlier date.

Collins Stewart has also agreed that it will pay to Tullett a break fee of £2 million in cash in the event that Collins Stewart's ordinary shareholders do not approve the resolutions necessary for Collins Stewart to implement the Offers which will be proposed at the extraordinary general meeting of Collins Stewart convened for 17 February 2003.

Further details of the Merger Agreement are set out in paragraph 7 of Appendix IV to this document.

20. Taxation

Your attention is drawn to Appendix III to this document. If you are in any doubt as to your own tax position, you should consult an independent professional adviser.

21. Action to be taken

Your attention is drawn to paragraph 23 of the letter from HSBC in Part III of this document which summarises the procedure for acceptance of the Offers (including the alternatives available under or to them) and the Option Proposals. Further details of the procedures for the acceptance of the Offers and the Option Proposals are also contained in the Appendices to this document, in the Forms of Acceptance and in the Option Proposals Form of Election.

22. Split Capital Investment Trust Sector

In the Collins Stewart announcement this morning, it was stated that Collins Stewart, in the light of the concerns about the split capital investment trust sector, has conducted an internal review. The result of its review has not led the Collins Stewart Board to believe that the Collins Stewart Group has any material liability in relation to its involvement in split capital investment trusts and the Collins Stewart Board does not currently intend to make any material specific provision in its accounts for the year ended 31 December 2002 in relation to its involvement in split capital investment trusts. On 20 January 2003 Collins Stewart Limited, Collins Stewart's FSA regulated subsidiary, received a notification from the FSA that it was being investigated in connection with its activities in the split capital investment trust sector. In the light of this notification and the widely publicised more general regulatory investigations into the split capital investment trust industry, Collins Stewart has stated that no assurances can be given that any adverse findings in respect of the Collins Stewart Group's involvement in, or developments in respect of, the split capital investment trust sector would not have a negative impact on the Enlarged Group.

For more information on Collins Stewart's involvement in the split capital investment trust sector, you should refer to paragraph 15 of the letter from HSBC in Part III of this document and the paragraph entitled "Split capital investment trusts" commencing on Page 18 of Part I of the Prospectus.

23. Recommendation

The Recommending Directors, who have been so advised by Amethyst, consider the terms of the Ordinary Offer, the Partial Cash Alternative, the Bond Offer and the Option Proposals to be fair and reasonable. In providing its advice, Amethyst has taken into account the commercial assessments of the Tullett Directors.

Accordingly, the Recommending Directors unanimously recommend that Tullett Ordinary Shareholders, Tullett Bondholders and Tullett Optionholders accept the Ordinary Offer, the Bond Offer and whichever of the Option Proposals is most appropriate to them after taking into account their personal circumstances, as they have undertaken to do in respect of their own holdings amounting, in aggregate, to 1,842,098 Tullett Ordinary Shares, £300,000 in nominal amount of the Tullett Bonds and 124,500 Tullett Options, representing approximately 7.3 per cent., 6.5 per cent. and 13.1 per cent. of Tullett's issued ordinary share capital, the nominal amount of the Tullett Bonds and the Tullett Options respectively.

As described above, Tullett Securityholders' decisions as to whether to accept the Option Cancellation Proposal or the Option Exercise Proposal, whether or not to accept the A Preference Offer or the B Preference Offer and whether or not and to what extent to elect for or to receive consideration under the Partial Cash Alternative, the Additional Cash Facility, the Bond Offer Additional Share Facility and the Loan Note Alternative will depend on their individual preferences and circumstances and, accordingly, no recommendations are being made by the Tullett Directors or by Amethyst in relation to these choices. Tullett Ordinary Shareholders should note that no cash is being made available as consideration under the Ordinary Offer and that, in order to fix the value of part of their consideration and to receive it in cash, accepting Tullett Ordinary Shareholders will need to elect for the Partial Cash Alternative in respect of some or all of their Tullett Ordinary Shares.

Yours faithfully,

Derek Tullett CBE
Chairman

PART II

Letter from the Chairman of Collins Stewart Holdings plc



Collins Stewart Holdings plc
9th Floor
88 Wood Street
London EC2V 7QR

*Registered in England no. 3904126
Registered office as above*

Directors:

Keith Hamill
Andy Stewart
Terry Smith
Helen Smith
Terry Hitchcock
Rob Lucas
John Spencer

23 January 2003

To Tullett Securityholders

Dear Tullett Securityholder

**Recommended Ordinary and Bond Offers, Option Proposals and related proposals
by HSBC on behalf of Collins Stewart**

Introduction

It was announced earlier today that the Collins Stewart Board had agreed terms with the Tullett Board for Offers and related proposals to be made for Tullett. The Offers and the Option Proposals are being made by HSBC on behalf of Collins Stewart and value the fully diluted ordinary and preference share capital of Tullett (assuming full acceptance of the Ordinary Offer, the other Offers and the Option Cancellation Proposal) at approximately £250.7 million.

Rationale for the Offers

Collins Stewart's existing business operations are based on the principle of maintaining a spread of revenue streams to safeguard results and shareholders' returns from volatility in any one area of the market. The Collins Stewart Directors believe that Collins Stewart's success as an independent broking firm is partly attributable to this.

At present, Collins Stewart's revenues are primarily derived from services to corporate, institutional and retail clients whilst nearly all of Tullett's revenues come from dealing with other market intermediaries and principals such as banks and investment banks. The Enlarged Group would therefore service the entire range of potential clients in the financial markets.

Substantially all of Collins Stewart's revenues are currently derived from equity markets. It has little exposure to fixed interest products and none to derivatives or foreign exchange. In contrast, Tullett derives less than 10 per cent. of its revenues from equity products. The Collins Stewart Directors believe that the derivatives market in general has experienced significant growth over the last fifteen years, with interest rate swaps performing most strongly in the most recent past. Derivatives volumes are largely independent of market direction as they are driven principally by volatility and trading volumes in the underlying assets. The Collins Stewart Directors believe that some of the products of the Enlarged Group will be at different stages of their economic life cycles contributing to a more balanced risk profile for the Enlarged Group.

Many of the services which Collins Stewart provides are relatively high value added, command high margins and are reliant upon the direction of markets. By contrast, Tullett's operations can be characterised as being dependent upon the volume of trading. The combination of Collins Stewart and Tullett should therefore provide a more balanced exposure to customers, products and markets. Both group's trading activities are primarily agency based, meaning that their risk profiles are complementary. Tullett operates in the IDB market which has recently been consolidating. Membership of the Enlarged Group, whose shares are traded on the main market of the London Stock Exchange, should provide Tullett with access to capital needed to take part in this consolidation. The Enlarged Group intends to support Tullett to continue to develop as a major independent operator in the IDB market, which, Tullett believes, would be welcomed by its client base, many of whom are likely to become shareholders in the Enlarged Group as they are currently shareholders in Tullett. It is intended that a resolution to change Collins Stewart's name will be proposed at the next annual general meeting of Collins Stewart to reflect the change in emphasis of the Enlarged Group's activities. However, it is intended that the Collins Stewart and Tullett names will be retained as the principal trading names for the respective businesses.

Collins Stewart's rationale for making the Offers for Tullett is not reliant upon synergies between Collins Stewart and Tullett within the Enlarged Group, although it is expected that some will be realisable. The Collins Stewart Directors believe there is the potential to improve Tullett's efficiency and operating margins. From early 2003, it is expected that Collins Stewart's QUESTTM Plus project will expand the coverage of Collins Stewart's on-line company evaluation database to cover Asian and North American securities. It is expected that Tullett's operations in Asia and North America will be able to assist in the development of the revenues derived from QUESTTM. Collins Stewart does not currently have any significant ability to execute trades in equities in these regions and does not have a marketing capability to domestic investors based in Asia. The Collins Stewart Directors believe there should also be other opportunities for Collins Stewart to leverage Tullett's infrastructure, technology and client base.

In addition to the strategic rationale for the Offers, it is the view of the Collins Stewart Board that a combination with Tullett will provide a strong initial return on capital for shareholders in the Enlarged Group which should be enhanced once Tullett's existing plans for the development of its profitability and market position are implemented.

Conclusion

Collins Stewart has received irrevocable undertakings to accept the Ordinary Offer from Tullett's Directors and certain other Tullett Ordinary Shareholders in respect of their holdings of an aggregate of 20,175,421 Tullett Ordinary Shares, representing approximately 79.7 per cent. of Tullett's existing issued ordinary share capital.

The procedure for accepting the Offers and the Option Proposals is set out in paragraph 23 of the letter from HSBC in Part III of this document. The relevant Forms of Acceptance and Option Proposals Form of Election should be completed and returned as soon as possible, and, in any event, so as to be received by post or by hand (during normal business hours), to the Receiving Agents, Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TH or, by hand only (during normal business hours) to Capita IRG Plc, Guildhall House, 81-87 Gresham Street, London EC2, no later than 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 21 February 2003.

I look forward to welcoming you as a shareholder of the Enlarged Group and to welcoming the three Proposed Directors as colleagues.

Yours faithfully

Keith Hamill

Non-Executive Chairman

PART III

Letter from HSBC Bank plc



(HSBC Bank plc incorporated in England and registered under number 14259)

Registered office:
8 Canada Square,
London E14 5HQ

23 January 2003

To Tullett Securityholders

Dear Tullett Securityholder

Recommended Ordinary and Bond Offers, Option Proposals and related proposals by HSBC on behalf of Collins Stewart

1. Introduction

It was announced earlier today that the Collins Stewart Board had agreed terms with the Tullett Board for Offers and related proposals to be made for Tullett. This letter contains the formal Offers by HSBC on behalf of Collins Stewart and also includes the recommended Option Proposals to Tullett Optionholders. This document is accompanied by, and should be read in conjunction with the Forms of Acceptance to be used for the purpose of accepting the Offers, the Option Proposals Form of Election to be used in connection with the Option Proposals and a Prospectus which contains financial and other information on Collins Stewart, Tullett and the Enlarged Group, including information on Collins Stewart's concurrent placing and open offer and cash placing. It is also accompanied by the Tullett Circular and forms of proxy for use in connection with the Tullett EGM and separate class meetings of the Tullett Preference Shareholders at which resolutions will be proposed to allow the implementation of the Offers.

Your attention is drawn to the letter from the Chairman of Tullett set out in Part I of this document, which sets out the background to and the reasons why the Recommending Directors (being all of the Tullett Directors other than Michael Whitaker who is considered by the Panel to be acting in concert with Collins Stewart and who has therefore not been able to join in making the Tullett Board's recommendations), who have been so advised by Amethyst, consider the terms of the Ordinary Offer, the Bond Offer and the Option Proposals to be fair and reasonable and why they are unanimously recommending that Tullett Ordinary Shareholders, Tullett Bondholders and Tullett Optionholders accept the Ordinary Offer, the Bond Offer and whichever of the Option Proposals is most appropriate to them, respectively. In providing its advice, Amethyst has taken into account the commercial assessments of the Tullett Directors.

Your attention is also drawn to the letter from the Chairman of Collins Stewart in Part II of this document setting out Collins Stewart's rationale for making the Offers.

Each of the Offers is conditional, *inter alia*, on the passing of a special resolution at the Tullett EGM and appropriate extraordinary resolutions at separate class meetings of the Tullett Preference Shareholders. Your attention is drawn to the accompanying Tullett Circular which contains, *inter alia*, notice of the Tullett EGM and notices of separate class meetings of the Tullett A Preference Shareholders and Tullett B Preference Shareholders. You are urged to complete and return the appropriate forms of proxy accompanying the Tullett Circular so as to vote in favour of the resolutions being proposed at the various meetings.

Forms of Acceptance and Option Proposals Forms of Election should be returned by post or (during normal business hours only) by hand to Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TH or by hand only (during normal business hours only) to Capita IRG Plc, Guildhall House, 81-87 Gresham Street, London EC2, in each case as soon as possible, but, in any event, so as to be received by no later than 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 21 February 2003. The procedures for acceptance of the Offers (including (to the extent eligible) the additional procedures for making elections for the Partial Cash Alternative and the Loan Note Alternative and under the Additional Cash Facility and the Bond Offer Additional Share Facility and to receive new Collins Stewart Shares in respect of the Further Payment under the A Preference Offer) are set out in paragraph 23 of this letter and detailed instructions are set out in the accompanying Forms of

Acceptance. The procedure for accepting either of the Option Proposals is also set out in paragraph 23 of this letter and in the accompanying Option Proposals Form of Election.

Persons who are residents of or have a registered address in any jurisdiction outside the United Kingdom and their nominees should read paragraph 22 of this letter, paragraph 8 of Part B, paragraphs 1.5 to 1.7 of Part C and paragraphs 1.10 to 1.12 and 2.12 to 2.14 of Part D of Appendix I to this document, the relevant notices on pages 2 to 4 of this document and the relevant provisions of the Forms of Acceptance and the Option Proposals Form of Election.

2. The Offers

(a) The Ordinary Offer

On behalf of Collins Stewart, HSBC hereby offers to acquire all of the issued and to be issued Tullett Ordinary Shares on the terms and subject to the conditions and further terms set out or referred to in this document and in the white Form of Acceptance, on the following basis:

for every Tullett Ordinary Share

2.52 New Collins Stewart Shares

and so in proportion for any other number of Tullett Ordinary Shares held. Fractions of New Collins Stewart Shares will not be allotted and the number of New Collins Stewart Shares to be allotted to each Tullett Ordinary Shareholder who validly accepts the Ordinary Offer will be rounded down to the nearest whole number.

On the basis of the Closing Price of 333.5 pence per Collins Stewart Share on 22 January 2003 (the latest practicable date prior to the posting of this document), the Ordinary Offer equates to a value of 840.4 pence per Tullett Ordinary Share and values the whole of the existing issued ordinary share capital of Tullett at approximately £212.7 million.

The Ordinary Offer is subject to the conditions set out in paragraph 1 of Part A of Appendix I to this document.

(b) The Bond Offer

On behalf of Collins Stewart, HSBC hereby offers to acquire all of the issued Tullett Bonds on the terms and subject to the conditions and further terms set out or referred to in this document and in the pink Form of Acceptance, on the following basis:

for every £3.33 in nominal value of Tullett Bonds denominated in pounds sterling

**400 pence in cash and
1.26 New Collins Stewart Shares**

for every US\$4.7542 in nominal value of Tullett Bonds denominated in US dollars

**400 pence in cash and
1.26 New Collins Stewart Shares**

and so in proportion for any other nominal amount of Tullett Bonds held. Fractions of New Collins Stewart Shares will not be allotted and the number of New Collins Stewart Shares to be allotted to each Tullett Bondholder who validly accepts the Bond Offer will be rounded down to the nearest whole number. Fractions of New Collins Stewart Shares not allotted to Tullett Bondholders will be aggregated and sold under the cash underpinning and cash placing arrangements and the cash equivalent of the Tullett Bondholder's fractional entitlement will then be added to the cash element of the consideration.

On the basis of the Closing Price of 333.5 pence per Collins Stewart Share on 22 January 2003 (the latest practicable date prior to the posting of this document), the Bond Offer values all of the existing issued Tullett Bonds at approximately £11.4 million.

Under the terms of the Bond Offer, Collins Stewart will withhold from the cash element of the consideration payable to each eligible Tullett Bondholder who validly accepts the Bond Offer an amount equal to any Relevant Tax Liabilities. To the extent that such withholding would not provide sufficient cash to satisfy such liability, Collins Stewart will be authorised to sell such of the New Collins Stewart Shares which such accepting Tullett Bondholder would otherwise be entitled to receive so as to realise sufficient cash to satisfy the Relevant Tax Liabilities. By accepting the Bond Offer, Tullett Bondholders consent for all purposes to such withholdings and/or sales being made on the basis that Collins Stewart undertakes to pay the amount withheld and/or realised to Tullett and procure that Tullett discharges the said Relevant Tax Liabilities and promptly return to any Tullett Bondholder any surplus monies not required to be paid to the relevant authorities.

The Bond Offer is conditional on the Ordinary Offer becoming or being declared unconditional in all respects and on the holders of 75 per cent. or more in nominal amount of the Tullett Bonds consenting to

certain amendments to the terms of the Tullett Bonds held by them. Tullett Bondholders who accept the Bond Offer will be deemed to authorise Collins Stewart to sign the relevant written resolution to approve these amendments on their behalf.

In the event that holders of 75 per cent. or more in nominal value of the Tullett Bonds consent to the amendment of the terms of the Tullett Bonds and the Ordinary Offer becomes or is declared unconditional in all respects resulting in Collins Stewart and persons acting in concert with Collins Stewart acquiring control of more than 50 per cent. by nominal value of the Tullett Ordinary Shares then in issue, those Tullett Bonds held by any Tullett Bondholder who has not validly accepted the Bond Offer prior to the Bond Offer closing will become convertible into Tullett Ordinary Shares on the first anniversary of the date on which the Ordinary Offer is declared unconditional in all respects.

In such circumstances, it is not currently Collins Stewart's intention to keep the Ordinary Offer open until the date when the Tullett Bonds which are not validly assented to the Bond Offer would automatically become convertible into Tullett Ordinary Shares. As a result, if the Bond Offer becomes unconditional and Tullett Bonds are not validly assented to the Bond Offer before the Bond Offer closes, they will become automatically convertible into Tullett Ordinary Shares at a time after the Ordinary Offer has closed.

In the event that holders of less than 75 per cent. in nominal value of the Tullett Bonds do not consent to the amendments to the terms of the Tullett Bonds held by them and the Ordinary Offer becomes or is declared unconditional in all respects, the Bond Offer will lapse. However, all of the Tullett Bonds will become convertible in such circumstances into Tullett Ordinary Shares on the first anniversary of the date on which the Ordinary Offer is declared unconditional in all respects.

In such circumstances, it is not currently Collins Stewart's intention to keep the Ordinary Offer open until the date when the Tullett Bonds would automatically become convertible into Tullett Ordinary Shares. As a result, if the Bond Offer does not become unconditional Tullett Bonds will become automatically convertible into Tullett Ordinary Shares at a time after the Ordinary Offer has closed.

In the event that the Ordinary Offer becomes unconditional in all respects but the Bond Offer lapses as a result of a failure to satisfy the 75 per cent. condition referred to above, Collins Stewart intends to make an alternative appropriate proposal for the Tullett Bonds in accordance with the City Code which will contain no such condition.

Tullett Bondholders will be entitled to keep and retain any interest accrued on the Tullett Bonds in respect of the period up to and including the date on which interest is next due for payment by Tullett, being 18 February 2003. If a Tullett Bondholder accepts the Bond Offer and his or her Tullett Bonds are transferred to Collins Stewart, any interest accrued on the Tullett Bonds in respect of the period from 18 February 2003 will not be paid to the current Tullett Bondholder and the right to receive such interest will be transferred to Collins Stewart together with the Tullett Bonds.

(c) The A Preference Offer

On behalf of Collins Stewart, HSBC hereby offers to acquire all of the issued Tullett A Preference Shares on the terms and subject to the conditions set out or referred to in this document and in the blue Form of Acceptance, on the following basis:

for each Tullett A Preference Share

**236.0 pence in cash and
the Further Payment (being a further
payment of 91.4 pence in either cash or new
Collins Stewart Shares, subject to certain
contingent deductions)**

and so in proportion for any other number of Tullett A Preference Shares held.

The A Preference Offer values all of the existing issued Tullett A Preference Shares at approximately £17.8 million (assuming the Further Payment is made in cash without any deduction and disregarding any time value relating to its payment terms).

The amount of the Further Payment (which is payable on 19 November 2004) is dependent on the extent to which Tullett or any subsidiary of Tullett becomes obliged to make any payment to the Belgium Office of Social Security or under a deed of tax indemnity in favour of Madge Networks NV prior to 19 November 2004. The Further Payment essentially replicates certain rights attaching to the Tullett A Preference Shares under the Tullett Articles. The amount of the Further Payment payable to each Tullett A Preference Shareholder who validly accepts the A Preference Offer shall be equal to the amount that would be payable to such persons in respect of a Tullett A Preference Share under the Tullett Articles (as proposed to be

amended by the resolutions to be proposed at the Tullett EGM and the class meeting of Tullett A Preference Shareholders) if they were still holders of Tullett A Preference Shares on 19 November 2004 taking into account certain costs which Collins Stewart would not have incurred if it had redeemed the shares.

Tullett A Preference Shareholders who validly accept the A Preference Offer (other than Tullett A Preference Shareholders who are Non-Eligible US Securityholders) may elect to receive all (but not part only) of the Further Payment in the form of new Collins Stewart Shares. If such an election is made: (i) the new Collins Stewart Shares to be issued will be allotted on the next business day following 19 November 2004 and credited as fully paid and will on issue rank *pari passu* in all respects with the Collins Stewart Shares then in issue and (ii) the number of new Collins Stewart Shares to be allotted in respect of the Further Payment for each Tullett A Preference Share pursuant to such election will be calculated by reference to the average Closing Price of a Collins Stewart Share on each of the five Business Days prior to the date of allotment (with an appropriate adjustment in the event that the Collins Stewart Shares are marked ex-dividend entitlement by the London Stock Exchange on any of the relevant Business Days). Collins Stewart shall use all reasonable endeavours to ensure that such new Collins Stewart Shares are admitted to the Official List and to trading on the London Stock Exchange's market for listed securities.

Fractions of new Collins Stewart Shares will not be allotted and the number of new Collins Stewart Shares to be allotted to each accepting A Preference Shareholder electing for the Further Payment to be satisfied in the form of new Collins Stewart Shares will be rounded down to the nearest whole number.

Tullett A Preference Shareholders' attention is drawn to the provisions of paragraphs 7.23 and 7.24 in Part B of Appendix I to this document which contain certain further terms relating to elections for new Collins Stewart Shares in respect of the Further Payment.

The A Preference Offer is conditional upon the Ordinary Offer becoming or being declared unconditional in all respects and on the passing of a resolution at a class meeting of Tullett A Preference Shareholders to allow the A Preference Offer to be implemented.

In the event that the class meeting of Tullett A Preference Shareholders passes the necessary resolution to permit the implementation of the A Preference Offer and the Ordinary Offer becomes or is declared unconditional in all respects, Tullett A Preference Shareholders who validly accept the A Preference Offer will receive payment in cash (including, in respect of the Further Payment, in either cash or (if eligible) new Collins Stewart Shares, as they elect) in accordance with its terms.

Assuming that the Ordinary Offer becomes or is declared unconditional in all respects and as a result Collins Stewart (and persons acting in concert with Collins Stewart) acquires control of more than two thirds by nominal value of the Tullett Ordinary Shares then in issue, those Tullett A Preference Shares not validly assented to the A Preference Offer will fall to be redeemed by Tullett in accordance with the redemption provisions under Tullett's Articles (as proposed to be amended at the Tullett EGM and the class meeting of Tullett A Preference Shareholders referred to above). Assuming such amendment, in summary, these will provide for redemption of Tullett A Preference Shares to be effected on the following terms:

- (i) on the Delayed Trigger Date, in respect of any Tullett A Preference Shares not assented to the A Preference Offer, a dividend of 188.8 pence per Tullett A Preference Share will be paid;
- (ii) 50 per cent. of each Tullett A Preference Shareholder's holding of Tullett A Preference Shares will be redeemed at par (£1 per Tullett A Preference Share) by Tullett on the Delayed Trigger Date;
- (iii) shortly after 19 November 2004, holders of Tullett A Preference Shares not assented to the A Preference Offer will receive a dividend of up to 83.6 pence per Tullett A Preference Share and the outstanding Tullett A Preference Shares will be redeemed at par (£1 per Tullett A Preference Share). The right to receive such payments are contingent on the extent to which Tullett or any subsidiary of Tullett becomes obliged prior to 19 November 2004 to make any payment to the Belgium Office of Social Security or under a deed of tax indemnity in favour of Madge Networks NV; and
- (iv) in the event that the aggregate amounts paid or payable to the Belgium Office of Social Security and Madge Networks NV are £5 million or more, the dividend referred to in paragraph (iii) above will not be payable and the remaining Tullett A Preference Shares held by Tullett A Preference Shareholders who do not accept the A Preference Offer will be redeemed shortly after 19 November 2004 for an aggregate payment of £1.

Those Tullett A Preference Shares not assented to the A Preference Offer will therefore be redeemed as set out above.

If the class meeting of Tullett A Preference Shareholders does not pass the necessary resolution to permit the implementation of the A Preference Offer, the A Preference Offer will lapse and assuming that the Ordinary Offer becomes unconditional in all respects and Collins Stewart (and persons acting in concert with Collins Stewart) assumes control of more than two thirds by nominal value of the Tullett Ordinary Shares, each Tullett A Preference Share would then fall to be redeemed by Tullett in substantially the manner described in paragraphs (i) to (iv) inclusive above, except that the timing for the dividend and cash payments referred to in paragraphs (i) and (ii) would be calculated by reference to the date on which the Ordinary Offer becomes or is declared unconditional in all respects and not by reference to the Delayed Trigger Date. In such circumstances, and if Tullett or a Tullett A Preference Shareholder so elects, Tullett A Preference Shares will be redeemed at par not later than 3 months following the date on which the Ordinary Offer becomes or is declared unconditional in all respects and not later than 3 months following 19 November 2004 (as the case may be). Collins Stewart will procure that Tullett elects to redeem Tullett A Preference Shares no later than 10 Business Days following the date on which the Ordinary Offer becomes or is declared unconditional in all respects and 19 November 2004 (as the case may be).

The evaluation by a Tullett A Preference Shareholder of the merits of accepting the A Preference Offer versus the redemption available to Tullett A Preference Shareholders who do not accept the A Preference Offer will be driven, *inter alia*, by such shareholder's individual tax considerations as well as the differences in the financial aspects of the A Preference Offer and the terms of redemption. Tullett A Preference Shareholders should also be aware that, as is currently the case, Tullett's ability to redeem Tullett A Preference Shares will depend upon sufficient distributable reserves being available to Tullett to make such redemption payments. Collins Stewart has not undertaken to put Tullett in funds so that it can make any redemption payments. If you are in any doubt as to what action you should take, you should consult an independent professional financial or tax adviser. However, whether or not you intend to accept the A Preference Offer, you are urged to vote in favour of the resolution to be proposed at the class meeting of Tullett A Preference Shareholders to enable the implementation of the A Preference Offer and to return a duly completed blue form of proxy for use at such meeting.

(d) The B Preference Offer

On behalf of Collins Stewart, HSBC hereby offers to acquire all of the issued Tullett B Preference Shares on the terms and subject to the conditions and further terms set out or referred to in this document and in the green Form of Acceptance, on the following basis:

for each Tullett B Preference Share

37.7 pence in cash

and so in proportion for any other number of Tullett B Preference Shares held.

The B Preference Offer values all of the existing issued Tullett B Preference Shares at approximately £4.1 million.

The B Preference Offer is conditional upon the Ordinary Offer becoming or being declared unconditional in all respects and on the passing of a resolution at a class meeting of Tullett B Preference Shareholders in order to allow the B Preference Offer to be implemented.

In the event that the separate class meeting of Tullett B Preference Shareholders passes the necessary resolution to permit the implementation of the B Preference Offer and the Ordinary Offer becomes or is declared unconditional in all respects, Tullett B Preference Shareholders who validly accept the B Preference Offer will receive a payment in cash in accordance with its terms.

Assuming that the Ordinary Offer becomes or is declared unconditional in all respects and as a result Collins Stewart (and persons acting in concert with Collins Stewart) acquires control of more than two thirds by value of the Tullett Ordinary Shares, each Tullett B Preference Share not assented to the B Preference Offer will fall to be redeemed by Tullett in accordance with the redemption provisions under Tullett's Articles (as proposed to be amended by the resolutions to be put to the Tullett EGM and the class meeting of Tullett B Preference Shareholders). Accordingly:

- (i) on 30 December 2003, Tullett B Preference Shareholders who do not accept the B Preference Offer will receive a dividend of 31.32 pence per Tullett B Preference Share (ignoring any dividend that may be payable by reference to any gain made by Tullett on the sale of shares in Beast Financial Systems, Inc.); and

- (ii) the Tullett B Preference Shares will be redeemed by Tullett on 30 December 2003 for an amount of 10.0 pence per Tullett B Preference Share.

If the class meeting of Tullett B Preference Shareholders does not pass the necessary resolution to permit the implementation of the B Preference Offer, the B Preference Offer will lapse. Assuming that the Ordinary Offer becomes unconditional in all respects and Collins Stewart (and persons acting in concert with Collins Stewart) acquires control of more than two thirds by value of the Tullett Ordinary Shares, each Tullett B Preference Share would then fall to be redeemed by Tullett in the following manner:

- (i) on 30 December 2003, Tullett B Preference Shareholders will receive a dividend of 31.32 pence per Tullett B Preference Share (ignoring any dividend that may be payable by reference to any gain made by Tullett on the sale of shares in Beast Financial Systems Inc.); and
- (ii) if Tullett or Tullett B Preference Shareholders elect, the Tullett B Preference Shares will be redeemed not later than 3 months following 30 December 2003 for an amount of 10.0 pence per Tullett B Preference Share. Collins Stewart will procure that Tullett elects to redeem the Tullett B Preference Shares not later than 10 Business Days following 30 December 2003.

The evaluation by a Tullett B Preference Shareholder of the B Preference Offer versus the redemption alternative potentially available to Tullett B Preference Shareholders who do not accept the B Preference Offer will be based, *inter alia*, on such shareholder's individual tax considerations as well as the inherent differences in the financial and timing aspects of the B Preference Offer and the terms of the redemption. Tullett B Preference Shareholders should also be aware that, as is currently the case, Tullett's ability to redeem Tullett B Preference Shares will depend upon sufficient distributable reserves being available to Tullett to make such redemption payments. Collins Stewart has not undertaken to put Tullett in funds so that it can make any redemption payments. If you are in any doubt as to what action you should take you should consult an independent professional financial or tax adviser. However, whether or not you intend to accept the B Preference Offer, you are urged to vote in favour of the resolution to be proposed at the class meeting of Tullett B Preference Shareholders to enable the implementation of the B Preference Offer and to return a duly completed green form of proxy for use at such meeting.

(e) General

Full acceptance of the Offers (assuming the Option Cancellation Proposal is accepted by all Tullett Optionholders, without taking into account any election under the Bond Offer Additional Share Facility and ignoring any new Collins Stewart Shares which may be allotted in respect of the Further Payment under the A Preference Offer) would result in the issue of 66,280,436 New Collins Stewart Shares to Tullett Securityholders, representing approximately 35.1 per cent. of the enlarged issued ordinary share capital of Collins Stewart (assuming the Collins Stewart Placing and Open Offer and Cash Placing also become unconditional).

Applications have been made for the New Collins Stewart Shares to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities.

3. The Partial Cash Alternative to the Ordinary Offer

As an alternative to receiving the whole of the consideration for their Tullett Ordinary Shares in the form of New Collins Stewart Shares, Tullett Ordinary Shareholders who validly accept the Ordinary Offer are invited to elect for the Partial Cash Alternative, in which case their Tullett Ordinary Shares shall be acquired on the following basis:

for every Tullett Ordinary Share	400 pence in cash and 1.26 New Collins Stewart Shares
---	--

and so in proportion for any other number of Tullett Ordinary Shares which are the subject of a valid election for the Partial Cash Alternative. Fractions of New Collins Stewart Shares will not be allotted and entitlements will be rounded down to the nearest whole number. Fractions of New Collins Stewart Shares not allotted to Tullett Ordinary Shareholders will be aggregated and sold under the cash underpinning and cash placing arrangements and the cash equivalent of the Tullett Ordinary Shareholder's fractional entitlement will then be added to the cash element of the consideration.

On the basis of the Closing Price of 333.5 pence per Collins Stewart Share at the close of business on 22 January 2003 (the latest practicable date prior to the posting of this document), the Partial Cash Alternative equates to a value of 820.2 pence per Tullett Ordinary Share and values the existing issued ordinary share capital of Tullett at approximately £207.6 million.

Any Non-Eligible US Securityholder accepting the Ordinary Offer will be deemed to have elected for the maximum entitlement under the Partial Cash Alternative (if still open). If the Partial Cash Alternative is not still open, all New Collins Stewart Shares to which such Non-Eligible US Securityholder would otherwise have been entitled pursuant to the Ordinary Offer, will be sold or allotted on such Non-Eligible US Securityholder's behalf and the cash proceeds of such sale or allotment, net of expenses, will be remitted to such Non-Eligible US Securityholder instead, as described in paragraph 8 of Part B of Appendix I to this document. Non-Eligible US Securityholders should be aware that the sale or allotment of such New Collins Stewart Shares has not been underwritten and the net cash proceeds to be received as a result thereof is uncertain and may differ from the cash amount per Tullett Ordinary Share that would be received under the Partial Cash Alternative.

The Partial Cash Alternative will remain open for acceptance until 3.00 p.m. (London time) 10 a.m. (New York City time) on 21 February 2003. If on any closing date of the Ordinary Offer on which the Partial Cash Alternative remains open for acceptance, the Ordinary Offer is then (or is then capable of being) declared unconditional as to acceptances, the Partial Cash Alternative will remain open for 14 days and at any time thereafter may be closed without prior notice. If on any closing date, the Ordinary Offer is not (and is not capable of being declared) unconditional as to acceptances and is extended beyond that time, Collins Stewart and HSBC reserve the right to close or to extend the Partial Cash Alternative on that date. If the Partial Cash Alternative closes, Collins Stewart and HSBC reserve the right to reintroduce a cash alternative so long as the Ordinary Offer is then still unconditional as to acceptances.

Your attention is drawn to paragraph 23 of this letter, which sets out the procedure for electing for the Partial Cash Alternative and to the further terms of the Partial Cash Alternative set out in paragraph 4 of Part B of Appendix I to this document and in the white Form of Acceptance.

4. The Additional Cash Facility to the Partial Cash Alternative

Tullett Ordinary Shareholders who validly accept the Ordinary Offer and validly elect for the Partial Cash Alternative in respect of all of their Tullett Ordinary Shares may elect to receive additional cash beyond their entitlement under the Partial Cash Alternative of 400 pence per Tullett Ordinary Share for which an election is made, by making an election under the Additional Cash Facility. However, the maximum aggregate amount of cash available under the Partial Cash Alternative will not be varied as a result of elections under the Additional Cash Facility. Accordingly, Collins Stewart's ability to satisfy elections under the Additional Cash Facility made by Tullett Ordinary Shareholders will depend on the extent to which other Tullett Ordinary Shareholders do not elect for the Partial Cash Alternative. To the extent that elections for additional cash under the Additional Cash Facility cannot be satisfied in full, they will be scaled down on a *pro rata* basis.

As a result, Tullett Ordinary Shareholders who validly make elections under the Additional Cash Facility will not know the exact amount of additional cash that they will receive until settlement of the consideration under the Ordinary Offer, although an announcement will be made when the Ordinary Offer becomes or is declared unconditional in all respects, of the approximate extent to which elections under the Additional Cash Facility will be satisfied.

Tullett Ordinary Shareholders should note that the Additional Cash Facility does not enable Tullett Ordinary Shareholders to increase the number of New Collins Stewart Shares which they may receive pursuant to the Ordinary Offer. To the extent that Tullett Ordinary Shareholders wish to maximise the number of New Collins Stewart Shares that they receive, such Tullett Ordinary Shareholders should accept the Ordinary Offer but not elect for the Partial Cash Alternative or make any election under the Additional Cash Facility.

Any Non-Eligible US Securityholder accepting the Ordinary Offer will not be able to make an election under the Additional Cash Facility and any purported election shall be invalid. Accordingly, the New Collins Stewart Shares to which such Non-Eligible US Securityholder may otherwise be entitled pursuant to the Ordinary Offer (other than those New Collins Stewart Shares which are sold under the cash underpinning arrangements as a result of the deemed election in respect of the Partial Cash Alternative) will be sold or allotted on behalf of such Non-Eligible US Securityholder and the net cash proceeds of such sale or allotment, net of expenses, will be remitted to such Non-Eligible US Securityholder instead, as described in paragraph 8 of Part B of Appendix I to this document. Non-Eligible US Securityholders should be aware that the sale or allotment of such New Collins Stewart Shares has not been underwritten and the net cash proceeds to be received as a result thereof is uncertain and may differ from the cash amount per Tullett Ordinary Share that would be received under the Partial Cash Alternative.

The Additional Cash Facility will remain open until 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 21 February 2003 and may be closed on that date (or such later time, if any, on which the Partial Cash Alternative is closed).

Further information on the Additional Cash Facility is set out in paragraph 4 of Part B of Appendix I to this document.

Your attention is drawn to paragraph 23 of this letter which sets out the procedure for making an election under the Additional Cash Facility.

5. The Bond Offer Additional Share Facility

Tullett Bondholders who validly accept the Bond Offer may elect to receive New Collins Stewart Shares instead of all (but not part only) of the cash that they would otherwise be entitled to receive under the Bond Offer, being the cash element of the consideration under the Bond Offer less the amount of cash which Collins Stewart is entitled to withhold to satisfy Relevant Tax Liabilities under the terms of the Bond Offer. By making an election under the Bond Offer Additional Share Facility, such Tullett Bondholders will receive New Collins Stewart Shares on the basis of 1 New Collins Stewart Share for every 317.5 pence in cash in respect of which an election is made or deemed to have been made.

Fractions of New Collins Stewart Shares will not be allotted and the number of New Collins Stewart Shares to be allotted to each Tullett Bondholder who validly makes an election under the Bond Offer Additional Share Facility will be rounded down to the nearest whole number.

Any Tullett Bondholder who is a Non-Eligible US Securityholder will not be entitled to make an election under the Bond Offer Additional Share Facility and any purported election shall be invalid.

The Bond Offer Additional Share Facility will remain open for acceptance until 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 21 February 2003 and may be closed on that date (or such later time, if any, on which the Bond Offer is closed).

Your attention is drawn to paragraph 23 of this letter, which sets out the procedure for making an election under the Bond Offer Additional Share Facility and to the further terms of the Bond Offer Additional Share Facility set out in paragraph 4 of Part B of Appendix I to this document and in the pink Form of Acceptance.

6. The Loan Note Alternative

As an alternative to (i) all or part of the cash consideration payable under the Partial Cash Alternative, (ii) all or part of the cash consideration payable under the A Preference Offer and the B Preference Offer (but not any cash payable in respect of the Further Payment) and (iii) all (but not part only) of any additional cash payable as a result of valid elections under the Additional Cash Facility, Tullett Securityholders (other than Tullett Securityholders who are resident in, or who have a registered address in, any jurisdiction outside the United Kingdom) may elect to receive Loan Notes on the following basis:

for every £1 of cash consideration to which they are entitled £1 nominal in Loan Notes

The maximum nominal amount of Loan Notes available under the Loan Note Alternative is £30 million. To the extent that elections for Loan Notes cannot be satisfied in full, the available Loan Notes will be applied first in satisfying, as far as possible on a *pro rata* basis, elections in respect of the basic entitlement to cash under the Partial Cash Alternative. Any Loan Notes available thereafter will be applied in satisfying, as far as possible on a *pro rata* basis, elections for Loan Notes in respect of the cash consideration payable under the A Preference Offer (but not in respect of the Further Payment) and the B Preference Offer. Any Loan Notes available thereafter will be applied in satisfying, as far as possible on a *pro rata* basis, elections for Loan Notes in respect of additional cash allocated under the Additional Cash Facility.

The Loan Notes will be issued, credited as fully paid, in amounts and integral multiples of £1. Fractional entitlements will be disregarded and the relevant cash amount rounded down to the nearest whole pound, and included within the cash consideration payable.

The Loan Notes will be unsecured but will be guaranteed as to principal only by Bank of Scotland. The holders of Loan Notes will have the option to redeem at par all or any part (being £100 in nominal amount or any integral multiple thereof) of their Loan Notes at six monthly intervals, commencing on 31 December 2003. Under the terms of the Loan Notes, holders of Loan Notes will also be able to elect that the principal amount of all Loan Notes which they hold and are then outstanding be redeemed in US dollars. On 7 April 2008 all outstanding Loan Notes will be redeemed.

Collins Stewart will also have the right, at any time on or after 31 December 2003, to redeem all Loan Notes in issue for the time being in the event that less than £200,000 in nominal amount of the Loan Notes remain in issue.

The Loan Notes will bear interest, payable in arrears up to but excluding the date of payment (less any applicable tax) in six monthly instalments on 30 June and 31 December of each year at a rate of 1 per cent. per annum below six months LIBOR. The first interest payment date will be 31 December 2003. The Loan Notes will be freely transferable, save to certain overseas persons, in amounts and integral multiples of £100 or the whole amount of the transferor's holding of Loan Notes. No application will be made for the Loan Notes to be listed on the Official List or dealt on any recognised investment exchange.

The Loan Note Alternative is conditional on the Ordinary Offer becoming or being declared unconditional in all respects. In addition, if valid elections for the Loan Note Alternative received by 3.00 p.m. (London time) on the later of (i) the date falling 14 days after the Ordinary Offer becomes or is declared unconditional as to acceptances and (ii) the business day prior to the date on which the Ordinary Offer becomes or is declared unconditional in all respects do not require the issue of at least £2 million in nominal amount of Loan Notes, no Loan Notes will be issued unless Collins Stewart otherwise determines. Tullett Securityholders who have validly elected to receive Loan Notes will then receive the cash to which they would otherwise have been entitled.

The Loan Note Alternative will remain open for acceptance until 3.00 p.m. (London time) on 21 February 2003. If on any closing date of the Ordinary Offer on which the Loan Note Alternative remains open for acceptances, the Ordinary Offer is then (or is then capable of being) declared unconditional as to acceptances, the Loan Note Alternative will remain open for 14 days and at that time or any time thereafter may be closed without prior notice. If on any closing date, the Ordinary Offer is not (and is not capable of being declared) unconditional as to acceptances and is extended beyond that time, Collins Stewart and HSBC reserve the right to close or extend the Loan Note Alternative on that date. If the Loan Note Alternative closes, Collins Stewart and HSBC reserve the right to reintroduce a loan note alternative so long as the Ordinary Offer is then still unconditional as to acceptances.

HSBC estimates that, based on market conditions on 22 January 2003, the latest practicable date prior to the posting of this document, the value of the Loan Notes, if they had been in issue on that date, would have been approximately 99 pence per £1 in nominal amount.

Further details of the terms of the Loan Notes are set out in Appendix II to this document.

7. Further terms of the Offers

The Tullett Securities that are the subject of the Offers will be acquired by Collins Stewart fully paid and free from all liens, equities, charges, encumbrances and rights of pre-emption and any other third party rights of any nature and together with all rights now or hereafter attaching thereto, including the right to receive and retain all dividends and other distributions declared, made or paid after 22 January 2003, save (in the case of the Tullett Ordinary Shares) for the entitlement of persons who were ordinary shareholders on the register of members of Tullett on 21 October 1999 to the special payment in relation to virt-x plc, further details of which are set out in paragraph 10(a) of Appendix IV to this document and save as otherwise provided in the Tullett Articles.

The New Collins Stewart Shares to be issued pursuant to the Offers will be issued free from all liens, equities, charges, encumbrances and other interests. The New Collins Stewart Shares will be issued credited as fully paid and will rank *pari passu* in all respects with existing Collins Stewart Shares and the new Collins Stewart Shares to be issued pursuant to the Placing and Open Offer described in paragraph 17 of this letter, including the right to all dividends and other distributions declared by Collins Stewart after the date of this document (including any final dividend declared by Collins Stewart in respect of the year ended 31 December 2002).

Fractions of New Collins Stewart Shares will not be allotted or issued pursuant to the Offers. Fractional entitlements to New Collins Stewart Shares under the Offers will be rounded down to the nearest whole number of New Collins Stewart Shares.

The Offers extend to any Tullett Securities which are unconditionally allotted or issued and fully paid (or credited as fully paid) on the date on which the Offers are made together with any further Tullett Securities which are unconditionally allotted or issued whilst the Offers remain open for acceptance (or by such earlier date as Collins Stewart may, subject to the City Code, decide) including any which are unconditionally allotted or issued as fully paid pursuant to the exercise of Tullett Options.

The Ordinary Offer is conditional on, *inter alia*:

- (i) valid acceptances being received by 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 21 February 2003 (or such later time(s) and/or date(s) as Collins Stewart may, subject to the City Code, decide) in respect of not less than 90 per cent. (or such lower percentage as Collins Stewart may decide) in nominal value of the Tullett Ordinary Shares to which the Ordinary Offer relates; and
- (ii) the UK Listing Authority agreeing to admit the New Collins Stewart Shares to be issued in connection with the Offers to the Official List and the London Stock Exchange agreeing to admit the New Collins Stewart Shares to trading on its main market for listed securities and (unless the Panel otherwise agrees) such Admission becoming effective.

The Ordinary Offer is also conditional on certain regulatory approvals set out in paragraph 1(e) to (h) of Part A of Appendix I to this document, although confirmation from the Financial Services Authority in satisfaction of the condition in paragraph 1(e) of Part A of Appendix I is expected imminently.

The Bond Offer is conditional on:

- (i) the delivery of a written resolution of the holders of not less than 75 per cent. in nominal amount of the Tullett Bonds approving an amendment to the terms of the Tullett Bonds in the manner described in paragraph 2 of Part A of Appendix I to this document; and
- (ii) the Ordinary Offer having become or been declared unconditional in all respects.

The A Preference Offer and the B Preference Offer are each conditional on;

- (i) the passing of an extraordinary resolution at separate class meetings of the Tullett A Preference Shareholders or Tullett B Preference Shareholders (as the case may be) approving the amendments to the rights attaching to the Tullett A Preference Shares or the Tullett B Preference Shares (as the case may be) in the manner described in paragraphs 3 and 4 of Part A of Appendix I to this document; and
- (ii) the Ordinary Offer having become or been declared unconditional in all respects.

The Ordinary Offer is also conditional upon Collins Stewart Shareholders resolving to approve the Offers and to take such other steps as are necessary to implement the Offers. An extraordinary general meeting of the shareholders of Collins Stewart has been convened for 17 February 2003 and details of the resolutions to be proposed at that meeting are set out in the notice of meeting contained in the Prospectus, a copy of which accompanies this document. Collins Stewart Shareholders who hold 16,107,467 Collins Stewart Shares (representing approximately 15.2 per cent. of the currently issued ordinary share capital of Collins Stewart) have irrevocably undertaken to vote in favour of these resolutions.

Your attention is drawn to the contents of the Tullett Circular and related forms of proxy accompanying this document convening the Tullett EGM and separate class meetings of Tullett A Preference Shareholders and Tullett B Preference Shareholders so as to consider and if thought fit approve appropriate resolutions to facilitate the implementation of the Offers.

Tullett Ordinary Shareholders owning 20,175,421 Tullett Ordinary Shares (representing approximately 79.7 per cent. of the existing issued ordinary share capital of Tullett) have undertaken to vote in favour of the requisite resolutions at the Tullett EGM.

Tullett Preference Shareholders owning 4,661,117 Tullett A Preference Shares and 9,322,231 Tullett B Preference Shares (representing approximately 85.6 per cent. and 85.6 per cent. respectively of the issued Tullett A Preference Share capital and Tullett B Preference Share capital) have undertaken to vote in favour of the requisite resolutions at the relevant separate class meetings.

The attention of Overseas Securityholders is drawn to paragraph 22 of this letter, paragraph 8 of Part B, paragraphs 1.5 to 1.7 of Part C and paragraphs 1.10 to 1.12 and 2.12 to 2.14 of Part D of Appendix I to this document, the relevant notices on pages 2 to 4 of this document and to the relevant provisions of the Forms of Acceptance and Option Proposals Form of Election.

The full conditions and further terms of the Offers and the Option Proposals are set out in Appendix I to this document and in the Forms of Acceptance and the Option Proposals Form of Election.

8. Irrevocable undertakings

Collins Stewart has received irrevocable undertakings to accept the Ordinary Offer from the Tullett Directors and certain other Tullett Ordinary Shareholders in respect of their holdings totalling an aggregate of 20,175,421 Tullett Ordinary Shares, representing 79.7 per cent. of Tullett's existing issued ordinary share capital.

Collins Stewart has received irrevocable undertakings to accept the Bond Offer from the Tullett Directors and certain other Tullett Bondholders in respect of their holdings totalling an aggregate of £300,000 in nominal amount of the Tullett Bonds, representing approximately 6.5 per cent. of the aggregate nominal amount of the Tullett Bonds.

Further details of these undertakings, including the extent to which undertakings have been given to elect for the Partial Cash Alternative, are set out in paragraph 4 of Appendix IV to this document.

9. Financial effects of acceptance of the Ordinary Offer

Tullett Ordinary Shares are not currently listed. In these circumstances, no appropriate comparison of capital values with the New Collins Stewart Shares can be made.

The following tables set out, for illustrative purposes only and on the bases and assumptions set out in the notes below, the financial effects for a Tullett Ordinary Shareholder of both acceptance of the Ordinary Offer and an election for the Partial Cash Alternative in relation to 100 Tullett Ordinary Shares.

Increase in income under the terms of the Ordinary Offer

- (i) Assuming full acceptance of the Ordinary Offer and no elections for the Partial Cash Alternative:

Dividend income on 252 Collins Stewart Shares	£17.01
Dividend income on 100 Tullett Ordinary Shares	nil
	<hr/>
Increase	£17.01
	<hr/>

- (ii) Assuming full acceptance of the Ordinary Offer and full election for the Partial Cash Alternative, but no election under the Additional Cash Facility:

Dividend income on 126 Collins Stewart Shares	£8.51
Income on £400 cash	£16.20
Dividend income on 100 Tullett Ordinary Shares	nil
	<hr/>
Increase	£24.71
	<hr/>

Notes

- (1) No dividend was paid by Tullett on Tullett Ordinary Shares in respect of the year ended 31 December 2001.
- (2) Dividend income on Collins Stewart Shares based on net dividends declared in respect of the year ended 31 December 2001.
- (3) Income on cash assumed to yield 4.05 per cent. per annum, being the Government Securities Index average gross redemption yield for medium coupon UK gilts of maturities of up to five years as obtained from the Financial Times on 22 January 2003 (reflecting trading on 21 January 2003).
- (4) No account has been taken of tax.

10. Reasons for the Offers and strengths of the Enlarged Group

Collins Stewart's existing business operations are based on the principle of maintaining a spread of revenue streams to safeguard results and shareholders returns from volatility in any one area of the market. The Collins Stewart Directors believe that Collins Stewart's success as an independent broking firm is partly attributable to this.

At present, Collins Stewart's revenues are primarily derived from services to corporate, institutional and retail clients whilst nearly all of Tullett's revenues come from dealing with other market intermediaries and principals such as banks and investment banks. The Enlarged Group would therefore service the entire range of potential clients in the financial markets.

Substantially all of Collins Stewart's revenues are currently derived from equity markets. It has little exposure to fixed interest products and none to derivatives or foreign exchange. In contrast, Tullett derives less than 10 per cent. of its revenues from equity products. The Collins Stewart Directors believe that the derivatives market in general has experienced significant growth over the last fifteen years, with interest rate swaps performing most strongly in the most recent past. Derivatives volumes are largely independent of market direction as they are driven principally by volatility and trading volumes in the underlying assets. The Collins Stewart Directors believe that some of the products of the Enlarged Group will be at different stages of their economic life cycles contributing to a more balanced risk profile for the Enlarged Group.

Many of the services which Collins Stewart provides are relatively high value added, command high margins and are reliant upon the direction of markets. By contrast, Tullett's operations can be characterised as being dependent upon the volume of trading. The combination of Collins Stewart and

Tullett should therefore provide a more balanced exposure to customers, products and markets. Both group's trading activities are primarily agency based, meaning that their risk profiles are complementary. Tullett operates in the IDB market which has recently been consolidating. Membership of the Enlarged Group, whose shares are traded on the main market of the London Stock Exchange, should provide Tullett with access to capital needed to take part in this consolidation. The Enlarged Group intends to support Tullett to continue to develop as a major independent operator in the IDB market, which Tullett believes, would be welcomed by its client base, many of whom are likely to become shareholders in the Enlarged Group as they are currently shareholders in Tullett. It is intended that a resolution to change Collins Stewart's name will be proposed at the next annual general meeting of Collins Stewart to reflect the change in emphasis of the Enlarged Group's activities. However, it is intended that the Collins Stewart and Tullett names will be retained as the principal trading names for the respective businesses.

Collins Stewart's rationale for making the Offers for Tullett is not reliant upon synergies between Collins Stewart and Tullett within the Enlarged Group, although it is expected that some will be realisable. The Collins Stewart Directors believe there is the potential to improve Tullett's efficiency and operating margins. From early 2003, it is expected that Collins Stewart's QUESTTM Plus project will expand the coverage of Collins Stewart's on-line company evaluation database to cover Asian and North American securities. It is expected that Tullett's operations in Asia and North America will be able to assist in the development of the revenues derived from QUESTTM. Collins Stewart does not currently have any significant ability to execute trades in equities in these regions and does not have a marketing capability to domestic investors based in Asia. The Collins Stewart Directors believe there should also be other opportunities for Collins Stewart to leverage Tullett's infrastructure, technology and client base.

In addition to the strategic rationale for the Offers, it is the view of the Collins Stewart Board that a combination with Tullett will provide a strong initial return on capital for shareholders in the Enlarged Group which should be enhanced once Tullett's existing plans for the development of its profitability and market position are implemented.

11. Information on Collins Stewart

Collins Stewart is a financial services group whose activities span institutional and private client stockbroking, market making, corporate finance, fund management and the supply of on-line financial information. Your attention is drawn to the accompanying Prospectus which sets out in more detail information on Collins Stewart and which should be read in conjunction with this document.

On 10 September 2002, NewMedia SPARK plc ("NewMedia SPARK") announced that it was considering a range of strategic options, one of which was a possible sale of the company, and that discussions were being held in relation to this possibility. Such discussions were at an early stage and it was stated that they may or may not lead to an offer being made for the company.

Collins Stewart confirms that it was in discussions with NewMedia SPARK. Collins Stewart carried out initial due diligence into a possible acquisition of NewMedia SPARK. However, these discussions have not been actively pursued since discussions with Tullett commenced in earnest. Collins Stewart is still considering a transaction with NewMedia SPARK but such a transaction, which would be subject to further due diligence, would not be actively pursued before the date that the Ordinary Offer for Tullett becomes unconditional in all respects or lapses.

12. Financial information on Collins Stewart

Financial information for the Collins Stewart Group for the 12 months ended 31 December 1999, the 6 months ended 30 June 2000, the 51 weeks ended 31 December 2000, the 12 months ended 2001 and for the 6 months ended 30 June 2002 is set out in Part III and Part IV of the accompanying Prospectus.

An estimate of the operating profit of the Collins Stewart Group for the year ended 31 December 2002 is set out in paragraph 15 below.

13. Information on Tullett

Background

Tullett was founded in 1971 and focused during its early years on foreign exchange markets. Following that time, during the 1970's and 1980's, Tullett developed a number of overseas offices. Today it is an IDB operating as an intermediary in the wholesale financial markets by facilitating the trading activities of its clients, in particular, commercial and investment banks. Comparative data about the major industry participants is set out in paragraph 16 of Part IX of the Prospectus. In certain product areas, Tullett's customer base also includes financial institutions and other professional investors.

The Tullett Group has around 1800 staff. Its principal offices are in London, New York, Hong Kong, Singapore, Sydney, Paris, Frankfurt and Toronto. It also has alliances with or investments in IDB businesses in Tokyo, Bahrain, Bangkok, Mumbai and in Latin America. These alliances include a strategic alliance established in 1983 with Tokyo Tanshi, a Japanese IDB, as a result of which Tullett has a 20 per cent. shareholding in Totan Derivatives, a Japanese broker and subsidiary of Tokyo Tanshi. Totan Derivatives and Tokyo Tanshi have an aggregate holding of 28.6 per cent. of Tullett's Ordinary Shares. Tullett's other principal ordinary shareholders are Spütz (11.0 per cent.), Hermes (10.2 per cent.) and Derek Tullett and related interests (8.8 per cent.). A further 16.8 per cent. is held by three other major financial institutions, being Citigroup, Goldman Sachs and Lehman Brothers. Tullett changed its name from Tullett & Tokyo Liberty plc with effect from 29 November 2002.

Tullett's business comprises four major product groups: Fixed Income Securities, Treasury Products, Interest Rate and Credit Derivatives and Equities. Tullett also offers certain cross product packages and arbitrage opportunities for its customers.

Tullett has a "hybrid" model, with its voice broking services being provided to its clients through direct lines to trading desks supported by proprietary screens which display historical data, analytics and real time prices. Tullett brokes a broad range of financial market products on either a "name give up" (where the counter-parties to a transaction settle directly with each other) basis or a "matched principal" (where Tullett is the counter-party to each leg of a transaction) basis. Tullett also collects and distributes price information which it then on-sells to data vendors. In addition, through its Gains subsidiary, Tullett manages the provision of voice and data lines to its own businesses and other market participants. On 22 January 2003, Tullett entered into a conditional contract for the sale of its Gains subsidiary. Further details in relation to the terms of the sale are set out in paragraph 11.2 of Part IX of the Prospectus.

Tullett has developed a proprietary multi-product broking platform, Market:Marker, which supports both Tullett's brokers and clients with capabilities such as on-screen price display, analytics, access to historical price information and automated post-trade feeds.

Tullett's strategy is to broaden and deepen its product base, maintaining its standing in those areas where it has a leading position and developing new product areas, not necessarily limited to the financial markets, where it can leverage its business model, infrastructure, and technology.

Fixed Income Securities

Tullett has a broadly based business in Fixed Income products across North America, Europe and Asia. Tullett's operations cover cash products including US Treasuries, US Government Agencies, US mortgage-backed securities, European Government Bonds and local government bonds, as well as Repos and bond derivatives. Tullett's operations also cover credit products ranging from high grade corporates to high-yield bonds and certain emerging markets bonds.

Treasury Products

Tullett's brokers cover treasury products which embrace the traditional money broking product areas (Foreign Exchange and Cash) as well as Foreign Exchange Forwards (including non-deliverable forwards) and Foreign Exchange Options ("FXOs").

In Spot Foreign Exchange, Tullett provides voice broking services and a rates listening service, which may be accessed via traditional telephone lines and the internet. In the Forward Foreign Exchange market Tullett combines voice broking with an electronic system known as Fast Forwards.

Tullett's Cash business is built around the traditional products of Loans and Deposits and negotiable securities including Certificates of Deposit, Bankers' Acceptances and Commercial paper in G3 and local currency markets, for banking and wholesale financial market users.

Tullett's FXO business is co-ordinated through London, New York, Singapore and Tokyo. Overall product coverage includes the main traded currencies, crosses, emerging markets, currencies and exotic options.

Interest Rate and Credit Derivatives

Tullett's brokers cover derivative products which facilitate the management of interest rate and credit risk. Tullett has a business covering the full yield curve on a multi currency basis. Tullett offers a variety of over the counter (OTC) products, including Forward Rate Agreements, Interest Rate Swaps in all forms (Spread, Coupons and Basis) and Interest Rate Options (Caps, Floors and Swaptions).

Tullett has been involved in the growth of the wholesale market for credit derivatives for approximately five years. Its teams in New York, London and Asia provide pricing, execution and information in a range of

Investment Grade, High Yield and Emerging Market products that include Default Swaps. Tullett uses its network and proprietary database, coupled with its internal access to various credit markets, to provide pricing for credit product structures.

Equities

Tullett's operations in London offer services in European cash equities and equity derivatives. Its multiple exchange memberships (including the London Stock Exchange) ensure that Tullett is positioned to cater for most of its clients' equity trading needs. In addition, Tullett has developed specialist automated trading tools, which execute pairs, risk and arbitrage strategies simultaneously across multiple markets.

Tullett also has a share of the IDB market in European convertible securities. Its proprietary internet-delivered IPO pricing service has approximately 1500 users. Tullett's operations cover both Global Depository Receipts and American Depository Receipts, using the Market:Marker service to distribute price information. The equity option market is covered in terms of major market sectors and single securities from Tullett's London office.

In early 2002, Tullett established a domestic US cash equity business in New York which has 12 brokers.

Energy and Oil

Tullett has a 20 per cent. interest in Natsource LLC ("Natsource"), an energy broker in gas, power and coal, with considerable expertise in the emerging emissions market, which has also established advisory services. Natsource and Tullett have a strategic joint venture in Europe, NTEL Holdings Limited ("NTEL"), which is focused on developing the emissions business throughout Europe and building on its existing consultancy contracts. In May 2002, Tullett acquired the traditional power broking business in Europe from a wholly-owned subsidiary of NTEL and is developing this business in a number of key European markets. The joint venture also owns an energy broker named Natsource Tullett Scandinavia AS in Norway. The energy desk of Tullett Sydney provides a range of broking and information services in the Australian electricity and gas markets, as well as information services in the Australian coal market. It also has the capacity to provide broking services in the Australian coal market.

Tullett, through its joint venture with Starsupply Energy Limited, known as Starsupply Tullett, has an oil broking operation with desks in London and Singapore, specialising in the derivatives markets.

14. Financial information on Tullett

Financial information for the Tullett Group for the three years ended 31 December 1999, 2000 and 2001 and the six months ended 30 June 2002 is set out in Part V of the accompanying Prospectus.

15. Current trading

Collins Stewart

On 2 September 2002, Collins Stewart reported unaudited interim results for the six months ended 30 June 2002. The interim results for this period show profit before tax for the six months to 30 June 2002 of £11.9 million compared with £11.6 million for the same period in 2001.

Although equity market conditions continue to be volatile and difficult, the performance of Collins Stewart has remained resilient, aided by continued strong trading within smaller company corporate finance which has grown in relative importance to the Collins Stewart Group in the period, as shown in the interim results announced in September 2002. Although revenues for the year to 31 December 2002 were below those for the year to 31 December 2001, with stronger margins the Collins Stewart Directors estimate that the operating profit before goodwill amortisation of the Collins Stewart Group for the year ended 31 December 2002 will not be less than £32 million. Letters relating to this profit estimate for the Collins Stewart Group in respect of the year ended 31 December 2002 are set out in full in Part IV of the accompanying Prospectus.

As is widely known, the split capital investment trust sector has been and continues to be the subject of enquiries by the House of Commons, Treasury Select Committee and the FSA since early 2002. The sector has also been the subject of adverse media coverage and legal actions have been threatened and possibly, commenced against certain participants in the sector following serious and widespread falls in share prices.

The principal issues raised have included the effect of high gearing (and in particular high levels of bank debt) within split capital investment trust capital structures, holdings of other split capital investment trust shares within the portfolios of split capital investment trusts which have suffered diminution in value, allegations of market manipulation and abuse, and collusion between split capital investment trust managers. The fact that a relatively small number of participants have been particularly active in the split

capital investment trust sector has fuelled these allegations. There have also been allegations of mis-selling of split capital investment trust shares, and in particular zero dividend preference shares, to retail investors as well as the use of misleading marketing material.

The Collins Stewart Group has been one of the most active participants within the split capital investment trust sector. The Collins Stewart Group currently acts as retained corporate broker and/or financial adviser to 26 split capital investment trusts. Since 1999, the Collins Stewart Group has been sponsor to new and secondary issues by 28 of the split capital investment trusts, raising approximately £2,232,381,000. Members of the Collins Stewart Group also act as investment manager to 6 split capital investment trusts. As is common across the sector, the share price performance of the majority of the split capital investment trusts which the Collins Stewart Group is retained adviser and/or investment manager has been poor when compared with the FTSE All Share Index over the last 2 years and trading in the shares of eight of the split capital investment trusts to which the Collins Stewart Group acted as sponsor, and in one case also as investment manager is now suspended. In addition, some employees of the Collins Stewart Group have served as non-executive directors of split capital investment trusts. Members of the Collins Stewart Group have also sold shares in split capital investment trusts to private clients.

Collins Stewart, in the light of the concerns about the split capital investment trust sector, has conducted an internal review. The result of its review has not led the Collins Stewart Board to believe that the Collins Stewart Group has any material liability in relation to its involvement in split capital investment trusts and the Collins Stewart Board does not currently intend to make any material specific provision in its accounts for the year ended 31 December 2002 in relation to its involvement in split capital investment trusts. On 20 January 2003 Collins Stewart Limited, the Collins Stewart Group's FSA regulated subsidiary, received a notification from the FSA that it was being investigated in connection with its activities in the split capital investment trust sector. In the light of this notification and the widely publicised more general regulatory investigations into the split capital investment trust industry, no assurances can be given that any adverse findings in respect of the Collins Stewart Group's involvement in, or developments in respect of, the split capital investment trust sector would not have a negative impact on the Enlarged Group.

Tullett

Historically, Tullett's annual performance has shown some seasonality with stronger performance normally in the first half of the financial year. The audited results for the six month period to 30 June 2002 set out in Part V of the Prospectus showed that the Tullett Group made a profit before taxation of £19.1 million for the half year. The Tullett Group has continued to trade strongly since that time and, as anticipated, has benefited from the continuing high levels of volatility in a number of key financial markets which the Tullett Group serves.

16. Financing of the Offers

The Partial Cash Alternative in respect of the existing issued ordinary share capital of Tullett is being funded as to approximately 97 per cent. through a cash underpinning arrangement which has been underwritten by HSBC. The remaining cash requirements for the Partial Cash Alternative and the cash requirements for the A Preference Offer and the B Preference Offer are being provided through additional bank facilities made available to Collins Stewart by Bank of Scotland and through Collins Stewart's own existing cash resources. Pursuant to the Cash Underpinning and Cash Placing Agreement, the New Collins Stewart Shares to which Tullett Ordinary Shareholders who validly elect for the Partial Cash Alternative would otherwise have been entitled will be placed by HSBC with institutional investors at a price of 308 pence per New Collins Stewart Share, the same price at which new Collins Stewart Shares are being allotted pursuant to the Placing and Open Offer.

The cash elements of the consideration payable in respect of the Bond Offer and the Option Cancellation Proposal will be funded, as required, out of the proceeds of the Cash Placing which has been underwritten by HSBC. The 1,506,501 New Collins Stewart Shares to be issued pursuant to the Cash Placing will be placed firm by HSBC with institutional investors at a price of 308 pence per New Collins Stewart Share and, assuming the Ordinary Offer becomes unconditional, will be issued by Collins Stewart regardless of whether or not the Bond Offer and the Option Proposals become unconditional or the level of acceptances under them. To the extent that the net proceeds of the Cash Placing exceed the amount required by Collins Stewart to satisfy the cash element of the consideration payable under the Bond Offer and the Option Cancellation Proposal, the balance will be available to Collins Stewart for general working capital purposes.

The Cash Underpinning and Cash Placing Agreement is conditional upon the Ordinary Offer being declared unconditional in all respects (save only for the condition to the Ordinary Offer relating to

Admission). A summary of the terms of the Cash Underpinning and Cash Placing Agreement is set out in paragraph 12.1.2 of Part IX of the Prospectus. A summary of the terms of the additional bank facilities made available to Collins Stewart by Bank of Scotland is set out in paragraph 11.1.1 of Part IX of the Prospectus.

If Collins Stewart becomes entitled to acquire Tullett Securities pursuant to the compulsory acquisition provisions of sections 428 to 430F (inclusive) of the Act, any cash required to satisfy cash elements of the consideration pursuant to the compulsory acquisition provisions will be made available from Collins Stewart's existing resources.

17. The Collins Stewart Placing and Open Offer

Collins Stewart is proposing to redeem its own existing preference share capital through the Placing and Open Offer, which is being conducted simultaneously with the Offers. The Placing and Open Offer and the Offers are not inter-conditional. Further details of the Placing and Open Offer are set out in the accompanying Prospectus.

18. Management and employees

Bruce Collins, Chief Executive of Tullett, Stephen Jack, Group Chief Financial Officer of Tullett and David Clark an independent non-executive director of Tullett have been invited to join the Collins Stewart Board, conditional upon the Ordinary Offer becoming or being declared unconditional in all respects. They have all indicated their intention to accept these appointments.

The non-executive directors of Tullett have agreed that following the Ordinary Offer becoming or being declared unconditional in all respects they will resign from the board of Tullett and as directors of every other company in the Tullett Group. Derek Tullett has also agreed to continue his involvement with the business as President of Tullett.

The board of Collins Stewart has given assurances to the board of Tullett that the existing employment rights, including pension rights, of all employees of the Tullett Group, will be fully safeguarded if the Ordinary Offer becomes or is declared unconditional in all respects.

19. Proposals to Tullett Optionholders

Although no outstanding Tullett Options granted under the Tullett Share Option Plan are currently exercisable, they will become so if the Ordinary Offer becomes or is declared unconditional in all respects and Collins Stewart (and persons who, under the rules of the Tullett Share Option Plan, are deemed to be associates of Collins Stewart) acquires at least 75 per cent. of the Tullett Ordinary Shares then in issue.

Collins Stewart is making, through HSBC, two proposals to Tullett Optionholders, the Option Cancellation Proposal and the Option Exercise Proposal, the details of which are set out below.

Option Cancellation Proposal

Tullett Optionholders who accept the Option Cancellation Proposal will agree to the cancellation of any option or part thereof in respect of which they accept it in consideration of the payments described below and will not be required to pay the option price which would otherwise have been payable in order to exercise any such option.

HSBC, on behalf of Collins Stewart, and subject to the terms and conditions set out in this document and in the Option Proposals Form of Election, offers to Tullett Optionholders in return for the release by such Tullett Optionholders of their options (to the extent not already exercised) consideration on the following basis:

for each Tullett Ordinary Share subject to an option with an option price of 333 pence per Tullett Ordinary Share	239 pence in cash and 0.81 New Collins Stewart Shares
and	
for each Tullett Ordinary Share subject to an option with an option price of 375 pence per Tullett Ordinary Share	219 pence in cash and 0.74 New Collins Stewart Shares

and so in proportion for any other number of options held. Fractions of New Collins Stewart Shares will not be allotted and will be rounded down to the nearest whole number. Fractions of New Collins Stewart Shares not allotted to Tullett Optionholders will be aggregated and sold under the Cash Placing and the

cash equivalent of the relevant Tullett Optionholder's fractional entitlement will then be added to the cash element of the consideration.

The consideration payable pursuant to the Option Cancellation Proposal reflects, in each case, the difference between the relevant option price and the value of the Ordinary Offer, based on the Closing Price of a Collins Stewart Share on 22 January 2003 (the latest practicable date prior to the posting of this document).

Pursuant to the Option Cancellation Proposal, Collins Stewart will withhold from the cash element of the consideration payable to each eligible Tullett Optionholder who validly accepts the Option Cancellation Proposal an amount equal to any Relevant Tax Liabilities. To the extent that such withholding would not provide sufficient cash to satisfy such Relevant Tax Liabilities, Collins Stewart will be authorised to sell such of the New Collins Stewart Shares to which such Tullett Optionholder would otherwise be entitled, so as to realise sufficient cash to satisfy such Relevant Tax Liabilities itself. By accepting the Option Cancellation Proposal, Tullett Optionholders consent for all purposes to such withholdings and/or sales being made on the basis that Collins Stewart undertakes to pay the amount withheld and/or realised to Tullett, and that Tullett undertakes to discharge the said Relevant Tax Liabilities and promptly return to any Tullett Optionholder any surplus monies not required to be paid to the relevant authorities.

The Option Cancellation Proposal with respect to Non-Eligible US Securityholders

Any Tullett Optionholder who is a Non-Eligible US Securityholder accepting the Option Cancellation Proposal will be deemed irrevocably to have authorised Collins Stewart to arrange for the sale or allotment of New Collins Stewart Shares to which such Tullett Optionholder may otherwise be entitled and to remit the cash proceeds of such sale or allotment, in pounds sterling, net of expenses, to such Tullett Optionholder instead. Collins Stewart will have no obligations whatsoever in relation to the timing of such sales or allotments or the price obtained. The sale or allotment of such New Collins Stewart Shares has not been underwritten and the net cash proceeds to be received as a result thereof is uncertain. None of Collins Stewart, its directors or affiliates, or HSBC, its directors or affiliates, shall have any liability to Tullett Optionholders who are Non-Eligible US Securityholders to achieve a particular price per New Collins Stewart Share. The aggregate net cash proceeds of all such sales or allotments will be distributed *pro rata* to the relevant Tullett Optionholders who are Non-Eligible US Securityholders as described in paragraph 8 of Part B of Appendix I to this document.

The Option Cancellation Proposal is conditional, *inter alia*, on the Ordinary Offer becoming or being declared unconditional in all respects. If the Ordinary Offer does not become or is not declared unconditional and lapses, all applications for the Option Cancellation Proposal will lapse and be of no effect.

The Option Cancellation Proposal will be available for acceptance until 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 21 February 2003 and will only be extended beyond that date to the extent that the Ordinary Offer is extended beyond that date. Tullett Optionholders who wish to accept the Option Cancellation Proposal should accordingly complete Part I of the accompanying Option Proposals Form of Election in accordance with the instructions printed thereon and return the same by hand or (during normal business hours) by post to Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent, BR3 4TH or by hand only (during normal business hours) to Capita IRG Plc, Guildhall House, 81-87 Gresham Street, London EC2, in each case as soon as practicable and in any event so as to be received by no later than 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 21 February 2003.

Option Exercise Proposal

As an alternative to the Option Cancellation Proposal, Tullett Optionholders may, if the Ordinary Offer becomes or is declared unconditional in all respects and Collins Stewart (and persons who, under the rules of the Tullett Share Option Plan, are deemed to be associates of Collins Stewart) acquires at least 75 per cent. of the Tullett Ordinary Shares then in issue, exercise all or any part of their options by accepting the Option Exercise Proposal. Tullett Optionholders who exercise their options or any part thereof will be able to accept the Ordinary Offer in respect of the Tullett Ordinary Shares acquired on the exercise of such options in accordance with the terms of the Ordinary Offer. Tullett Optionholders should be aware that in certain jurisdictions (including in the United Kingdom) an election for the Option Exercise Proposal would result in more cash being owed in exercise monies and paid in respect of taxation (including in the UK, National Insurance obligations) than they would receive by accepting the Ordinary Offer and electing for their full entitlement under the Partial Cash Alternative. A summary of the tax implications of accepting

the Option Exercise Proposal for certain UK and US based Tullett Optionholders is set out in Appendix III to this document.

Collins Stewart will withhold from any cash consideration payable under the Ordinary Offer (by virtue of an election or deemed election under the Partial Cash Alternative) to a Tullett Optionholder in respect of Tullett Ordinary Shares acquired under the Option Exercise Proposal an amount equal to the Relevant Tax Liabilities. If the amount which can be withheld from the cash paid is less than any Relevant Tax Liabilities, Collins Stewart will sell sufficient of the New Collins Stewart Shares which the relevant Tullett Optionholder would otherwise receive, to realise the shortfall.

Tullett Optionholders should be aware that if they accept the Option Exercise Proposal, any subsequent acceptance of the Ordinary Offer will only be effective from the date on which (i) the Ordinary Offer becomes or is declared unconditional in all respects and (ii) Collins Stewart (and persons who under the rules of the Tullett Share Option Plan are deemed to be associates of Collins Stewart) acquires control of at least 75 per cent. of the Tullett Ordinary Shares then in issue. It is likely that the Partial Cash Alternative, the Additional Cash Facility and the Loan Note Alternative will have closed on such date and, in those circumstances, any purported election for such alternative(s) or any such facility will be invalid and any such Tullett Optionholder will be deemed to have accepted the Ordinary Offer without any such election(s). If a Tullett Optionholder is deemed to have accepted the Ordinary Offer without such election(s), Collins Stewart will sell sufficient of the New Collins Stewart Shares to which he or she would otherwise be entitled to realise an amount of money equal to the Relevant Tax Liabilities.

Collins Stewart will withhold from any cash consideration payable to a Tullett Optionholder in respect of Tullett Ordinary Shares acquired under the Option Exercise Proposal an amount equal to the Relevant Tax Liabilities. If the amount which can be withheld from any cash paid is less than the Relevant Tax Liabilities, Collins Stewart will sell sufficient of the New Collins Stewart Shares to which the Tullett Optionholder would otherwise be entitled to realise the shortfall.

Any Tullett Optionholder who wishes to exercise his or her option(s) in this way will have to provide a cheque for the option price of the option(s) or part thereof in respect of which the Option Exercise Proposal is accepted.

Tullett Optionholders that are Non-Eligible US Securityholders may not accept the Option Exercise Proposal. Any purported acceptance of the Option Exercise Proposal by a Non-Eligible US Securityholder will be deemed to be an acceptance of the Option Cancellation Proposal instead.

Tullett Optionholders who wish to accept the Option Exercise Proposal should complete Part II of the accompanying Option Proposals Form of Election in accordance with the instructions printed thereon and return the same by hand (during normal business hours only) or by post to Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent, BR3 4TH or by hand only (during normal business hours) to Capita IRG Plc, Guildhall House, 81-87 Gresham Street, London EC2, in each case. The Option Exercise Proposal may only be accepted while the Ordinary Offer remains open for acceptance. Please note that no purported acceptance of the Option Exercise Proposal will be valid unless the Tullett Optionholder sends, with his duly completed Option Proposals Form of Election, a cheque in pounds sterling for the aggregate option price payable on exercise of the options in respect of which the Option Exercise Proposal is accepted. Any acceptance of the Option Exercise Proposal will be treated as invalid (unless Collins Stewart exercises its discretion otherwise) if the cheque for the aggregate option price payable is not honoured on first presentation.

The Option Exercise Proposal is conditional on the Ordinary Offer becoming or being declared unconditional in all respects and on Collins Stewart (and persons who, under the rules of the Tullett Share Option Plan are deemed to be associates of Collins Stewart) acquiring at least 75 per cent. by nominal value of the Tullett Ordinary Shares then in issue. If the Ordinary Offer does not become or is not declared unconditional and lapses, all applications for the Option Exercise Proposal will lapse and be of no effect. In that event, any cheque received with an Option Proposals Form of Election will be returned to the relevant Tullett Optionholder by first class post or airmail at such Tullett Optionholder's own risk.

Please note that if you do not accept either the Option Cancellation Proposal or the Option Exercise Proposal, your options will become exercisable if the Ordinary Offer becomes or is declared unconditional in all respects and Collins Stewart (and persons who under the rules of the Tullett Share Option Plan, are deemed to be associates of Collins Stewart) acquires at least 75 per cent. of the Tullett Ordinary Shares then in issue and may then only be exercised for a period of six months after the Ordinary Offer becomes or is declared unconditional in all respects. After that six month period, your options will lapse and become worthless. Options may lapse earlier if Collins Stewart becomes bound or entitled compulsorily to acquire Tullett Ordinary Shares under the provisions of sections 428 to 430F (inclusive) of the Act.

The attention of Tullett Optionholders is drawn to Part D of Appendix I to this document as well as to Appendix III to this document which sets out some of the tax considerations applicable to Tullett Optionholders who are resident in, or have a registered address in, the United Kingdom or the United States. In particular, Tullett Optionholders who hold options granted under the Approved Plan should note that on the exercise (including accepting the Option Exercise Proposal) of such options, there will be no charge to National Insurance contributions. However, if the Option Cancellation Proposal is accepted in respect of such options, National Insurance contributions (including employer's National Insurance contributions, which the Tullett Optionholder agrees to pay by accepting the Option Cancellation Proposal) will be payable.

Tullett Optionholders should note that if they accept the Option Exercise Proposal, any subsequent acceptance of the Ordinary Offer will only be effective as from the date on which both the Ordinary Offer becomes or is declared unconditional in all respects and Collins Stewart (and persons who, under the rules of the Tullett Share Option plan are deemed to be associates of Collins Stewart) acquires at least 75 per cent. of the Tullett Ordinary Shares then in issue. If on such date, the Partial Cash Alternative, the Additional Cash Facility and the Loan Note Alternative have closed, then any purported election for such alternatives or under such facility will be invalid and such Tullett Optionholders will be deemed to have accepted the Ordinary Offer without any such election.

Tullett Optionholders who are in any doubt as to what action to take should immediately consult an independent professional financial or tax adviser.

20. Merger Agreement

As an inducement to Collins Stewart to make the Offers and under the terms of the Merger Agreement, Tullett has agreed that it will pay Collins Stewart an inducement fee of £2 million in cash (representing approximately 0.8 per cent. of the value of the Offers, based on the Closing Price of a Collins Stewart Share on 22 January 2003 (the latest practicable date prior to the posting of this document)) if the Ordinary Offer is withdrawn or lapses in accordance with its terms due to the Tullett EGM convened for 21 February 2003 failing to pass the resolutions to be proposed thereat.

Under the terms of the Merger Agreement, Collins Stewart has agreed, *inter alia*, in most circumstances to keep the Ordinary Offer open and to extend the closing date(s) for the Ordinary Offer for up to 60 days from the date of this document unless the Ordinary Offer becomes or is declared unconditional in all respects on an earlier date.

Collins Stewart has also agreed that it will pay to Tullett a break fee of £2 million in cash in the event that Collins Stewart's ordinary shareholders do not approve the resolutions necessary for Collins Stewart to implement the Offers which will be proposed at the extraordinary general meeting of Collins Stewart convened for 17 February 2003.

Further details of the Merger Agreement are set out in paragraph 7 of Appendix IV to this document.

21. Taxation

Your attention is drawn to Appendix III to this document which sets out some of the tax considerations applicable to Tullett Securityholders and Tullett Optionholders who are resident in, or have a registered address in, the United Kingdom or the United States. If you are in any doubt as to your own tax position, you should consult an independent professional financial or tax adviser.

22. Overseas Securityholders

The attention of Tullett Securityholders and Tullett Optionholders who are resident in, or have a registered address in, any jurisdiction outside the United Kingdom is drawn to paragraph 8 of Part B, paragraphs 1.5 to 1.7 of Part C and paragraphs 1.10 to 1.12 and 2.12 to 2.14 of Part D of Appendix I to this document, the relevant notices on pages 2 to 4 of this document and to the relevant provisions of the Forms of Acceptance and the Option Proposals Form of Election.

The availability of the Offers (including the alternatives available thereto and the elections thereunder) and Option Proposals to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements.

United States

Tullett Securityholders and Tullett Optionholders who are residents of or have registered addresses in the United States may participate in the Offers and the Option Proposals, but may not elect for the Loan Note Alternative.

Neither the New Collins Stewart Shares nor the Loan Notes have been and nor will they be registered under the US Securities Act or under the securities laws of any state of the United States. The New Collins Stewart Shares will only be offered or sold in the United States to Accredited Investors in reliance on an exemption from the registration requirements of the US Securities Act. Accordingly, no New Collins Stewart Shares or Loan Notes will be delivered to any Tullett Securityholder or Tullett Optionholder resident of or with a registered address in the United States unless, in the case of New Collins Stewart Shares, such Tullett Securityholder or Tullett Optionholder is an Eligible US Securityholder (that is, an Accredited Investor) and satisfies Collins Stewart, in its sole discretion, that an exemption from the registration requirements of the US Securities Act is available by delivering an Investor Letter (in the form which is being sent with this document to Tullett Securityholders with registered addresses in the United States) and such other evidence as Collins Stewart may request. New Collins Stewart Shares delivered to Eligible US Securityholders will be subject to restrictions on transfer. Certificates issued to Eligible US Securityholders in respect of the New Collins Stewart Shares will bear a restrictive legend until such time as Collins Stewart, in its sole discretion, determines that such legend is no longer required. **Tullett Securityholders resident in, or with a registered address in, the United States who are Accredited Investors should contact the Receiving Agents, Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TH or by telephone on 0870 162 3100 (or if calling from outside the UK, on +44 20 8639 2157) to determine whether and how such persons might receive New Collins Stewart Shares.**

Any Non-Eligible US Securityholder accepting the Ordinary Offer, the Bond Offer or the Option Cancellation Proposal will be deemed to have (i) elected for the maximum entitlement under the Partial Cash Alternative in respect of the Ordinary Offer (if still open); and (ii) irrevocably authorised Collins Stewart to arrange for the sale or allotment of New Collins Stewart Shares to which such Non-Eligible US Securityholder may otherwise be entitled (other than those New Collins Stewart Shares subject to the deemed election in respect of the Partial Cash Alternative in connection with the Ordinary Offer) and to remit the cash proceeds, in pounds sterling, of such sale or allotment, net of expenses, to such Non-Eligible US Securityholder instead as described in paragraph 8.2(b) of Part B of Appendix I to this document. Save as required by regulation, Collins Stewart will have no obligations whatsoever in relation to the timing of such sales or allotments or the price obtained. The sale or allotment of such New Collins Stewart Shares has not been underwritten and the net cash proceeds to be received as a result thereof is uncertain and may differ from the cash amount per New Collins Stewart Share that will be received under the Partial Cash Alternative. None of Collins Stewart, its directors or affiliates, or HSBC, its directors or affiliates shall have any liability to Non-Eligible US Securityholders to achieve a particular price per New Collins Stewart Share (other than those New Collins Stewart Shares subject to the deemed election in respect of the Partial Cash Alternative). The aggregate net cash proceeds of all such sales or allotments will be distributed *pro rata* to each such Non-Eligible US Securityholder

Non-Eligible US Securityholders will not be able to make an election under the Bond Offer Additional Share Facility, or to receive the Further Payment under the A Preference Offer in the form of new Collins Stewart Shares, or to make an election under the Additional Cash Facility or to accept the Option Exercise Proposal.

23. Procedures for acceptance

This section should be read in conjunction with the notes and instructions on the Forms of Acceptance and (where relevant) the Option Proposals Form of Election.

(a) Completion of the Forms of Acceptance

You should note that you should complete separate Forms of Acceptance for each class of Tullett Security held and, where relevant, for Tullett Securities held under different designations. **Additional Forms of Acceptance are available from Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TH or by telephone on 0870 162 3100 (or, if calling from outside the UK, on +44 20 8639 2157).**

(i) To accept the Ordinary Offer in respect of all your Tullett Ordinary Shares

To accept the Ordinary Offer in respect of all your Tullett Ordinary Shares, you must complete Boxes 1, 6, and 7 of the white Form of Acceptance. In all cases you must date and sign Box 5 of the white Form of Acceptance in the presence of a witness, who should also sign Box 5 of the white Form of Acceptance in accordance with the instructions thereon.

(ii) *To elect for the Partial Cash Alternative to the Ordinary Offer*

To elect for the Partial Cash Alternative in respect of all or any of the Tullett Ordinary Shares in respect of which you have accepted the Ordinary Offer, you must complete Box 2 of the white Form of Acceptance in addition to taking the action described in paragraph (i) above.

You should insert in Box 2 of the white Form of Acceptance the number of Tullett Ordinary Shares in respect of which you wish to elect for the Partial Cash Alternative. If you wish to maximise the cash you receive under the Ordinary Offer, you should insert "ALL" in Box 2 of the white Form of Acceptance or the number you have inserted in Box 1.

If you insert a number in Box 2, the amount of cash you will receive as a result of your election for the Partial Cash Alternative will be equal to the number you insert or are deemed to have inserted in Box 2 multiplied by 400 pence.

Non-Eligible US Securityholders will be deemed to have elected for the maximum entitlement under the Partial Cash Alternative (if still open).

(iii) *To make an election for additional cash under the Additional Cash Facility*

To make an election for additional cash under the Additional Cash Facility in respect of all or any of the Tullett Ordinary Shares in respect of which you have elected for the Partial Cash Alternative, you must complete Box 3 of the white Form of Acceptance in addition to taking the action described in paragraphs (i) and (ii) above. If you wish to maximise the additional cash to which you may become entitled under the Additional Cash Facility, you should insert "ALL" in Box 2 and Box 3 of the white Form of Acceptance.

You may only make an election under the Additional Cash Facility if you have elected for the Partial Cash Alternative in respect of all of the Tullett Ordinary Shares which you have assented to the Ordinary Offer.

If you insert a number in Box 3, the amount of cash you will (subject to availability) receive as a result of your election under the Additional Cash Facility will be equal to the number you insert or are deemed to have inserted in Box 3 multiplied by 400 pence.

Satisfaction of elections under the Additional Cash Facility will depend on the extent to which elections for the Partial Cash Alternative are not made by other Tullett Ordinary Shareholders and accordingly may not be satisfied in full or at all.

You should note that, when completing the white Form of Acceptance, you should not make an election under the Additional Cash Facility with a view to increasing the number of New Collins Stewart Shares you receive under the Ordinary Offer. If you wish to maximise the number of New Collins Stewart Shares you receive under the Ordinary Offer, you should accept the Ordinary Offer but not make any election for the Partial Cash Alternative or under the Additional Cash Facility.

Non-Eligible US Securityholders will not be able to make an election under the Additional Cash Facility and any purported election will be invalid.

(iv) *To accept the Bond Offer in respect of all your Tullett Bonds*

To accept the Bond Offer in respect of all your Tullett Bonds, you must complete Boxes 1, 4 and 5 of the pink Form of Acceptance. You should specify in Box 1 whether your Tullett Bonds are denominated in pounds sterling or US dollars and if you do not do so, the denomination shall be deemed to be that in which your Tullett Bonds are recorded on the register of Tullett Bonds. In all cases, you must date and sign Box 3 of the pink Form of Acceptance in the presence of a witness, who should also sign Box 3 of the pink Form of Acceptance in accordance with the instructions thereon.

(v) *To make an election for additional New Collins Stewart Shares under the Bond Offer Additional Share Facility*

To elect to receive New Collins Stewart Shares instead of all (but not part only) of your entitlement to cash (after withholding in respect of Relevant Tax Liabilities under the Bond Offer) you should insert a tick in Box 2 of the pink Form of Acceptance in addition to taking the action described in paragraph (iv) above.

Non-Eligible US Securityholders will not be able to make an election under the Bond Offer Additional Share Facility and any purported election will be invalid.

(vi) To accept the A Preference Offer in respect of all your Tullett A Preference Shares

To accept the A Preference Offer in respect of all your Tullett A Preference Shares, you must complete Boxes 1, 5 and 6 on the blue Form of Acceptance. If you wish to receive the Further Payment under the A Preference Offer in the form of new Collins Stewart Shares, you should tick Box 3. If you wish to receive the Further Payment in cash, you MUST NOT insert a tick in Box 3. Non-Eligible US Securityholders will not be able to elect to receive the Further Payment under the A Preference Offer in the form of new Collins Stewart Shares and any purported election will be invalid. In all cases, you must date and sign Box 4 of the blue Form of Acceptance in the presence of a witness, who should also sign Box 4 of the blue Form of Acceptance in accordance with the instructions thereon.

(vii) To accept the B Preference Offer in respect of all of your Tullett B Preference Shares.

To accept the B Preference Offer in respect of all of your Tullett B Preference Shares, you must complete Boxes 1, 4 and 5 of the green Form of Acceptance. In all cases you must date and sign Box 3 of the green Form of Acceptance in the presence of a witness, who should also sign Box 3 of the green Form of Acceptance in accordance with the instructions thereon.

(viii) To elect for the Loan Note Alternative

To elect for the Loan Note Alternative in respect of some or all of your entitlement to cash under the Ordinary Offer (by virtue of an election under the Partial Cash Alternative or Additional Cash Facility) or under the A Preference Offer or B Preference Offer, you must complete the appropriate Box on the relevant Form(s) of Acceptance (being, in the case of Ordinary Offer, Box 4A of the white Form of Acceptance and, in the case of the A Preference Offer and the B Preference Offer, Box 2 of the blue Form of Acceptance and Box 2 of the green Form of Acceptance, respectively) in addition to taking the action described in paragraphs (i) to (vii) above.

If you are a Tullett Ordinary Shareholder who has made an election to receive additional cash under the Additional Cash Facility and you wish to receive Loan Notes in lieu of all (but not part only) of any additional cash allocated to you under the Additional Cash Facility, you may elect to do so by inserting a tick in Box 4B on the white Form of Acceptance.

Tullett Securityholders who are residents in, or who have a registered address in, a jurisdiction outside the United Kingdom may not elect for the Loan Note Alternative and any purported election will be invalid.

(ix) US Securityholders

If you are a US Securityholder, you should read paragraph 8.2 of Part B of Appendix I to this document to ascertain whether you may be an Eligible US Securityholder or whether you are a Non-Eligible US Securityholder and thereafter complete Box 7 of the white Form of Acceptance, Box 5 of the pink Form of Acceptance or Box 6 of the blue Form of Acceptance, as applicable.

If you are an Eligible US Securityholder seeking to accept the Offers, you should mark “Yes” in Box 7B of the white Form of Acceptance, Box 5B pink Form of Acceptance or Box 6B of the blue Form of Acceptance as appropriate and deliver a completed Investor Letter (in the form which is being sent with this document to Tullett Securityholders with registered addresses in the United States) to Collins Stewart, through the Receiving Agent, with your completed Form(s) of Acceptance. Subject to Collins Stewart’s satisfaction, in its sole discretion, that an applicable exemption under the US Securities Act is available, you will be entitled to receive New Collins Stewart Shares.

If you are a Non-Eligible US Securityholder seeking to accept the Ordinary Offer and/or the Bond Offer and/or the A Preference Offer, you must mark “No” in Box 7B of the white Form of Acceptance and/or Box 5B of the pink Form of Acceptance and/or Box 6B of the blue Form of Acceptance, as applicable, and you will be deemed to have (i) with respect to the Ordinary Offer, elected for the maximum entitlement under the Partial Cash Alternative (if still open); and (ii) with respect to the Ordinary Offer and the Bond Offer, irrevocably authorised Collins Stewart to arrange for the sale or allotment of New Collins Stewart Shares (other than those New Collins Stewart Shares which are sold under the cash underpinning arrangements as a result of the deemed election in respect of the Partial Cash Alternative) to which you would otherwise have been entitled and to remit the cash proceeds net of expenses of such sale or

allotment, in pounds sterling, to you instead as described in paragraph 8.2(b) of Part B of Appendix I to this document. Non-Eligible US Securityholders may not elect to receive the Further Payment under the A Preference Offer in the form of new Collins Stewart Shares.

If you do not mark Boxes 7A and 7B of the white Form of Acceptance, Boxes 5A and 5B of the Pink Form of Acceptance or Boxes 6A and 6B of the blue Form of Acceptance, you shall be treated in the same manner as you would be if you were a Non-Eligible US Securityholder and you will be deemed to have (i) with respect to the Ordinary Offer, elected for the maximum entitlement under the Partial Cash Alternative (if still open); and (ii) with respect to the Ordinary Offer and the Bond Offer, irrevocably authorised Collins Stewart to arrange for the sale or allotment of New Collins Stewart Shares (other than those New Collins Stewart Shares subject to the deemed election in respect of the Partial Cash Alternative) to which you would otherwise have been entitled and to remit the cash proceeds net of expenses of such sale or allotment, in pounds sterling, to you instead as described in paragraph 8.2(b) of Part B of Appendix I to this document. Additionally, you will not be able to elect to receive the Further Payment under the A Preference Offer in the form of new Collins Stewart Shares.

If you have any questions as to how to complete the Forms of Acceptance, please telephone Capita IRG Plc on telephone number 0870 162 3100 or from outside the UK on +44 20 8639 2157. Please note that Capita IRG Plc will be unable to advise you on whether or not to accept the Offers or on whether or not to make an election for new Collins Stewart Shares in respect of the Further Payment under the A Preference Offer, for the Partial Cash Alternative or the Loan Note Alternative, or under the Additional Cash Facility or the Bond Offer Additional Share Facility (where relevant).

(b) *Completion of the Option Proposals Form of Election*

If you are a Tullett Optionholder and you wish to accept either or both of the Option Proposals in respect of any of your Tullett Options, you should complete Part I (with respect to the Option Cancellation Proposal) and/or Part II (with respect to the Option Exercise Proposal) of the Option Proposals Form of Election. If you hold options at different exercise prices, you should complete separate Option Proposals Forms of Election in respect of each holding of the options at each of the different exercise prices.

All Tullett Optionholders wishing to accept either or both of the Option Proposals must tick the appropriate box of paragraph 3 of Part I and/or Part II, as applicable, of the Option Proposals Form of Election. If you are a Tullett Optionholder resident in, or with a registered address in, the United States and you wish to accept either or both of the Option Proposals, you should read paragraph 8.2 of Part B of Appendix I to this document to ascertain whether you may qualify as an Eligible US Securityholder or whether you are a Non-Eligible US Securityholder.

If you are an Eligible US Securityholder seeking to accept either or both of the Option Proposals, you should insert a tick in Box B in paragraph 3 of Part I and/or Part II, as applicable, of the Option Proposals Form of Election and deliver a completed Investor Letter (in the form which is being sent with this document to Tullett Securityholders with registered addresses in the United States) to the Receiving Agent with your completed Option Proposals Form of Election. Provided that Collins Stewart is satisfied, in its sole discretion, that an applicable exemption under the US Securities Act is available, you will be entitled to receive the New Collins Stewart Shares.

If you are a Non-Eligible US Securityholder seeking to accept the Option Cancellation Proposal, you must insert a tick in Box C in paragraph 3 of Part I of the Option Proposals Form of Election and you will be deemed to have irrevocably authorised Collins Stewart to arrange for the sale or allotment of New Collins Stewart Shares to which you would have otherwise been entitled and have authorised Collins Stewart to remit the cash proceeds net of expenses of such sale or allotment, in pounds sterling, to you instead as described in paragraph 8.2(b) of Part B of Appendix I to this document.

If you are a Tullett Optionholder and you wish to accept the Option Exercise Proposal, you should complete Part II of the Option Proposals Forms of Election and follow the procedures set out in paragraph 23(a)(i) of this letter and the Option Proposal Form of Election. Tullett Optionholders who are Non-Eligible US Securityholders may not accept the Option Exercise Proposal. Any purported acceptance of the Option Exercise Proposal by a Non-Eligible US Securityholder will be deemed to be an acceptance of the Option Cancellation Proposal instead.

You should note that if you accept the Option Exercise Proposal, any subsequent acceptance of the Ordinary Offer will only be effective as from the date on which both the Ordinary Offer becomes or is declared unconditional in all respects and Collins Stewart (and persons who, under the Rules of the Tullett Share Option plan are deemed to be associates of Collins Stewart) have acquired control of at

least 75 per cent. of the nominal value of the Tullett Ordinary Shares then in issue. If on such date, the Partial Cash Alternative, the Additional Cash Facility and the Loan Note Alternative have closed, then any purported election for such alternatives or under such facility will be invalid and you will be deemed to have accepted the Ordinary Offer without any such election.

If you have any questions as to how to complete the Option Proposals Form of Election, please telephone Capita IRG Plc on telephone number 0870 162 3100 or if calling from outside the UK on +44 20 8639 2157. Please note that Capita IRG Plc will be unable to advise you on whether or not to accept the Option Proposals or which of them to accept.

(c) Return of the Forms of Acceptance and (where relevant) Option Proposals Form of Election

To accept the Offers, or either of the Option Proposals, complete and sign the Forms of Acceptance or Option Proposals Form of Election and return them by post or (during normal business hours only) by hand to Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TH or by hand only during normal business hours to Capita IRG Plc at Guildhall House, 81-87 Gresham Street, London EC2 together with the relevant share or bond or option certificate(s) and/or other document(s) of title for your Tullett Securities or Tullett Options as soon as possible, **but in any event so as to arrive no later than 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 21 February 2003.** If you are accepting the Option Exercise Proposal, you should include remittance in the form of a cheque drawn on a clearing bank in the UK in pounds sterling made payable to Tullett plc for the aggregate option exercise price. A reply-paid envelope for use in the UK only is enclosed for your convenience. No acknowledgement of receipt of documents will be given by or on behalf of Collins Stewart. The instructions printed on the Forms of Acceptance and on the Option Proposals Form of Election are deemed to form part of the terms of the Offers and/or, where relevant, the Option Proposals.

(d) Documents of Title

Your completed and signed Form(s) of Acceptance or Option Proposals Form of Election should be accompanied by the relevant share or bond certificate(s), option certificate(s) and/or other document(s) of title. If for any reason the relevant share or bond certificate(s), option certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, you should nevertheless complete, sign and lodge the Forms of Acceptance and (if applicable) Option Proposals Form of Election as stated in paragraph (c) above so as to be received by Capita IRG Plc not later than 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 21 February 2003, and you should arrange for the relevant share or bond certificate(s), option certificate(s) and/or other document(s) of title to be forwarded as soon as possible thereafter. The completed Forms of Acceptance, and (if applicable) Option Proposals Form of Election together with any share or bond certificate(s), option certificate(s) and/or other document(s) of title which you have available and cheque (if required), should be lodged with Capita IRG Plc accompanied by a letter stating that the balance will follow as soon as possible or that you may have lost one or more of your share or bond certificate(s), option certificate(s) and/or other document(s) of title. In the case of loss, you should then immediately contact Tullett's Company Secretary, Chris Burt, at Cable House, 54-62 New Broad Street, London EC2M 1JJ to request a letter of indemnity for lost share or bond certificate(s), option certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned by post to Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TH.

(e) Validity of acceptances and elections

Without prejudice to Part B of Appendix I to this document, Collins Stewart and HSBC as its agents reserve the right, subject to the City Code, to treat as valid in whole or in part any acceptance of the Offers or the Partial Cash Alternative, the Additional Cash Facility, the Bond Offer Additional Share Facility, the Loan Note Alternative or any elections under the Option Proposals which is not entirely in order or which is not accompanied by the relevant share or bond certificate(s), option certificate(s) and/or other document(s) of title and cheque (if required). In that event, no allotment of New Collins Stewart Shares or Loan Notes or payment of cash under the Offers or the Partial Cash Alternative, the Loan Note Alternative, the Additional Cash Facility, the Bond Offer Additional Share Facility or under the Option Proposals will be made until after the acceptance or election is entirely in order and (as applicable) the relevant share certificate(s), bond certificate(s), option certificate(s) and/or other document(s) of title or indemnities and cheque (if required) satisfactory to Collins Stewart have been received.

(f) General

If you are in any doubt as to the procedures for acceptance, please contact Capita IRG Plc by telephone on 0870 162 3100 or if calling from outside the UK on +44 20 8639 2157. Please note that Capita IRG Plc will be unable to advise you whether or not to accept the Offers or the Option Proposals or make an election (if eligible) for the Partial Cash Alternative or the Loan Note Alternative or under the Additional Cash Facility or the Bond Offer Additional Share Facility or for new Collins Stewart Shares in respect of the Further Payment under the A Preference Offer. If you are in any doubt as to the action you should take, you are recommended immediately to seek your own independent professional financial advice.

24. Settlement

Subject to the relevant Offers becoming or being declared unconditional in all respects (except as provided in paragraph 8 of Part B of Appendix I to this document in the case of certain Overseas Securityholders), settlement of the consideration to which any accepting Tullett Securityholder or Tullett Optionholder is entitled will be effected:

- (i) in the case of acceptances received, complete in all respects, by the date on which the relevant Offer becomes or is declared unconditional in all respects, promptly, but in any event within 5 Business Days of such date; or
- (ii) in the case of acceptances received, complete in all respects, after such date but while the relevant Offer remains open for acceptance, promptly, but in any event within 5 Business Days of such receipt, in the following manner:
 - (a) the New Collins Stewart Shares to which an accepting Tullett Securityholder or Tullett Optionholder is entitled will be issued to such accepting person in certificated form. A definitive certificate for the New Collins Stewart Shares will be despatched to such Tullett Securityholder or Tullett Optionholder by first class post or airmail (or by such other method as may be approved by the Panel); and
 - (b) a cheque for any cash consideration and a definitive certificate for any Loan Notes to which an accepting Tullett Securityholder may be entitled will be despatched to such Tullett Securityholder by first class post or air mail (or by such other method as may be approved by the Panel).

If any of the Offers do not become or are not declared unconditional in all respects, share, bond and option certificate(s) and/or other document(s) of title will be returned by first class post or airmail (or by such other method as may be approved by the Panel), promptly, but in any event within 5 Business Days of the relevant Offer or Option Proposal lapsing to the person or agent whose name and address is set out in the relevant Forms of Acceptance or Option Proposals Form of Election or, if none is set out, to the first named holder at his, her or its registered address. All documents and remittances sent by, to or from Tullett Securityholders or Tullett Optionholders or their agents will be sent at their own risk.

Certificates in respect of New Collins Stewart Shares sent to Eligible US Securityholders are subject to certain transfer restrictions and will bear the legend described in paragraph 8.2 of Part B of Appendix I to this document.

25. Compulsory acquisition of Tullett Ordinary Shares

If acceptances are received under the Ordinary Offer in respect of, and/or Collins Stewart or persons acting in concert with Collins Stewart otherwise acquire, 90 per cent. or more of the Tullett Ordinary Shares to which the Ordinary Offer relates, Collins Stewart will be entitled, and intends, to exercise its rights pursuant to the provisions of sections 428 to 430F (inclusive) of the Act to acquire compulsorily the remaining Tullett Ordinary Shares.

26. Admission of the New Collins Stewart Shares

Application has been made for the New Collins Stewart Shares to be allotted pursuant to the Offers (save in respect of the Further Payment) and the Option Cancellation Proposal to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities.

It is expected that Admission will become effective and dealings in respect of the New Collins Stewart Shares which are due to be allotted at the time the Ordinary Offer becomes or is declared unconditional in all respects will commence upon issue on the first dealing day following the day on which the Ordinary Offer becomes or is declared unconditional in all respects (save only for the condition relating to

Admission). Dealings will be for normal settlement. Pending the issue of definitive certificates for the New Collins Stewart Shares, transfers will be certified against the register held by the Collins Stewart registrar. No temporary documents of title in respect of the New Collins Stewart Shares will be issued. The New Collins Stewart Shares will not be available to the public in conjunction with the application except by way of valid acceptance of the Offers and the Option Cancellation Proposal or pursuant to the Placing and Open Offer.

No application is being made for the Loan Notes to be admitted to the Official List or to trading on the London Stock Exchange or to any other recognised investment exchange.

27. Further information

Your attention is drawn to the conditions and further terms of the Offers and the Option Proposals set out in Appendix I to this document and in the accompanying Forms of Acceptance and Option Proposals Form of Election and to the other information set out in Appendices II, III and IV to this document and to the information contained in the Prospectus.

28. Action to be taken

To accept the Offers (including making any elections (if eligible) for the Partial Cash Alternative, the Loan Note Alternative, the Additional Cash Facility or the Bond Offer Additional Share Facility and any elections to receive (if eligible) new Collins Stewart Shares in respect of the Further Payment under the A Preference Offer), the relevant Forms of Acceptance must be completed and returned. To accept the Option Proposals, the Option Proposals Form of Election must be completed and returned. Forms of Acceptance and Option Proposals Forms of Election should be returned as soon as possible, and, in any event, so as to be received by post or by hand (during normal business hours), to Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TH or, by hand only, (during normal business hours) to Capita IRG Plc at Guildhall House, 81-87 Gresham Street, London EC2, by not later than 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 21 February 2003.

You are also urged to return duly completed proxies voting in favour of the resolutions to be proposed at the Tullett EGM and the separate class meetings of the Tullett A Preference Shares and the Tullett B Preference Shares in the manner set out in the Tullett Circular.

Yours faithfully

for and on behalf of
HSBC Bank plc

Edward Williams

Managing Director – Corporate Finance and Advisory

APPENDIX I

CONDITIONS AND FURTHER TERMS OF THE OFFERS

PART A: Conditions of the Offers

1. Conditions of the Ordinary Offer

The Ordinary Offer is subject to the following conditions:

- (a) valid acceptances being received (and not, where permitted, withdrawn) by 3.00 p.m. (London time) 10.00 a.m. (New York City time) on the First Closing Date (or such later time(s) and/or date(s) as Collins Stewart may, subject to the rules of the City Code, decide), in respect of not less than 90 per cent. (or such lesser percentage as Collins Stewart may decide) of the Tullett Ordinary Shares to which the Ordinary Offer relates, provided that this condition shall not be satisfied unless Collins Stewart and/or its wholly owned subsidiaries shall have acquired or agreed to acquire, whether pursuant to the Ordinary Offer or otherwise, Tullett Ordinary Shares carrying, in aggregate, more than 50 per cent. of the voting rights then normally exercisable at general meetings of Tullett, including for this purpose (to the extent, if any, required by the Panel) any such voting rights attaching to any Tullett Ordinary Shares that are unconditionally allotted or issued before the Ordinary Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any subscription rights, conversion rights or otherwise. For the purposes of this condition:
 - (i) the expression “Tullett Ordinary Shares to which the Ordinary Offer relates” shall be construed in accordance with sections 428 to 430F (inclusive) of the Companies Act 1985; and
 - (ii) Tullett Ordinary Shares which have been unconditionally allotted shall be deemed to carry the voting rights which they will carry on issue;
- (b) the passing at an extraordinary general meeting of Collins Stewart (or at any adjournment thereof) of such resolution or resolutions as may be necessary to approve, effect and implement or authorise the implementation of the Ordinary Offer;
- (c) the passing at the Tullett EGM (or any adjournment thereof) of such resolution or resolutions as may be necessary to permit Collins Stewart to acquire the Tullett Ordinary Shares to which the Ordinary Offer relates free of all rights of pre-emption pursuant to the Tullett Articles or otherwise, and authorise and permit the registration of Collins Stewart as holder of all Tullett Ordinary Shares to which the Ordinary Offer relates which are acquired pursuant to the Ordinary Offer.
- (d) the admission to the Official List of the New Collins Stewart Shares (or such of them as are due to be allotted at the time the Ordinary Offer becomes or is declared unconditional in all other respects) becoming effective in accordance with the Listing Rules and the admission of such shares to trading on the London Stock Exchange’s market for listed securities becoming effective or (if determined by Collins Stewart and subject to the consent of the Panel) the UK Listing Authority agreeing to admit such shares to the Official List and the London Stock Exchange agreeing to admit such shares to trading subject only to (i) the allotment of such shares and/or (ii) the Ordinary Offer becoming or being declared unconditional in all respects;
- (e) the Financial Services Authority (“FSA”) having notified Collins Stewart in writing in terms satisfactory to Collins Stewart and Tullett that it does not object to any person who will, pursuant to the Ordinary Offer and/or pursuant to the acquisition or proposed acquisition of any shares in or control of, Tullett by Collins Stewart, become a controller of Starsupply Tullett Energy Limited for the purposes of the Financial Services and Markets Act 2000, or the period allowed under that Act for the FSA to notify any objection to any such person becoming a controller having expired without notification of such objection;
- (f) the Hong Kong Monetary Authority having confirmed in writing in terms satisfactory to Collins Stewart and Tullett that it does not object to any person who will, pursuant to the Ordinary Offer and/or pursuant to the acquisition or proposed acquisition of any shares in or control of, Tullett by Collins Stewart, become a controller of Tullett Liberty (Hong Kong) Limited (formerly known as Tullett & Tokyo Liberty Limited) for the purposes of the Banking Ordinance (Cap. 155 of the Laws of Hong Kong);
- (g) the National Association of Securities Dealers of the United States (“NASD”) having notified each of Tullett Liberty Brokerage Inc, Tullett Liberty Securities Inc, and Praxis Capital Inc in writing in terms satisfactory to Collins Stewart and Tullett that it grants its approval to each such person to

continue to act as a broker-dealer following the acquisition by Collins Stewart of any shares in, or control of, Tullett pursuant to the Offers, under the US Exchange Act and applicable NASD rules;

- (h) the Office of Fair Trading indicating, in terms satisfactory to Collins Stewart and Tullett, that it is not the intention of the Secretary of State for Trade and Industry to refer the proposed acquisition of Tullett by Collins Stewart, or any matters arising therefrom, to the Competition Commission, or the Secretary of State for Trade and Industry accepting undertakings from Collins Stewart in relation to the proposed acquisition of Tullett by Collins Stewart instead of referring it to the Competition Commission;
- (i) all filings having been made and all or any appropriate waiting periods under the United States Hart-Scott-Rodino Anti-trust Improvements Act of 1976, as amended, and the regulations thereunder having expired, lapsed or been terminated as appropriate, in each case in respect of the Offers and the proposed acquisition of any shares in, or control of, Tullett by Collins Stewart;
- (j) no government or governmental, quasi-governmental, supranational, statutory or regulatory or investigative body or trade agency, professional body, association, institution or environmental body or any court or other body or person whatsoever in any jurisdiction (each a “Relevant Authority”) having instituted, implemented, or threatened, or having decided to take, institute or threaten, any action, proceedings, suit, investigation, enquiry or reference or having enacted, made or proposed any statute, regulation or order or decision or taken any other steps and there not continuing to be outstanding any statute, regulation, order or decision that would or might reasonably be expected to:
 - (i) make the Ordinary Offer or the acquisition or proposed acquisition by Collins Stewart or any member of the Collins Stewart Group of any Tullett Ordinary Shares, or the acquisition or proposed acquisition by Collins Stewart or any member of the Collins Stewart Group of any shares in or control of Tullett, void, unenforceable or illegal or directly or indirectly restrict, prohibit, delay or otherwise interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise challenge the Ordinary Offer or the acquisition of any Tullett Securities or the acquisition of control of Tullett or otherwise require material amendment to the terms of the Ordinary Offer;
 - (ii) require or prevent or materially delay a divestiture by any member of the Collins Stewart Group of any Tullett Ordinary Shares;
 - (iii) require or prevent or materially delay the divestiture or alter the terms of any proposed divestiture by any member of the Wider Collins Stewart Group or by the Wider Tullett Group of all or any substantial part of their respective businesses, assets or property or impose any material limitation on the ability of any of them to conduct all or any portion of their respective businesses or to own all or any portion of their respective assets or property to an extent which in each case would be material in the context of the Wider Tullett Group taken as a whole or the Wider Collins Stewart Group taken as a whole, as appropriate;
 - (iv) impose any material limitation on the ability of the Wider Collins Stewart Group or of the Wider Tullett Group to acquire or hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or loans or securities convertible into shares or the equivalent in any member of the Wider Tullett Group or the Wider Collins Stewart Group respectively or to exercise management control over any such member to an extent which is material in the context of the Wider Collins Stewart Group taken as a whole or, as the case may be, the Wider Tullett Group taken as a whole;
 - (v) other than pursuant to the Offers require any member of the Wider Collins Stewart Group or any member of the Wider Tullett Group to offer to acquire directly or indirectly any shares in any member of the Wider Tullett Group owned by any third party; or
 - (vi) affect materially and adversely the business, assets, profits or prospects of any member of the Wider Collins Stewart Group or any member of the Wider Tullett Group to an extent which is material in the context of respectively the Wider Collins Stewart Group taken as a whole or the Wider Tullett Group taken as a whole;

and all applicable waiting and other time periods during which any such Relevant Authority could decide to take, institute, implement or threaten any such action, proceedings, suit, investigation, enquiry or reference under the laws of any relevant jurisdiction having expired, lapsed or been terminated;

- (k) all necessary filings having been made in respect of the Ordinary Offer and all required authorisations, orders, grants, recognitions, confirmations, consents, clearances, licences,

permissions, exemptions and approvals (“authorisations”) necessary or appropriate or required for or in respect of the Offers (including, without limitation, its implementation and financing (which term includes, without limitation, any borrowing of any moneys, the entry into of any underwriting agreements, the giving of any guarantee or security and the investment of the proceeds thereof or any other moneys by any member of the Collins Stewart Group in the Tullett Group and Collins Stewart’s investment in Tullett Securities)) or the proposed acquisition of all or any shares in, or control of, Tullett by the Collins Stewart Group having been obtained on terms and in a form reasonably satisfactory to Collins Stewart from all appropriate Relevant Authorities with whom any member of the Collins Stewart or Tullett Group has entered into contractual arrangements, in each case where the absence of such would have a material adverse effect on the Wider Collins Stewart Group taken as a whole or the Wider Tullett Group taken as a whole, as the case may be, and all such authorisations remaining in full force and effect at the time at which the Ordinary Offer becomes otherwise unconditional in all respects (save only as regards satisfaction of the condition of the Ordinary Offer relating to Admission) and no intimation or notice of any intention to revoke, suspend, restrict, modify or not renew any of the same having been received and all necessary filings having been made and all appropriate waiting periods (including any extension thereof) under any applicable legislation and regulations in any jurisdiction having expired, lapsed or been terminated, in each case as may be necessary in connection with the Offers or the proposed acquisition of all or any shares in, or control of Tullett, by the Collins Stewart Group under the laws or regulations of any relevant jurisdiction and all necessary statutory or regulatory obligations in any relevant jurisdiction having been complied with in connection with the Offers or the proposed acquisition of all or any shares in, or control of, Tullett by the Collins Stewart Group;

- (l) save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Tullett Group is a party or by or to which any such member or any of their assets may be bound, entitled or be subject which, as a direct result of the acquisition by the Collins Stewart Group of the Tullett Securities or any of them, or change in the management or control of Tullett or the acquisition of control of Tullett by the Collins Stewart Group will, or might reasonably be expected to, result in:
- (i) any material amount of moneys borrowed by, or any other material indebtedness (actual or contingent) of any such member being or becoming repayable or capable of being declared repayable immediately or earlier than the repayment date stated in such agreement, arrangement, licence, permit or other instrument, or the ability of any such member to borrow monies or incur any material indebtedness being withdrawn or inhibited;
 - (ii) any such agreement, arrangement, licence, permit or other instrument being or becoming capable of being terminated or materially and adversely modified or affected or any onerous obligation arising or any adverse action being taken or arising thereunder;
 - (iii) the interests or business of any such member in or with any other person, firm, company or body (or any arrangements relating to such interests or business) being terminated, modified or materially and adversely affected;
 - (iv) any assets of any such member being or falling to be disposed of or charged, or any right arising under which any such asset or interest could be required to be disposed of or charged other than in the ordinary course of trading;
 - (v) the creation of any mortgage, charge or other security interest over the whole or any substantial part of the business, property or assets of any such member, or any such security (whenever arising or having arisen) becoming enforceable or being enforced;
 - (vi) the value or financial or trading position or prospects of any such member being prejudiced or materially and adversely affected;
 - (vii) any such member ceasing to be able to carry on business under any name under which it presently does so where such a result would be material in the context of the Wider Tullett Group taken as a whole; or
 - (viii) the creation of any material liabilities by any such member which will or might reasonably be expected to have a material adverse effect on the Tullett Group taken as a whole;
- in each case, which will or might reasonably be expected to have a material adverse affect on the Tullett Group, taken as a whole;
- (m) save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Collins Stewart Group is a party or by or to which

any such member or any of their assets may be bound, entitled or be subject which, as a direct result of the acquisition by the Collins Stewart Group of the Tullett Securities or any of them, or change in the management or control of Tullett or the acquisition of control of Tullett by the Collins Stewart Group will, or might reasonably be expected to, result in:

- (i) any material amount or moneys borrowed by, or any other material indebtedness (actual or contingent) of any such member being or becoming repayable or capable of being declared repayable immediately or earlier than the repayment date stated in such agreement, arrangement, licence, permit or other instrument, or the ability of any such member to borrow monies or incur any material indebtedness being withdrawn or inhibited;
 - (ii) any such agreement, arrangement, licence, permit or other instrument being or becoming capable of being terminated or materially and adversely modified or affected or any onerous obligation arising or any adverse action being taken or arising thereunder;
 - (iii) the interests or business of any such member in or with any other person, firm, company or body (or any arrangements relating to such interests or business) being terminated, modified or materially and adversely affected;
 - (iv) any assets of any such member being or falling to be disposed of or charged, or any right arising under which any such asset or interest could be required to be disposed of or charged other than in the ordinary course of trading;
 - (v) the creation of any mortgage, charge or other security interest over the whole or any substantial part of the business, property or assets of any such member, or any such security (whenever arising or having arisen) becoming enforceable or being enforced;
 - (vi) the value or financial or trading position or prospects of any such member being prejudiced or materially and adversely affected;
 - (vii) any such member ceasing to be able to carry on business under any name under which it presently does so where such a result would be material in the context of the Wider Collins Stewart Group taken as a whole; or
 - (viii) the creation of any material liabilities by any such member which will or might reasonably be expected to have a material adverse effect on the Collins Stewart Group taken as a whole;
- in each case, which will or might reasonably be expected to have a material adverse effect on the Collins Stewart Group, taken as a whole;
- (n) save as Disclosed, no member of the Wider Tullett Group having since 31 December 2001:
 - (i) (save as between Tullett and wholly-owned subsidiaries of Tullett prior to 23 January 2003 and save for options granted and for any Tullett Securities allotted upon exercise of options granted under the Tullett Share Option Plan) issued or authorised or proposed the issue of additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or securities or redeemed, purchased or reduced any part of its share capital;
 - (ii) recommended, declared, paid or made or proposed to declare, pay or make any bonus, dividend or other distribution in respect of the share capital of Tullett;
 - (iii) merged with any body corporate or authorised or announced any intention to propose any merger, demerger, acquisition, disposal, transfer, mortgage or charge of or granting of any security over assets or shares (otherwise than in the ordinary course of business);
 - (iv) authorised or proposed or announced its intention to propose any change in its share or loan capital other than in the ordinary course of business and/or as between Tullett and/or wholly owned subsidiaries of Tullett;
 - (v) announced any proposal to purchase any of its own shares or purchased any such shares;
 - (vi) issued, authorised or proposed the issue of any debentures or (save in the ordinary course of business) incurred or increased any indebtedness or become subject to any contingent liability which in any case is material in the context of the Tullett Group taken as a whole;
 - (vii) entered into any contract or commitment (whether in respect of capital expenditure or otherwise) which is of a long term or unusual nature or which involves or could involve an obligation of a nature or magnitude which is material in the context of the Tullett Group taken as a whole;

- (viii) entered into any contract, transactions or arrangement which would be restrictive on the business of any member of the Tullett Group and which would have a material adverse effect on the business of the Tullett Group taken as a whole;
 - (ix) entered into or varied the terms of any service agreement with any of the directors of Tullett;
 - (x) acquired, disposed of or transferred, mortgaged or charged or encumbered or created any security interest over any asset or any right, title or interest in any asset (including, without limitation, shares and trade investments) or entered into any contract, reconstruction, amalgamation, commitment or other transaction or arrangement in each case which is otherwise than in the ordinary course of business and material in the context of the Tullett Group taken as a whole;
 - (xi) waived or compromised any claim which is material otherwise than in the ordinary course of business;
 - (xii) proposed any voluntary winding up or taken any corporate action or had any order made for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets and revenues other than in respect of a member which was solvent at the relevant time; or
 - (xiii) made or agreed or consented to any significant change to the terms of the trust deeds constituting the pension schemes established for its directors and/or employees and/or their dependants or to the benefits which accrue, or to the pensions which are payable thereunder, or to the basis on which qualification for or accrual or entitlement to such benefits or pensions are calculated or determined, or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to any change to the trustees involving the appointment of a trust corporation which would be material in the context of the Tullett Group taken as a whole;
 - (xiv) entered into any contract, commitment or agreement to, or passed any resolution with respect to, or announced any intention to, or to propose to, effect any of the transactions or events referred to in this paragraph (n);
- (o) save as Disclosed, no member of the Wider Collins Stewart Group having since 31 December 2001:
- (i) (save as between Collins Stewart and wholly-owned subsidiaries of Collins Stewart prior to 23 January 2003 and save for options granted and for any Collins Stewart Shares allotted upon exercise of options granted under the Collins Stewart Share Option Plans) issued or authorised or proposed the issue of additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or securities or redeemed, purchased or reduced any part of its share capital;
 - (ii) recommended, declared, paid or made or proposed to declare, pay or make any bonus, dividend or other distribution in respect of the share capital of Collins Stewart;
 - (iii) merged with any body corporate or authorised or announced any intention to propose any merger, demerger, acquisition, disposal, transfer, mortgage or charge of or granting of any security over assets or shares (otherwise than in the ordinary course of business);
 - (iv) authorised or proposed or announced its intention to propose any change in its share or loan capital other than in the ordinary course of business and/or as between Collins Stewart and/or wholly owned subsidiaries of Collins Stewart;
 - (v) announced any proposal to purchase any of its own shares or purchased any such shares;
 - (vi) issued, authorised or proposed the issue of any debentures or (save in the ordinary course of business) incurred or increased any indebtedness or become subject to any contingent liability which in any case is material in the context of the Collins Stewart Group taken as a whole;
 - (vii) entered into any contract or commitment (whether in respect of capital expenditure or otherwise) which is of a long term or unusual nature or which involves or could involve an obligation of a nature or magnitude which is material in the context of the Collins Stewart Group taken as a whole;
 - (viii) entered into any contract, transactions or arrangement which would be restrictive on the business of any member of the Collins Stewart Group and which would have a material adverse effect on the business of the Collins Stewart Group taken as a whole;

- (ix) entered into or varied the terms of any service agreement with any of the directors of Collins Stewart;
- (x) acquired, disposed of or transferred, mortgaged or charged or encumbered or created any security interest over any asset or any right, title or interest in any asset (including, without limitation, shares and trade investments) or entered into any contract, reconstruction, amalgamation, commitment or other transaction or arrangement in each case which is otherwise than in the ordinary course of business and material in the context of the Collins Stewart Group taken as a whole;
- (xi) waived or compromised any claim which is material otherwise than in the ordinary course of business;
- (xii) proposed any voluntary winding up or taken any corporate action or had any order made for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets and revenues other than in respect of a member which was solvent at the relevant time; or
- (xiii) made or agreed or consented to any significant change to the terms of the trust deeds constituting the pension schemes established for its directors and/or employees and/or their dependants or to the benefits which accrue, or to the pensions which are payable thereunder, or to the basis on which qualification for or accrual or entitlement to such benefits or pensions are calculated or determined, or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to any change to the trustees involving the appointment of a trust corporation which would be material in the context of the Collins Stewart Group taken as a whole;
- (xiv) entered into any contract, commitment or agreement to, or passed any resolution with respect to, or announced any intention to, or to propose to, effect any of the transactions or events referred to in this paragraph (o);
- (p) since 31 December 2001, and save as Disclosed:
 - (i) no adverse change in the business, financial or trading position or profits or assets or prospects of any member of the Wider Tullett Group having occurred which would be material to the Wider Tullett Group taken as a whole; and
 - (ii) no contingent liability having arisen which would or might reasonably affect materially and adversely the Wider Tullett Group taken as a whole;
- (q) since 31 December 2001, and save as Disclosed:
 - (i) no adverse change in the business, financial or trading position or profits or assets or prospects of any member of the Wider Collins Stewart Group having occurred which would be material to the Wider Collins Stewart Group taken as a whole; and
 - (ii) no contingent liability having arisen which would or might reasonably affect materially and adversely the Wider Collins Stewart Group taken as a whole;
- (r) since 31 December 2001, and save as Disclosed, no litigation, arbitration proceedings, prosecution or other legal proceedings having been instituted or threatened by or against or remaining outstanding against any member of the Wider Tullett Group or to which any member of the Wider Tullett Group is party (whether as plaintiff or defendant or otherwise) and which, in any case, is or might reasonably be expected to materially and adversely affect the Wider Tullett Group taken as a whole;
- (s) since 31 December 2001, and save as Disclosed, no litigation, arbitration proceedings, prosecution or other legal proceedings having been instituted or threatened by or against or remaining outstanding against any member of the Wider Collins Stewart Group or to which any member of the Wider Collins Stewart Group is party (whether as plaintiff or defendant or otherwise) and which, in any case, is or might reasonably be expected to materially and adversely affect Wider Collins Stewart Group taken as a whole;
- (t) Collins Stewart not having discovered:
 - (i) that any, financial or business or other information concerning the Tullett Group which has been disclosed at any time, whether publicly or otherwise, by any member of the Tullett Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not materially misleading or that any contingent liability disclosed in such information would or might materially and adversely affect directly or indirectly the business, assets, financial position, profits or prospects of the

Wider Tullett Group and which was not, if material, corrected by subsequent public announcement made before 23 January 2003; or

- (ii) that any partnership, company or other entity in which any, member of the Wider Tullett Group has an interest and which is not a subsidiary undertaking of Tullett is subject to any liability, contingent or otherwise, which is or might reasonably be expected to be material in the context of the Wider Tullett Group taken as a whole, and which has not been Disclosed; and
- (u) Tullett not having discovered:
 - (i) that any, financial or business or other information concerning the Collins Stewart Group which has been disclosed at any time, whether publicly or otherwise, by any member of the Collins Stewart Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not materially misleading or that any contingent liability disclosed in such information would or might materially and adversely affect directly or indirectly the business, assets, financial position, profits or prospects of the Wider Collins Stewart Group and which was not, if material, corrected by subsequent public announcement made before 23 January 2003; or
 - (ii) that any partnership, company or other entity in which any, member of the Wider Collins Stewart Group has an interest and which is not a subsidiary undertaking of Collins Stewart is subject to any liability, contingent or otherwise, which is or might reasonably be expected to be material in the context of the Wider Collins Stewart Group taken as a whole, and which has not been Disclosed.

Subject to the terms of the Merger Agreement, Collins Stewart and Tullett together may waive all or any of the conditions in sub-paragraphs (e), (f), (g), (h), (i), (j) and (k), Collins Stewart may waive all or any of the conditions in sub-paragraphs (l), (n), (p), (r) and (t), in whole or in part, Tullett may waive all or any of the conditions in sub-paragraphs (m), (o), (q), (s) and (u) in whole or in part.

If Collins Stewart is required by the Panel to make an offer for Tullett Ordinary Shares under the provisions of Rule 9 of the City Code, Collins Stewart may make such alterations to the above conditions, including condition (a) as are necessary to comply with the provisions of that Rule.

The Ordinary Offer will lapse unless the conditions set out above (other than condition (a)) are fulfilled or (if capable of waiver) waived no later than midnight on the 21st day after whichever is the later of the First Closing Date and the date on which the Ordinary Offer becomes or is declared unconditional as to acceptances, or such later date as the Panel may agree. Collins Stewart shall be under no obligation to waive or treat as fulfilled any of the conditions in sub-paragraphs (e) to (k) (inclusive), (l), (n), (p), (r) or (t) by a date earlier than the latest date specified above for the satisfaction thereof notwithstanding that the other conditions of the Ordinary Offer may at such earlier date have been waived or fulfilled and that on such earlier date there are no circumstances indicating that any of such conditions may not be capable of fulfilment.

The Ordinary Offer will lapse if the acquisition of Tullett is referred to the Competition Commission before 3.00 p.m. (London time) 10.00 a.m. (New York City time) on whichever is the later of the First Closing Date and the date on which the Ordinary Offer becomes or is declared unconditional as to acceptances, or such later date as the Panel may agree.

In the event that the Ordinary Offer lapses, all of the Offers and Options Proposals will lapse and will cease to be capable of further acceptance and persons accepting the Offers and/or Options Proposals and Collins Stewart shall thereupon cease to be bound by acceptances delivered on or before the time when the Offers and Option Proposals so lapse.

2. Conditions of the Bond Offer

The Bond Offer is subject to the following conditions:-

- (a) the Ordinary Offer becoming or being declared unconditional in all respects in accordance with its terms; and
- (b) the delivery of a written resolution signed by holders of not less than 75 per cent. in nominal amount of the Tullett Bonds for the time being outstanding, passed in accordance with the SPB Instrument consenting to an amendment to the terms of the SPB Instrument so as to permit Collins Stewart to become a registered holder of the Tullett Bonds validly assented to the Bond Offer upon the Bond Offer becoming or being declared unconditional in all respects.

3. Conditions of the A Preference Offer

The A Preference Offer is subject to the following conditions:

- (a) the Ordinary Offer becoming or being declared unconditional in all respects in accordance with its terms; and
- (b) the passing at a separate class meeting of Tullett A Preference Shares of an extraordinary resolution, passed in accordance with the Tullett Articles, agreeing to a variation of the class rights attaching to the Tullett A Preference Shares such that, amongst other things, a “Change of Control” as determined pursuant to Article 4.4.2 of the Tullett Articles shall be deemed to take place on the Delayed Trigger Date following the Ordinary Offer becoming or being declared unconditional in all respects in accordance with its terms and Collins Stewart is permitted to acquire the Tullett A Preference Shares to which the A Preference Offer relates free of all rights of pre-emption pursuant to the Tullett Articles or otherwise, and the registration of Collins Stewart as holder of all Tullett A Preference Shares to which the A Preference Offer relates which are acquired pursuant to the A Preference Offer is authorised and permitted.

4. Conditions of the B Preference Offer

The B Preference Offer is subject to the following conditions:

- (a) the Ordinary Offer becoming or being declared unconditional in all respects in accordance with its terms; and
- (b) the passing at a separate class meeting of Tullett B Preference Shares of an extraordinary resolution, passed in accordance with the Tullett Articles agreeing to a variation of the class rights attaching to the Tullett B Preference Shares such that Collins Stewart is permitted to acquire the Tullett B Preference Shares to which the B Preference Offer relates free of all rights to pre-emption pursuant to the Tullett Articles or otherwise, and the registration of Collins Stewart as holder of all Tullett B Preference Shares to which the B Preference Offer relates which are acquired pursuant to the B Preference Offer is authorised and permitted.

PART B: Further terms of the Offers

The following further terms apply to the Offers. Except when the context otherwise requires, references in Parts B and C of this Appendix I and in the Forms of Acceptance: (i) to the “Offer” shall mean, separately, each of the Offers (including, where applicable, the Partial Cash Alternative, the Loan Note Alternative, the Additional Cash Facility, the Further Payment and the Bond Offer Additional Share Facility) and any revision, variation or renewal thereof or extension thereto; (ii) to the “Offer becoming unconditional” shall include references to the Offer being declared unconditional; (iii) to the “Offer becoming or being declared unconditional” shall mean in relation to the Ordinary Offer, the acceptance condition becoming or being declared satisfied, whether or not any other condition thereof remains to be fulfilled; and (iv) to the “acceptance condition” shall mean the condition set out in paragraph 1(a) of Part A of this Appendix I.

1. Acceptance period

- 1.1 The Offer will initially be open for acceptance until 3.00 p.m. (London time), 10.00 a.m. (New York City time) on 21 February 2003. Although no revision is envisaged, if the Offer is revised it will remain open for acceptance for a period of at least 14 days (or such lesser period as may be permitted by the Panel, but in any event not less than any period required by the US Exchange Act) from the date of the posting of any revised offer document to Tullett Securityholders. Except with the consent of the Panel, no revision of the Offer may be made after 10 March 2003 or, if later, the date falling 14 days prior to the last date of which the Offer can become unconditional.
- 1.2 The Offer, whether revised or not, shall not (except with the consent of the Panel) be capable of becoming unconditional after midnight (London time), 7.00 p.m. (New York City time) on 24 March 2003 (or any earlier time and/or date beyond which Collins Stewart has stated that the Offer will not be extended and in respect of which it has not withdrawn that statement) nor of being kept open for acceptance after that time and/or date unless it has previously become unconditional, provided that Collins Stewart reserves the right, with the permission of the Panel, to extend the Offer to a later time(s) and/or date(s). Except with the consent of the Panel, Collins Stewart may not, for the purpose of determining whether the acceptance condition has been satisfied, take into account acceptances received, or purchases of Tullett Ordinary Shares made, after 1.00 p.m. (London time), 8.00 a.m. (New York City time) on 24 March 2003 (or any earlier time and/or date beyond which Collins Stewart has stated that the Offer will not be extended and in respect of which it has not withdrawn that statement) and/or such later time(s) and/or date(s) as Collins Stewart may, with the permission of the Panel, decide. For the purposes of the acceptance condition, if the Offer is extended beyond midnight (London time), 7.00 p.m. (New York City time) on 24 March 2003, acceptances received by the Receiving Agent and purchases made after 1.00 p.m. (London time), 8.00 a.m. (New York City time) on the relevant date may (except where the City Code otherwise permits) only be taken into account with the consent of the Panel.
- 1.3 Subject to the requirements of the US Exchange Act, the Offers are not required to become or be declared unconditional in all respects only on 21 February 2003 or at such later time or date as Collins Stewart may, subject to the rules of the City Code, decide to extend the Offers; the Offers may become unconditional in all respects prior to any such later time or date (but not earlier than 3.00 p.m. (London time), 10.00 a.m. (New York City time), on 21 February 2003 and not (except with the consent of the Panel) later than midnight (London time), 7.00 p.m. (New York City time) on 14 April 2003). If Collins Stewart proposes to treat the acceptance condition as satisfied notwithstanding it has not received valid acceptances in respect of 90 per cent. of the Tullett Ordinary Shares to which the Ordinary Offer relates, it will extend the Offers to the extent required by Rule 14e-1 under the US Exchange Act prior to taking any such action. A minimum of ten US business days is generally required to allow for adequate dissemination of this information to Tullett Securityholders. Notwithstanding the foregoing, any such proposal by Collins Stewart to treat the acceptance condition as satisfied, notwithstanding it has not received valid acceptances in respect of 90 per cent. of the Tullett Ordinary Shares to which the Ordinary Offer relates, will be accomplished and announced in the following manner. In accordance with applicable US Securities and Exchange Commission policy, five US business days prior to taking any such action, Collins Stewart will announce that it intends to treat the acceptance condition as satisfied notwithstanding it has not received valid acceptances in respect of 90 per cent. of the Tullett Ordinary Shares to which the Ordinary Offer relates. The announcement will be made through a press release designed to inform Tullett Securityholders in the United Kingdom and elsewhere and by a notice mailed to Tullett Securityholders in the United States. Such announcement will state the level to which the percentage required to satisfy the acceptance condition may be reduced, that such a reduction is possible but

that Collins Stewart need not declare its actual intentions until it is required to do so under the City Code and will contain language advising Tullett Securityholders that they may withdraw their acceptance of the relevant Offer if their willingness to accept the relevant Offer would be affected by a reduction in the percentage of valid acceptances in respect of Tullett Ordinary Shares to which the Ordinary Offer relates required to satisfy the acceptance condition. Collins Stewart will not make such an announcement unless it believes that there is a significant possibility that sufficient valid acceptances in respect of Tullett Ordinary Shares to which the Ordinary Offer relates will be received to permit the acceptance condition to be satisfied at such reduced level. Tullett Securityholders who are not willing to accept the relevant Offer if the percentage of valid acceptances in respect of Tullett Ordinary Shares to which the Ordinary Offer relates required to satisfy the acceptance condition is reduced to a level lower than 90 per cent. should either not accept the relevant Offer until it has become unconditional in all respects (which may be at a level of acceptances in respect of Tullett Ordinary Shares to which the Ordinary Offer relates lower than 90 per cent.) or be prepared to withdraw their acceptances promptly following an announcement by Collins Stewart of its intention to treat the acceptance condition as satisfied notwithstanding it has not received valid acceptances in respect of 90 per cent. of the Tullett Ordinary Shares to which the Ordinary Offer relates. Upon any announcement being made that the percentage of Tullett Ordinary Shares required to satisfy the acceptance condition may be reduced, the Offers shall not be capable of becoming or being declared unconditional in all respects until the expiry of five US business days thereafter.

- 1.4 If any Offer becomes unconditional, it will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If any Offer has become unconditional and it is stated that such Offer will remain open until further notice, then not less than 14 days' notice will be given prior to the closing of that Offer to those Tullett Securityholders who have not accepted such Offer.
- 1.5 If a competitive situation arises after a "no increase" or "no extension" statement has been given by or on behalf of Collins Stewart in relation to the Offer (in each case as determined by the Panel), Collins Stewart may, if it specifically reserved the right to do so at the time such statement was made or otherwise with the consent of the Panel, withdraw such statement and be free to revise or extend the Offer if it complies with the requirements of the City Code and, in particular, if:
 - (A) it announces such withdrawal as soon as possible and, in any event, within four business days after the announcement of the competing offer and it gives notice to Tullett Securityholders to that effect in writing as soon as practicable thereafter or, in the case of Tullett Securityholders with registered addresses outside the United Kingdom or whom Collins Stewart knows to be nominees, custodians or trustees holding Tullett Securities for such persons, by announcement in the United Kingdom; and
 - (B) any Tullett Securityholders who accepted the Offer after the date of the "no extension" and/or "no increase" statement are given a right of withdrawal in accordance with paragraph 3.3 of this Part B.

Collins Stewart may choose not to be bound by the terms of a "no increase" or "no extension" statement if, having reserved the right to do so at the time such statement is made, it posts an increased or improved offer which is recommended for acceptance by the board of Tullett or in other circumstances permitted by the Panel.

- 1.6 For the purpose of determining at any particular time whether the acceptance condition has been satisfied, Collins Stewart shall not be bound (unless otherwise required by the Panel) to take into account any Tullett Ordinary Shares which have been unconditionally allotted or issued before such time unless the Receiving Agent has received written notice, on behalf of Collins Stewart from Tullett or its agents, at either of the addresses given in paragraph 3.1 below of the relevant details of such allotment or issue before that time. Telex, e-mail, SMS-text message or facsimile transmission of such notice will not be sufficient.

2. Announcements

- 2.1 By 8.00 a.m. (London time), 3.00 a.m. (New York City time) on the business day ("the relevant day") following the day on which the Offer is due to expire or becomes unconditional or is revised or extended or such later time or date as the Panel may agree, Collins Stewart will make an appropriate announcement of the position to an authorised Regulatory Information Service. Such announcement will also state (unless otherwise permitted by the Panel) the total number of Tullett Securities and rights over Tullett Securities (as nearly as practicable):

- (A) for which acceptances of the Offer have been received;
- (B) acquired or agreed to be acquired by or on behalf of Collins Stewart or any persons deemed to be acting in concert with it for the purposes of the Offer during the Offer Period;
- (C) held prior to the Offer Period by or on behalf of Collins Stewart or any person acting in concert with it for the purposes of the Offer; and
- (D) for which acceptances of the Offer have been received from any person deemed to be acting in concert with Collins Stewart

and will specify the percentage of the Tullett Securities to which that Offer relates represented by each of these figures. Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made at any time up to, and will be announced not later than, 8.00 a.m. (London time) 3.00 a.m. (New York City time) on the relevant day (or such later time and/or date as the Panel may agree) and the announcement will state the next expiry date (unless the Offer is then unconditional in which event the announcement may instead state that the Offer will remain open until further notice). In computing the number of Tullett Securities represented by acceptances and/or purchases, there may be included or excluded for announcement purposes, subject to paragraph 7.13 of this Part B, acceptances and purchases not complete in all respects, or which are subject to verification.

- 2.2 In this Appendix I, references to the making of an announcement by Collins Stewart include the release of an announcement to the press by public relations consultants or by HSBC on its behalf and the delivery by hand or telephone or facsimile or telex transmission or other electronic transmission of an announcement through an authorised Regulatory Information Service. An announcement made otherwise than through an authorised Regulatory Information Service will be notified simultaneously to an authorised Regulatory Information Service (unless otherwise agreed by the Panel).

3. Rights of withdrawal

- 3.1 If Collins Stewart, having announced the Offer to be unconditional, fails to comply by 3.30 p.m. (London time) 10.30 a.m. (New York City time) on the relevant day (or such later time and/or date as the Panel may agree) with any of the other requirements specified in paragraph 2.1 of this Part B, an accepting Tullett Securityholder may (unless the Panel otherwise agrees) immediately thereafter withdraw his, her or its acceptance in respect of the Offer by written notice signed by such accepting Tullett Securityholder (or his agent duly appointed in writing, evidence of whose appointment in a form reasonably satisfactory to Collins Stewart is produced with the notice) given, by post or (during normal business hours only) by hand, to Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TH or, by hand only during normal business hours, to Capita IRG Plc, Guildhall House, 81-87 Gresham Street, London EC2 on behalf of Collins Stewart. Subject to paragraph 1.2 of this Part B, this right of withdrawal may be terminated not less than eight days after the relevant day by Collins Stewart confirming, if that be the case, that the Offer is still unconditional, and complying with the other requirements specified in paragraph 2.1 of this Part B. If any such confirmation is given, the first period of 14 days referred to in paragraph 1.4 of this Part B will run from the date of such confirmation and compliance.
- 3.2 In addition to the rights of Tullett Securityholders set out in paragraph 1.3 of this Part B of Appendix I, if by 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 14 March 2003 (or such later time(s) and/or date(s) as the Panel may agree) the Offer has not become unconditional, an accepting Tullett Securityholder may withdraw his acceptance in respect of the Offer by written notice received by Capita IRG Plc on behalf of Collins Stewart, at either of the addresses referred to in paragraph 3.1 of this Part B, before the earlier of:
- (A) the time that the Offer becomes unconditional; and
 - (B) the final time for lodgement of acceptances of the relevant Offer which can be taken into account in accordance with paragraph 1.2 of this Part B.
- 3.3 If a “no increase” statement or a “no extension” statement (in each case as construed by the Panel) has been withdrawn in accordance with paragraph 1.5 of this Part B, any Tullett Securityholder who has accepted the Offer after the date of such statement may withdraw his acceptance thereafter in the manner referred to in paragraph 3.1 of this Part B not later than the eighth day after the date of posting of written notice of the withdrawal of such statement to the relevant Tullett Securityholders.

- 3.4 In this paragraph 3, “written notice” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant Tullett Securityholder(s) or his, her or its agent(s), duly appointed in writing (evidence of whose appointment in a form satisfactory to Collins Stewart is produced with the notice). Telex, e-mail, SMS text message or facsimile transmission or copies thereof will not be sufficient to constitute written notice.
- 3.5 Except as provided in this paragraph 3, acceptances of, and elections under, the Offer shall be irrevocable.
- 3.6 Any Tullett Securityholder validly withdrawing his, her or its acceptance of the Offer pursuant to paragraphs 3.1 and 3.2 shall be deemed also to have withdrawn any related election for the Partial Cash Alternative or the Loan Note Alternative or under the Additional Cash Facility or the Bond Offer Additional Share Facility.
- 4. The Partial Cash Alternative, the Additional Cash Facility and the Bond Offer Additional Share Facility**
- 4.1 As an alternative to receiving their consideration in the form of New Collins Stewart Shares, Tullett Ordinary Shareholders who validly accept the Ordinary Offer may elect for the Partial Cash Alternative pursuant to which they will receive 400 pence in cash and 1.26 New Collins Stewart Shares for every existing Tullett Ordinary Share in respect of which a valid election is made. Any Non-Eligible US Securityholder accepting the Ordinary Offer will be deemed to have elected for the maximum entitlement under the Partial Cash Alternative (if still open) for the whole of his, her, its or their registered holding of Tullett Ordinary Shares.
- 4.2 Tullett Ordinary Shareholders who validly accept the Ordinary Offer and validly elect for the Partial Cash Alternative may, subject to availability, also elect to receive additional cash beyond their basic entitlement under the Additional Cash Facility depending on the extent to which the other Tullett Ordinary Shareholders do not elect for the Partial Cash Alternative. Non-Eligible US Securityholders will not be able to make an election under the Additional Cash Facility.
- 4.3 The Partial Cash Alternative and the Additional Cash Facility are conditional, *inter alia*, upon the Ordinary Offer becoming or being declared unconditional in all respects and will lapse if the Ordinary Offer lapses or expires.
- 4.4 Under the Partial Cash Alternative, HSBC and/or Collins Stewart will pay or cause to be paid to each Tullett Ordinary Shareholder who validly accepts the Ordinary Offer and makes a valid election for cash under the Partial Cash Alternative a cash payment of 400 pence per Tullett Ordinary Share, free of all expenses, in respect of 1.26 of the New Collins Stewart Shares to which such Tullett Ordinary Shareholder would otherwise be entitled under the Ordinary Offer. Without prejudice to the obligations of HSBC and Collins Stewart, any New Collins Stewart Share which would have otherwise been receivable by a validly accepting Tullett Ordinary Shareholder will be allotted and issued by Collins Stewart to HSBC and/or such other persons nominated by HSBC for 308 pence in cash and such cash consideration for such New Collins Stewart Ordinary Shares will be passed on to the validly accepting Tullett Ordinary Shareholders by way of partial consideration for the transfer to Collins Stewart by the Tullett Ordinary Shareholder of his Tullett Ordinary Shares. The balance of the accepting Tullett Ordinary Shareholder’s entitlement to cash will be paid by Collins Stewart from its own cash resources.
- 4.5 No election for the Partial Cash Alternative or under the Additional Cash Facility will be valid unless a valid acceptance of the Ordinary Offer in respect of the elector’s Tullett Ordinary Shares duly completed in all respects and accompanied by all relevant share certificate(s) and/or other document(s) of title, are duly received by the Receiving Agent by the time and date on which the Partial Cash Alternative or, as the case may be, the Additional Cash Facility closes.
- 4.6 If any acceptance of the Ordinary Offer which includes an election under the Partial Cash Alternative and/or the Additional Cash Facility is either received after the Partial Cash Alternative and/or the Additional Cash Facility has closed or is received before such time but is not, or is properly not deemed to be, valid and complete in all respects at such time, such elections shall for all purposes be void and the Tullett Ordinary Shareholder(s) purporting to make such election shall not, for any purpose, be entitled to receive any cash payment under the Partial Cash Alternative and/or the Additional Cash Facility, but any such acceptance which is otherwise valid shall be deemed to be an acceptance of the Ordinary Offer (without an election under the Partial Cash Alternative or the Additional Cash Facility) for the number of Tullett Ordinary Shares which are (or are deemed to be) the subject of the acceptance and the Tullett Ordinary Shareholder will, on the Ordinary Offer

becoming unconditional in all respects, be entitled to receive the consideration due under the Ordinary Offer wholly in New Collins Stewart Shares (other than any Tullett Ordinary Shareholder who is a Non-Eligible US Securityholder). Non-Eligible US Securityholders should refer to paragraph 4.8 of this Part B.

- 4.7 The Partial Cash Alternative will remain open for acceptances until 3.00 p.m. (London time) 10.00 a.m. (New York City time) on the First Closing Date. If on any closing date of the Ordinary Offer on which the Partial Cash Alternative remains open for acceptance the Ordinary Offer is then (or is then capable of being declared) unconditional as to acceptances, the Partial Cash Alternative will remain open for 14 days thereafter but may then be closed at any time thereafter without prior notice. If on any such closing date, the Ordinary Offer is not (and is not capable of being declared) unconditional as to acceptances and is extended beyond that time, Collins Stewart and HSBC reserve the right to close or to extend the Partial Cash Alternative on that date. If the Partial Cash Alternative closes, the right is reserved to reintroduce a cash alternative so long as the Ordinary Offer is then still conditional as to acceptances. The right is also reserved to revise, increase and/or extend the Partial Cash Alternative should the Panel so agree or in the event of a competitive situation.
- 4.8 If the Partial Cash Alternative is not still open, any Non-Eligible US Securityholder accepting the Ordinary Offer at that time will not be deemed to have elected for the maximum entitlement under the Partial Cash Alternative and the New Collins Stewart Shares to which such Non-Eligible US Securityholder may otherwise have been entitled pursuant to the Ordinary Offer will be sold or allotted on such Non-Eligible US Securityholder's behalf and the cash proceeds, net of expenses, of such sale or allotment will be remitted in pounds sterling to such Non-Eligible US Securityholder instead, as described in paragraph 8 of this Part B. Non-Eligible US Securityholders should be aware that the sale or allotment of such New Collins Stewart Shares has not been underwritten and the net cash proceeds to be received as a result thereof is uncertain and may differ from the cash amount per Tullett Ordinary Share that would otherwise have been received under the Partial Cash Alternative.
- 4.9 References to the time at which the Partial Cash Alternative and/or the Additional Cash Facility remain open, or at which they close, are references to the time by which an acceptance and, if relevant (an) election(s), complete in all respects, must be received by the Receiving Agent.
- 4.10 Elections under the Additional Cash Facility will only be accepted in respect of whole numbers of Tullett Ordinary Shares. The number of Tullett Ordinary Shares in respect of which an election under the Additional Cash Facility is made represents the number of Tullett Ordinary Shares in respect of which the Tullett Ordinary Shareholder who has already elected for the Partial Cash Alternative wishes to receive additional cash in lieu of New Collins Stewart Shares, in addition to the amount which they would otherwise have been entitled to receive as consideration under the Partial Cash Alternative.
- 4.11 Any cash available under the Partial Cash Alternative beyond that required for those Tullett Ordinary Shareholders electing for the Partial Cash Alternative will be allocated in accordance with paragraph 4.12 below among the Tullett Ordinary Shareholders who make valid elections under the Additional Cash Facility.
- 4.12 Valid elections for cash under the Additional Cash Facility made by Tullett Ordinary Shareholders in excess of their basic entitlement to cash under the Partial Cash Alternative will be satisfied in full where sufficient cash is available as a result of the other accepting Tullett Ordinary Shareholders validly accepting the Ordinary Offer but not making an election at all or in respect of the whole of their holding of Tullett Ordinary Shares for the Partial Cash Alternative, thereby releasing the cash to which they would otherwise have been entitled if they had elected in respect of the whole of their holding of Tullett Ordinary Shares for the Partial Cash Alternative. To the extent that the amount of cash available as a result thereof is insufficient to satisfy in full all valid elections under the Additional Cash Facility, then satisfaction of such elections will be scaled down on a *pro rata* basis and the balance of the consideration will be satisfied in New Collins Stewart Shares in accordance with the terms of the Ordinary Offer.
- 4.13 Elections under the Additional Cash Facility may only be made if a Tullett Ordinary Shareholder has also validly elected for the Partial Cash Alternative in respect of all of the Tullett Ordinary Shares which that Tullett Ordinary Shareholder has assented to the Ordinary Offer. To the extent that a Tullett Ordinary Shareholder seeks to make an election under the Additional Cash Facility in respect of a greater number of Tullett Ordinary Shares than those in respect of which it has elected for the Partial Cash Alternative, all such elections shall be deemed to be void to the extent of such

excess. To the extent that a Tullett Ordinary Shareholder seeks to make an election under the Additional Cash Facility where that Tullett Ordinary Shareholder has not elected for the Partial Cash Alternative in respect of all of his, her or its Tullett Ordinary Shares which have been assented to the Ordinary Offer, such election shall be deemed to be void.

- 4.14 The Additional Cash Facility will remain open until 3.00 p.m. (London time), 10.00 a.m. (New York City time) on 21 February 2003 and may be closed on that date (or such later time, if any, as the Partial Cash Alternative is closed). If the Additional Cash Facility has been closed, Collins Stewart reserves the right to re-introduce an additional cash facility, subject to the Rules of the City Code.
- 4.15 If Collins Stewart leaves the Partial Cash Alternative and the Additional Cash Facility open for any period or periods after the date upon which the Ordinary Offer become unconditional, Collins Stewart shall be entitled, at its absolute discretion, to treat elections received (or validated or completed) during such period or periods as forming a separate pool or pools for the purposes of determining the cash available to meet elections for additional cash under the Additional Cash Facility, on whatever basis Collins Stewart may reasonably determine.
- 4.16 Tullett Bondholders (other than Non-Eligible US Securityholders) who validly accept the Bond Offer may make an election under the Bond Offer Additional Share Facility pursuant to which they will receive New Collins Stewart Shares in lieu of their entitlement to cash under the Bond Offer on the basis of 1 New Collins Stewart Share for every 317.5 pence of cash to which they would otherwise have been entitled, after making the deductions authorised under paragraph 1.2(E) of Part C of this Appendix I.
- 4.17 The Bond Offer Additional Share Facility is conditional upon the Bond Offer becoming or being declared unconditional in all respects.
- 4.18 No election under the Bond Offer Additional Share Facility will be valid unless a valid acceptance of the Bond Offer in respect of the elector's Tullett Bonds duly completed in all respects and accompanied by all relevant Bond certificate(s) and/or other document(s) of title, are duly received by the Receiving Agent by the time and date on which the Bond Offer Additional Share Facility closes.
- 4.19 If any acceptance of the Bond Offer which includes an election under the Bond Offer Additional Share Facility is either received after the Bond Offer Additional Share Facility has closed or is received before such time but is not, or is properly not deemed to be, valid and complete in all respects at such time, such elections shall for all purposes be void and the Tullett Bondholder(s) purporting to make such election shall not, for any purpose, be entitled to receive any New Collins Stewart Shares under the Bond Offer Additional Share Facility, but any such acceptance which is otherwise valid shall be deemed to be an acceptance of the Bond Offer (without an election under the Bond Offer Additional Share Facility) for the number of Tullett Bonds which are (or are deemed to be) the subject of the acceptance and the Tullett Bondholders will, on the Bond Offer becoming unconditional in all respects, be entitled to receive the consideration due under the terms of the Bond Offer. Non-Eligible US Securityholders should refer to paragraph 4.21 of this Part B.
- 4.20 The Bond Offer Additional Share Facility will remain open until 3.00 p.m. (London time) 10.00 a.m. (New York City time) on 21 February 2003 and may be closed on that date (or such later time, if any, as the Bond Offer is closed). If the Bond Offer Additional Share Facility is closed, Collins Stewart reserves the right to re-introduce an additional share facility, subject to the Rules of the City Code.
- 4.21 Any Non-Eligible US Securityholder accepting the Bond Offer will not be entitled to elect for the Bond Offer Additional Share Facility. If an election is made by any Non-Eligible US Securityholder, such election shall for all purposes be void and the Tullett Bondholder(s) purporting to make such election shall not, for any purpose, be entitled to receive any New Collins Stewart Shares under the Bond Offer Additional Share Facility, but any such acceptance which is otherwise valid shall be deemed to be an acceptance of the Bond Offer (without an election under the Bond Offer Additional Share Facility) for the nominal amount of Tullett Bonds which are (or are deemed to be) the subject of the acceptance and the Tullett Bondholder will, on the Bond Offer becoming unconditional in all respects, be entitled to receive the cash consideration due under the terms of the Bond Offer.
- 4.22 References to the time at which the Bond Offer Additional Share Facility remain open, or at which they close, are references to the time by which (an) election(s), complete in all respects, must be received by the Receiving Agent.

- 4.23 Tullett Bondholders who make a valid election under the Bond Offer Additional Share Facility will receive a whole number of New Collins Stewart Shares and fractions of New Collins Stewart Shares will not be allotted and the number of New Collins Stewart Shares to be allotted to each Tullett Bondholder who validly makes an election under the Bond Offer Additional Share Facility will be rounded down to the nearest whole number.

5. Loan Note Alternative

- 5.1 The Loan Note Alternative is conditional upon the Ordinary Offer becoming or being declared unconditional in all respects. The Loan Note Alternative will remain open for acceptances until such time, if any, as the Partial Cash Alternative, the Additional Cash Facility and the A Preference Offer and B Preference Offer have closed. If the Loan Note Alternative has been closed, Collins Stewart reserves the right to re-introduce an additional loan note facility, subject to the Rules of the City Code. The Loan Note Alternative is not available to persons who are resident or have a registered address outside the United Kingdom.
- 5.2 No election for the Loan Note Alternative will be valid unless a valid acceptance of the relevant Offer (and in the case of the Ordinary Offer a valid election for the Partial Cash Alternative and where relevant under the Additional Cash Facility) and a valid election for the Loan Note Alternative, duly completed in all respects and accompanied by all relevant share certificates and/or other documents of title or indemnities satisfactory to Collins Stewart, are duly received by the time and date on which the Loan Note Alternative closes.
- 5.3 If any acceptance of the Offer which includes an election for the Loan Note Alternative is received after 3.00 p.m. (London time) on the First Closing Date (or such later times and/or dates as may be notified in the event of a revision or extension of the Loan Note Alternative) or is received before such time and date but is not or is not deemed to be, valid and complete in all respects at such time, such election shall for all purposes be void and the Tullett Securityholder(s) purporting to make such election shall not, for any purposes, be entitled to receive Loan Notes, but any such acceptance which is otherwise valid shall be deemed to be an acceptance of the relevant Offer (and in the case of the Ordinary Offer, an election if validly made for the Partial Cash Alternative and under the Additional Cash Facility) but without any election for the Loan Note Alternative, for the number of Tullett Securities which are the subject of the acceptance and, if relevant, the elections, and the Tullett Securityholder shall, on the Offer becoming unconditional in all respects, be entitled to receive the consideration due under the relevant Offer, the Partial Cash Alternative and the Additional Cash Facility, as appropriate.
- 5.4 The Loan Note Alternative will remain open for acceptances until 3.00 p.m. (London time), 10.00 a.m. (New York City time) on the First Closing Date. If on any closing date of the Ordinary Offer on which the Loan Note Alternative remains open for acceptance, the Ordinary Offer is then (or is capable of being declared) unconditional as to acceptance, the Loan Note Alternative will remain open for 14 days thereafter but may then be closed at any time thereafter without prior notice. If on any closing date, the Ordinary Offer is not (and is not capable of being declared) unconditional as to acceptances and is extended beyond that time, Collins Stewart and HSBC reserve the right to close or extend the Loan Note Alternative on that date. If the Loan Note Alternative closes, Collins Stewart and HSBC reserve the right to reintroduce a loan note alternative so long as the Ordinary Offer is then still unconditional as to acceptances.
- 5.5 In the case of the Ordinary Offer, subject to paragraph 8 of this Part B, the insertion of an amount in the relevant Box on the white Form of Acceptance shall, if and only if a valid election for cash has been made under the Partial Cash Alternative (as supplemented, subject to availability, by a valid election under the Additional Cash Facility), and otherwise subject to the other terms of the Ordinary Offer, be treated as an election to receive Loan Notes in lieu of the lower of the amount inserted in the relevant Box and the relevant Tullett Ordinary Shareholder's maximum entitlement to cash under the Partial Cash Alternative (as supplemented, subject to availability, by an election under the Additional Cash Facility). In the case of the A Preference Offer and B Preference Offer, subject to paragraph 8 of this Part B, the insertion of an amount in the relevant Box on the green or blue Forms of Acceptance shall, subject to the other terms of the relevant Offers, be treated as an election to receive Loan Notes in lieu of the lower of the amount inserted in the relevant Box and the relevant Tullett Securityholder's entitlement to cash under the A Preference Offer or B Preference Offer (as applicable).
- 5.6 Subject to paragraph 8 of this Part B, the insertion of "ALL" in the relevant Box on the Forms of Acceptance shall (in the case of the Ordinary Offer if and only if a valid election for cash has been

made under the Partial Cash Alternative (as supplemented, subject to availability, by an election under the Additional Cash Facility)), be treated as an election for the Loan Note Alternative in respect of all cash allocated to the relevant Tullett Securityholder pursuant to the Partial Cash Alternative (as increased, subject to availability, by an election under the Additional Cash Facility) or under the A Preference Offer or the B Preference Offer.

- 5.7 If valid elections for the Loan Note Alternative received by 3.00 p.m. (London time) on the later of (i) the date falling 14 days after the Ordinary Offer becomes or is declared unconditional as to acceptances and (ii) the Business Day prior to the date on which the Ordinary Offer becomes or is declared unconditional in all respects do not require the issue of at least £2 million in nominal amount of Loan Notes, no Loan Notes will be issued, unless Collins Stewart otherwise determines. In such circumstances, Tullett Securityholders who elected to receive Loan Notes will receive the cash to which they would otherwise have been entitled.
- 5.8 The maximum nominal amount of Loan Notes available under the Loan Note Alternative is £30 million. To the extent that elections for Loan Notes cannot be satisfied in full, the available Loan Notes will be applied first in satisfying, as far as possible on a *pro rata* basis, elections in respect of the basic entitlement to cash under the Partial Cash Alternative. Any Loan Notes available thereafter will be applied in satisfying, as far as possible on a *pro rata* basis, elections for Loan Notes in respect of the cash consideration payable under the A Preference Offer (but not any cash payable in respect of the Further Payment) and the B Preference Offer. Any Loan Notes available thereafter will be applied in satisfying, as far as possible on a *pro rata* basis, elections for Loan Notes in respect of additional cash allocated under the Additional Cash Facility.

6. Revision of the Offer

- 6.1 Although no such revision is envisaged, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms or conditions or in the value or form or mix of the consideration offered) and such revision represents on the date on which such revision is announced (on such basis as HSBC and Amethyst may consider appropriate) an improvement (or no diminution) in the value of the consideration under the Offer as so revised compared with the consideration previously offered, the benefit of the revised Offer will, subject as provided in this paragraph 6 and in paragraph 8, be made available to Tullett Securityholders who have prior to such revision accepted the Offer (and not validly withdrawn such acceptance) in its original or any previously revised form(s) (hereinafter called “previous acceptors”). The acceptance by or on behalf of a previous acceptor of the Offer (in its original or any previously revised form(s)) shall, subject as provided in this paragraph 6 and in paragraph 8, be deemed to constitute an acceptance of the Offer as revised in respect of the Tullett Securities comprised or deemed to be comprised in the original or any previously revised acceptance and, subject as aforesaid, be deemed to constitute the separate irrevocable appointment of Collins Stewart and/or HSBC and/or any director of Collins Stewart and/or any director of HSBC as his, her, its or their attorney and agent with authority to accept any such revised Offer on behalf of the previous acceptor whether or not he, she, it or they shall also have made an election for the Partial Cash Alternative or the Loan Note Alternative, or under the Additional Cash Facility or the Bond Offer Additional Share Facility or the election to receive new Collins Stewart Shares in respect of the Further Payment and to make such elections for and accept such alternative forms of consideration or any combination thereof (to the extent combinations are permissible) as such attorney and agent in his, her, its or their absolute discretion thinks fit and to execute on behalf of and in the name of such previous acceptor all such further documents (if any) as may be required to give effect to such acceptances and/or elections. In making any such acceptance and/or election, such attorney and agent shall take into account the nature of any previous acceptances and/or elections made by previous acceptors (including any election for the Partial Cash Alternative or the Loan Note Alternative and/or under the Additional Cash Facility or the Bond Offer Additional Share Facility or the election to receive new Collins Stewart Shares in respect of the Further Payment) and such other factors or matters as he, she, it or they may reasonably consider relevant.
- 6.2 Although no such revision is envisaged and notwithstanding paragraph 6.1, if any revised Offer (or additional or varied arrangements in relation to the Partial Cash Alternative, the Loan Note Alternative, the Additional Cash Facility or the Bond Offer Additional Share Facility or the election to receive new Collins Stewart Shares in respect of the Further Payment) provides for Tullett Securityholders who accept it to elect for (or accept or elect for) alternative forms of consideration (including, without limitation, consideration either in cash or in shares or other securities including loan notes of Collins Stewart or any combination thereof) the acceptance by or on behalf of a previous acceptor of the Offer and/or an election by or on behalf of a previous acceptor under any

alternative (in each case in its original or any previously revised form(s)) shall, subject as provided in paragraphs 6.3 and 6.4, constitute separate irrevocable authorities to Collins Stewart and/or HSBC and/or any director of Collins Stewart and/or any director of HSBC as his, her, its or their attorney and/or agent to make elections for and/or accept or elect for such alternative forms of consideration on his, her, its or their behalf as such attorney and/or agent in his, her, its or their absolute discretion thinks fit and to take such steps as are necessary to give effect to such acceptances and/or elections. In making any such election and/or acceptance such attorney and/or agent shall take into account the nature of any previous acceptances and/or elections (including any election for the Partial Cash Alternative or the Loan Note Alternative, or under the Additional Cash Facility or the Bond Offer Additional Share Facility or the election to receive new Collins Stewart Shares in respect of the Further Payment) made by or on behalf of the previous acceptor and such other facts or matters as he, she, it or they may reasonably consider relevant. In particular, in the case of previous cash electors, such attorney and or agent shall (if such revised Offer provides for Tullett Securityholders who accept it to elect for (or accept) consideration in cash and to the maximum extent possible and/or practicable) make such elections and or acceptances so that the consideration under such revised Offer will be provided in cash, in respect of the same proportion of the consideration as would have resulted from the elections made on the relevant Form of Acceptance previously executed by him, her, it or them or on his, her, its or their behalf.

- 6.3 Any acceptance or election pursuant to the authorities conferred by paragraphs 6.1 and 6.2 shall be conditional on Collins Stewart or HSBC or a director of Collins Stewart or a director of HSBC exercising the authority conferred by those paragraphs so as to ensure that, to the extent available under the terms of the revised Offer and/or revised Partial Cash Alternative and/or revised Loan Note Alternative and/or revised Additional Cash Facility and/or revised Bond Offer Additional Share Facility and/or election for new Collins Stewart Shares in respect of the Further Payment, all such steps are taken on behalf of each previous acceptor so as to ensure that he, she, it or they receives not less than he, she, it or they would have received in cash as a result of his, her, its or their acceptance of the Offer (and the alternatives elected for) in the form in which it was originally accepted or elected for by him, her, it or them or on his, her, its or their behalf.
- 6.4 The deemed acceptances and elections referred to in paragraphs 6.1 and 6.2 shall not apply and the powers of attorney and agency conferred by those paragraphs shall be ineffective to the extent that a previous acceptor shall lodge, within 14 days of the posting of the document pursuant to which the revised Offer and/or revised Partial Cash Alternative and/or revised Loan Note Alternative and/or the revised Additional Cash Facility and/or revised Bond Offer Additional Share Facility and/or election for new Collins Stewart Shares in respect of the Further Payment referred to in paragraphs 6.1 and 6.2 is made available to Tullett Securityholders, a form in which he, she or it validly elects (to the extent possible) to receive the consideration receivable by him, her or it under the revised Offer and/or revised Partial Cash Alternative and/or revised Loan Note Alternative and/or revised Additional Cash Facility and/or revised Bond Offer Additional Share Facility and/or election for new Collins Stewart Shares in respect of the Further Payment in some other manner.
- 6.5 The powers of attorney, and authority and agency conferred by this paragraph 6 and any acceptance of a revised Offer and/or election for a revised Partial Cash Alternative or revised Loan Note Alternative, or under a revised Additional Cash Facility or revised Bond Offer Additional Share Facility and/or election for new Collins Stewart Shares in respect of the Further Payment and/or other election pursuant to any of the foregoing shall be irrevocable unless and until the previous acceptor becomes entitled to withdraw his, her, its or their acceptance under paragraph 3 of this Part B and duly does so.
- 6.6 Collins Stewart reserves the right to treat an executed Form of Acceptance relating to the Offer (in its original or in any previously revised form(s)) and/or the Partial Cash Alternative, the Loan Note Alternative or Additional Cash Facility or revised Bond Offer Additional Share Facility and/or election for new Collins Stewart Shares in respect of the Further Payment (in its or their original or in any previously revised form(s)) which is received after the announcement or issue of the Offer in any revised form and/or additional or varied arrangements in relation to the Partial Cash Alternative, Loan Note Alternative, Additional Cash Facility, Bond Offer Additional Share Facility and/or election for new Collins Stewart Shares in respect of the Further Payment as a valid acceptance in respect of the revised Offer and/or (where applicable) a valid election in relation to any of the forms of consideration referred to in paragraphs 6.1 and 6.2, as the case may be, and such acceptance and/or election shall constitute an authority and request in the form of paragraphs 6.1 and 6.2 *mutatis mutandis* on behalf of the relevant Tullett Securityholders.

7. General

- 7.1 Except with the consent of the Panel, the Offer will lapse unless all the conditions relating to the Offer have been fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by Collins Stewart in its reasonable opinion to be or have been or remain satisfied, by the later of (i) midnight (London time), 7.00 p.m. (New York City time) on 14 March 2003; (ii) midnight (London time), 7.00 p.m. (New York City time) on the date which is 21 days after the date on which the Offer becomes unconditional as to acceptances; and (iii) such date as Collins Stewart may, with the consent of the Panel, decide. If the Offer lapses for any reason, the Offer will cease to be capable of further acceptance and Collins Stewart, Tullett Securityholders and HSBC will cease to be bound by prior acceptances.
- 7.2 The Offer will lapse if the acquisition of Tullett is referred to the Competition Commission before 3.00 p.m. (London time), 10.00 a.m. (New York City time) on 21 February 2003 or the date when the Offer becomes unconditional, whichever is the later.
- 7.3 If sufficient acceptances are received, Collins Stewart intends to apply the provisions of sections 428 to 430F (inclusive) of the Act to acquire compulsorily any outstanding Tullett Ordinary Shares to which the Ordinary Offer relates.
- 7.4 All communications, notices, share certificates, documents of title, other documents and remittances to be delivered by or sent to or from Tullett Securityholders (or their designated agent(s)) will be delivered or sent at their own risk.
- 7.5 The expression "Offer Period" when used in this document means, in relation to the relevant Offer, the period commencing on 17 September 2002 and ending at whichever of the following times shall be the latest:
- (A) 3.00 p.m. (London time), 10.00 a.m. (New York City time) on 21 February 2003;
 - (B) the time at which the Offer lapses; and
 - (C) the time at which the Offer becomes unconditional.
- 7.6 All references in this document and in the Forms of Acceptance to 21 February 2003 shall (except in paragraphs 1.1 and 7.5 and where the context otherwise requires), if the expiry date of the Offer is extended, be deemed to refer to the expiry date of the Offer as so extended.
- 7.7 Except with the consent of the Panel and save for the deduction of Relevant Tax Liabilities under the Bond Offer and Option Proposals, settlement of the consideration to which any Tullett Securityholder is entitled under the Offer will be implemented in full in accordance with the terms of the relevant Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Collins Stewart may otherwise be, or claim to be, entitled as against such Tullett Securityholders and will be posted or settled promptly, but in any event within 5 Business Days after the date on which the Offer becomes unconditional in all respects or with respect to valid and complete acceptances received after the Offer becomes unconditional in all respects promptly, but in any event within 5 Business Days after receipt of a valid and complete Form of Acceptance provided always that entitlements to the Further Payment under the A Preference Offer shall be settled on 19 November 2004.
- 7.8 The instructions, terms, authorities and provisions contained in or deemed to be incorporated in the Forms of Acceptance constitute part of the terms of the Offer to which such Form of Acceptance relates. Words and expressions defined in this document shall have the same meanings when used in the Forms of Acceptance, unless the context otherwise requires.
- 7.9 The Offer and all contracts arising from acceptances thereof and all elections for, under or pursuant to the Partial Cash Alternative, the Loan Note Alternative, the Additional Cash Facility, the Bond Offer Additional Share Facility and the Further Payment and the Forms of Acceptance and all actions taken or made or deemed to be taken or made under any of the foregoing shall be governed by and construed in accordance with English law. Execution by or on behalf of a Tullett Securityholder of a Form of Acceptance constitutes his, her, its or their submission, in relation to all matters arising out of or in connection with the Offer or any Form of Acceptance, to the non-exclusive jurisdiction of the courts of England and his, her, its or their agreement that nothing shall limit the right of Collins Stewart or HSBC to bring any action, suit or proceeding arising out of or in connection with the Offer or any Form of Acceptance in any other manner permitted by law or in any court of competent jurisdiction.

- 7.10 The Offer is made at 11.59 p.m. (London time) 6.59 p.m. (New York City time) on 23 January 2003 and is capable of acceptance from that time.
- 7.11 Any accidental omission to despatch this document and/or the Forms of Acceptance or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person.
- 7.12 Without prejudice to any other provision in this Part B, Collins Stewart and HSBC reserve the right to treat acceptances of the Offer as valid if received by or on behalf of them at any place or places otherwise than as stated herein or in the Forms of Acceptance.
- 7.13 Notwithstanding the right reserved by Collins Stewart to treat Forms of Acceptance as valid even though not entirely in order or not accompanied by the relevant share or bond certificate(s) and/or other documents(s) of title, except as otherwise agreed by the Panel:
- (A) an acceptance of the Offer will only be counted towards fulfilling the acceptance condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the City Code are satisfied in respect of it;
 - (B) a purchase of Tullett Securities by Collins Stewart or its wholly owned subsidiaries or its nominee(s) (and, if Collins Stewart is required to make an offer or offers under Rule 9 of the City Code, by a person acting in concert with Collins Stewart for the purpose of such offer or its nominee(s)) will only be counted towards fulfilling the acceptance condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the City Code are satisfied in respect of it; and
 - (C) the Offer will not become unconditional until the Receiving Agent issues a certificate to Collins Stewart and/or HSBC stating the number of acceptances which have been received and the number of Tullett Securities otherwise owned or acquired by Collins Stewart (whether before or during the Offer Period) which comply with the provisions of the City Code referred to in this paragraph 7.13. Copies of such certificate will be sent to the Panel and Tullett and Amethyst as soon as possible after it is issued.
- 7.14 If the Offer does not become unconditional in all respects or lapses, the Forms of Acceptance, share and bond certificate(s) and/or other document(s) of title will be returned by first class post or airmail (or such other methods as may be approved by the Panel) promptly, but in any event not later than within 14 days of the Offer lapsing, at the risk of the Tullett Securityholder concerned or to the person or agent whose name and address is set out in the appropriate Box on the Form of Acceptance.
- 7.15 No acknowledgement of receipt of any Form of Acceptance, remittances, share and bond certificate(s) and/or other document(s) of title will be given.
- 7.16 All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to in this Appendix I or in the Forms of Acceptance are given by way of security for the performance of the obligations of the Tullett Securityholder concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 except in the circumstances when the donor of such power of attorney or authority is entitled to withdraw his acceptance in accordance with paragraph 1.3 or paragraph 3 above and duly does so or except as specified in paragraph 6.4 above.
- 7.17 The Offer extends to those persons not resident in the United Kingdom to whom this document, the Forms of Acceptance and any related documents may not be despatched or by whom any such documents may not be received. Any such persons may collect copies of those documents from HSBC at 8 Canada Square, London E14 5HQ or from Capita IRG Plc at either of its addresses given in paragraph 3.1 above. Collins Stewart and HSBC reserve the right to notify any matter, including the making of the Offer, to all or any Tullett Securityholders with a registered address(es) outside the United Kingdom or whom Collins Stewart knows to be nominees trustees or custodians for such persons, by announcement or by paid advertisement in a newspaper published and circulated in the United Kingdom, in which event such notice shall be deemed to have been sufficiently given, notwithstanding any failure by any such Tullett Securityholders to receive such notice, and all references in this document to notice in writing (except in paragraph 6.4 above) shall be construed accordingly.
- 7.18 All references in this document to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).

- 7.19 Due completion of a Form of Acceptance will constitute an instruction to Collins Stewart, on the Offer becoming or being declared unconditional in all respects, that all mandates and other instructions or notices recorded in Tullett's records immediately prior to the Offer becoming so unconditional will, unless and until revoked or varied, continue in full force in relation to New Collins Stewart Shares or Loan Notes allotted or issued to the relevant Tullett Securityholders pursuant to the Offer or the Loan Note Alternative.
- 7.20 To the extent that any Tullett Securities are held by a person (other than a person who falls within paragraph 8 of Part B of this Appendix I) whose receipt of New Collins Stewart Shares pursuant to a valid acceptance of an Offer would be in contravention of applicable law, such person may request Collins Stewart in writing to allot any New Collins Stewart Shares to which it would otherwise become entitled to some other person. Collins Stewart shall be under no obligation to comply with such a request but will consider it sympathetically.
- 7.21 If Collins Stewart is required by the Panel to make an offer for Tullett Securities under the provisions of Rule 9 of the City Code, Collins Stewart may with the consent of the Panel make such alterations to the conditions of the Offer as are necessary to comply with the provisions of that Rule.
- 7.22 If the Ordinary Offer lapses, the Partial Cash Alternative, the Loan Note Alternative and the Additional Cash Facility under the Ordinary Offer and each of the Bond Offer, the Bond Offer Additional Share Facility, the A Preference Offer (including the Further Payment), the B Preference Offer and the Option Proposals will lapse at the same time.
- 7.23 If, on the date that new Collins Stewart Shares are to be allotted in respect of the Further Payment, Collins Stewart Shares:-
- (a) are not traded on the London Stock Exchange's main market for listed securities; or
 - (b) have a secondary listing on the London Stock Exchange; or
 - (c) are suspended from trading on the London Stock Exchange's main market for listed securities; or
 - (d) are subject to a notice for de-listing or suspension from trading on the London Stock Exchange's main market for listed securities,
- subject to paragraph 7.24, notwithstanding any election to receive new Collins Stewart Shares in respect of the Further Payment, such Further Payment will be paid entirely in cash.
- 7.24 If prior to the settlement of the Further Payment under the A Preference Offer an offer for the share capital of Collins Stewart has become or been declared unconditional in all respects (a "Collins Stewart Takeover"), Collins Stewart shall notify each person in writing who has elected to receive new Collins Stewart Shares in respect of the Further Payment, not later than 10 days following the Collins Stewart Takeover with reasonable details of such Collins Stewart Takeover, including, but not limited to reasonable information relating to the identity of the person acquiring the Collins Stewart Shares (the "Collins Stewart Acquirer") and such notice shall include confirmation as to whether the Collins Stewart Acquirer is prepared to procure the satisfaction of the Further Payment by the allotment of new shares in the Collins Stewart Acquirer. If such notice includes such a confirmation, not later than 8 November, 2004, each person who has validly elected to receive new Collins Stewart Shares in respect of the Further Payment shall be entitled to elect to receive the Further Payment in the form of shares in the Collins Stewart Acquirer, provided that such shares are publicly traded. Any person who does not validly elect to receive shares in the Collins Stewart Acquirer shall receive the Further Payment in cash in accordance with paragraph 7.23. The number of shares to be issued by the Collins Stewart Acquirer will be calculated by reference to the average closing middle market price as derived from the Daily Official List (or its equivalent) of such share on the five business days prior to allotment. Collins Stewart shall use its reasonable endeavours to procure that the Collins Stewart Acquirer shall comply with the provisions of this paragraph.
- 7.25 Tullett Securities which are the subject to the Offer will be acquired by Collins Stewart fully paid and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights attaching thereto, including the right to retain and receive in full all dividends and other distributions (if any) declared, paid or made on or after 22 January 2003 excluding, however, any payment due to Tullett Ordinary Shareholders who were on the register of members of Tullett at 21 October 1999 to be made in respect of the sale of Tullett's shares in virt-x plc as referred to in paragraph 10(a) of Appendix IV to this document and excluding, in the case of the Tullett Bonds, the right to receive and retain any interest payable on the Tullett Bonds up to 18 February 2003.

7.26 Where, under the terms of the Offers, fractional entitlements are to be aggregated and sold with the equivalent of the fractional entitlements being added to the cash elements of any consideration, fractional entitlements shall be calculated on the basis of 308 pence per New Collins Stewart Share.

8. Overseas Securityholders

8.1 General

The making of the Offers (and the alternatives and elections thereunder) and/or the Option Proposals to Overseas Securityholders or in jurisdictions outside the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of each Overseas Securityholder wishing to accept the Offers (and making the elections thereunder) and/or the Option Proposals to satisfy himself or herself or itself or themselves as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required or the compliance with other necessary formalities. Any Overseas Securityholder will also be responsible for any payment of any issue, transfer or other taxes or other requisite payments relating to the Offers and for the Option Proposals due in such jurisdiction by that Overseas Securityholder or by Collins Stewart.

Overseas Securityholders are referred to the relevant notices on pages 2 to 4 of this document.

The Loan Note Alternative is not available to Overseas Securityholders.

8.2 United States

This document does not constitute an offer for, or an invitation to apply for, or an offer or invitation to purchase or subscribe for, any New Collins Stewart Shares or Loan Notes to any Tullett Securityholder or Tullett Optionholder that is resident in, or has a registered address in, the United States, unless otherwise determined by Collins Stewart in its sole discretion and effected in a lawful manner. Collins Stewart will not authorise the delivery of any New Collins Stewart Shares or Loan Notes in the United States or to any person who provides an address in the United States for receipt of New Collins Stewart Shares or Loan Notes unless, in the case of New Collins Stewart Shares, such person is an Eligible US Securityholder that is an Accredited Investor and satisfies Collins Stewart, in its sole discretion, that an exemption from the registration requirements of the US Securities Act is available.

The provisions of this paragraph 8.2 and any other terms of the Offers relating to Tullett Securityholders and/or Tullett Optionholders resident in, or with a registered address in, the United States may be waived, varied or modified as regards specific Tullett Securityholders and/or Tullett Optionholders or on a general basis by Collins Stewart. Subject to this discretion, the provisions of this paragraph 8.2 supersede any terms of the Offers inconsistent with them.

Tullett Securityholders and/or Tullett Optionholders who are resident in, or have a registered address in, the United States may participate in the Offers and the Option Proposals, but may not elect for the Loan Note Alternative.

(a) Eligible US Securityholders

Neither the New Collins Stewart Shares nor the Loan Notes have been and nor will they be registered under the US Securities Act or under the securities laws of any state of the United States. The New Collins Stewart Shares will only be offered or sold in the United States to Accredited Investors in reliance on an exemption from the registration requirements of the US Securities Act. Accordingly, no New Collins Stewart Shares or Loan Notes will be delivered to any Tullett Securityholder and/or Tullett Optionholders resident in, or with a registered address in, the United States unless, in the case of New Collins Stewart Shares, such Tullett Securityholder or Tullett Optionholder is an Eligible US Securityholder that is an Accredited Investor and satisfies Collins Stewart, in its sole discretion, that such exemption is available.

All persons wishing to be categorised as Eligible US Securityholders will be required to deliver to Collins Stewart, through the Receiving Agent, Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TH, an Investor Letter (in the form which is being sent with this document to Tullett Securityholders with registered addresses in the United States) or which can be obtained from the Receiving Agent, Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TH prior to, or together with, delivery of a relevant Form of

Acceptance and/or Option Proposals Form of Election. Collins Stewart reserves the right, in its sole discretion, to investigate, in relation to any purported acceptance, whether the representations and warranties contained in the Investor Letter were given truthfully by such Tullett Securityholder or Tullett Optionholder and if, as a result, Collins Stewart, in its sole discretion, does not satisfy itself that such representations and warranties were so given, or determines for any other reason that an exemption from the registration requirements of the US Securities Act is not available, Collins Stewart shall treat such Tullett Securityholder or Tullett Optionholder as a Non-Eligible US Securityholder in accordance with paragraph 8.2(b).

An Accredited Investor is any person that is: (i) a bank as defined in Section 3(a)(2) of the US Securities Act or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the US Securities Act (whether acting in its fiduciary or individual capacity); (ii) a broker or dealer registered pursuant to Section 15 of the US Exchange Act; (iii) an insurance company as defined in Section 2(13) of the US Securities Act; (iv) an investment company registered under the US Investment Company Act; (v) a business development company as defined in Section 2(a)(48) of the US Investment Company Act; (vi) a Small Business Investment Company licensed by the US Small Business Administration under Sections 301(c) or (d) of the US Small Business Investment Act of 1958; (vii) an employee benefit plan within the meaning of the US Employee Retirement Income Security Act of 1974 (“ERISA”), and (a) the investment decision with respect to this investment is being made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment adviser, (b) it has total assets in excess of US\$5,000,000 or (c) if a self-directed plan, investment decisions are made solely by persons who are Accredited Investors; (viii) a private business development company as defined in Section 202(a)(22) of the US Investment Advisers Act of 1940; (ix) a tax-exempt organisation described in Section 501(c)(3) of the US Internal Revenue Code, corporation, Massachusetts or similar business trust or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US\$5,000,000; (x) a natural person with an individual net worth, or joint net worth with his or her spouse, in excess of US\$1,000,000; (xi) a natural person with an individual income in excess of US\$200,000 in each of the two most recent years, or a joint income with his or her spouse in excess of US\$300,000 in each of the two most recent years, and a reasonable expectation of reaching the same income level in the current year; (xii) a trust, with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the securities offered, the purchase of which is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the US Securities Act; (xiii) a plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of US\$5,000,000; or (xiv) any entity the equity owners of which are all Accredited Investors.

By accepting delivery of the New Collins Stewart Shares, Eligible US Securityholders will be deemed to have irrevocably agreed not to offer, sell, pledge or otherwise transfer the New Collins Stewart Shares except (i) pursuant to an effective registration statement under the US Securities Act, (ii) to a person such Eligible US Securityholder reasonably believes is a “qualified institutional buyer” (as defined in Rule 144A under the US Securities Act) in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in a transaction meeting the requirements of Rule 903 or 904 of Regulation S under the US Securities Act or (iv) pursuant to another available exemption from the registration requirements of the US Securities Act and, in each case, in accordance with any other applicable securities laws and after such Eligible US Securityholder has furnished to Collins Stewart a written opinion of counsel, certifications or other evidence to such effect acceptable to it in form and substance.

Each certificate issued to Eligible US Securityholders in respect of the New Collins Stewart Shares will bear the restrictive legend set forth below until such time as Collins Stewart, in its sole discretion, determines that such legend is no longer required: **“This security has not been registered under the US Securities Act of 1933, as amended (the “US Securities Act”), or any state securities laws, and may only be offered, sold, pledged or otherwise transferred (i) pursuant to an effective registration statement under the US Securities Act, (ii) to a person the seller reasonably believes is a “qualified institutional buyer” (as defined in Rule 144A under the US Securities Act) in a transaction meeting the requirements of Rule 144A, (iii) outside the United**

States in a transaction meeting the requirements of Rule 903 or 904 of Regulation S under the US Securities Act, or (iv) pursuant to another available exemption from the registration requirements of the US Securities Act and, in each case, in accordance with any other applicable securities laws and subject to the right of Collins Stewart to require the delivery of a written opinion of counsel, certifications or other information to such effect acceptable to it in form and substance. Each purchaser of this security is hereby notified that the seller may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A thereunder.”

(b) Non-Eligible US Securityholders

Any Non-Eligible US Securityholder accepting the Ordinary Offer and/or the Bond Offer will be deemed to have (i) in respect of the Ordinary Offer, elected for the maximum entitlement under the Partial Cash Alternative (if still open); and (ii) in respect of the Ordinary Offer and the Bond Offer, irrevocably authorised Collins Stewart to arrange for the sale or allotment of New Collins Stewart Shares to which such Non-Eligible US Securityholder may otherwise be entitled pursuant to the Offer (other than those New Collins Stewart Shares which are sold under the cash underpinning arrangements as a result of any deemed election in respect of the Partial Cash Alternative) and to remit the cash proceeds, in pounds sterling, of such sale or allotment, net of expenses, to such Non-Eligible US Securityholder instead. Any Non-Eligible US Securityholder accepting the Ordinary Offer will not be able to make an election under the Additional Cash Facility. Accordingly, the New Collins Stewart Shares to which such Non-Eligible US Securityholder may otherwise be entitled pursuant to the Ordinary Offer (other than those New Collins Stewart Shares which are sold under the cash underpinning arrangements as a result of any deemed election in respect of the Partial Cash Alternative) will be sold or allotted on behalf of such Non-Eligible US Securityholder. If the Partial Cash Alternative is not still open, all of the New Collins Stewart Shares to which Non-Eligible US Securityholders may otherwise be entitled pursuant to the Ordinary Offer will be sold or allotted on behalf of such Non-Eligible US Securityholder. The sale or allotment of any New Collins Stewart Shares on behalf of any Non-Eligible US Securityholder has not been underwritten and the net cash proceeds to be received as a result thereof is uncertain and may differ from the cash amount per Tullett Ordinary Share that would otherwise have been received under the Partial Cash Alternative.

Any Non-Eligible US Securityholder accepting the Option Cancellation Proposal will be deemed to have irrevocably authorised Collins Stewart to arrange for the sale or allotment of New Collins Stewart Shares to which such Non-Eligible US Securityholder may otherwise be entitled pursuant to the Option Cancellation Proposal and to remit the cash proceeds, in pounds sterling, of such sale or allotment, net of expenses, to such Non-Eligible US Securityholder instead.

Collins Stewart will have no obligations whatsoever (save under paragraph 22 of Part III of this document and FSA Conduct of Business best execution rules) in relation to the timing of such sales or allotments or the price obtained and such sales or allotments may be made individually or together with other New Collins Stewart Shares to which such provisions apply. Non-Eligible US Securityholders should be aware that the sale or allotment of such New Collins Stewart Shares has not been underwritten and the net cash proceeds to be received as a result thereof is uncertain and may differ from the cash amount per Tullett Security that will be received under the Partial Cash Alternative. None of Collins Stewart, its directors or HSBC or its directors and/or their respective affiliates shall have any liability to Non-Eligible US Securityholders to achieve a particular price per New Collins Stewart Share (other than those New Collins Stewart Shares subject to the deemed election in respect of the Partial Cash Alternative (if still open)). The aggregate net cash proceeds, in pounds sterling, of all such sales or allotments on behalf of all Non-Eligible US Securityholders will be distributed *pro rata* to each Non-Eligible US Securityholder.

Any signed Forms of Acceptance or Option Proposals Form of Election (with respect to the Option Cancellation Proposal) received from a Non-Eligible US Securityholder shall constitute the irrevocable appointment of Collins Stewart or HSBC or any director of Collins Stewart or any director of HSBC and/or their respective agents as the relevant Non-Eligible US Securityholder's agent to effect such sale or allotment as his agent, with full power (including powers of delegation) to do all such things as may be necessary for or ancillary to such purpose. Subject thereto, the provisions of this paragraph 8.2(b) supersede any terms of the

Offers or the Option Proposals inconsistent therewith. References in this paragraph 8.2(b) to a Non-Eligible US Securityholder include references to the person or persons executing Forms of Acceptance and/or Option Proposals Form of Election and, in the event of more than one person executing the Forms of Acceptance and/or Option Proposals Form of Election, the provisions of this paragraph 8.2(b) shall apply to them jointly and severally.

In connection with any sale or allotment of New Collins Stewart Shares to which Non-Eligible US Securityholders may otherwise be entitled pursuant to the Ordinary Offer (other than those New Collins Stewart Shares to which Tullett Ordinary Shareholders would have been entitled in the absence of a deemed election for the Partial Cash Alternative), the Bond Offer or the Option Cancellation Proposal, amounts will be retained in respect of expenses (including as applicable and without limitation any brokerage fees and commissions, wire transfer fees, stamp duty or other miscellaneous fees and expenses) incurred by Collins Stewart or HSBC or any director of Collins Stewart or any director of HSBC and/or their respective agents as the relevant Non-Eligible US Securityholder's agent in connection with such sale or allotment.

Non-Eligible US Securityholders are not eligible to elect to receive New Collins Stewart Shares under the Bond Offer Additional Share Facility and any purported election shall be invalid.

Non-Eligible US Securityholders may not elect to receive the Further Payment under the A Preference Offer in the form of new Collins Stewart Shares and any purported election shall be invalid.

Non-Eligible US Securityholders may not accept the Option Exercise Proposal. Any purported acceptance of the Option Exercise Proposal by a Non-Eligible US Securityholder will be deemed to be an acceptance of the Option Cancellation Proposal instead.

- 8.3 The provisions of this paragraph 8 and any other terms of an Offer or the Option Proposals relating to Overseas Securityholders may be waived, varied or modified as regards specific Tullett Securityholders or Tullett Optionholders or on a general basis by Collins Stewart in its sole discretion. Subject to this discretion, the provisions of this paragraph 8 supersede any terms of the Offer or Option Proposals inconsistent with them.
- 8.4 If, in connection with the making of the Offers and the Option Proposals, notwithstanding the restrictions described above, any person (including without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Prospectus, the Forms of Acceptance, the Option Proposals Form of Election or any related offering documents in, into or from a jurisdiction in which such person knows there are regulatory restrictions, such person should:
- (A) inform the recipient of such fact;
 - (B) explain to the recipient that such action may have invalidated any purported acceptance of such Offer or Option Proposals by the recipient; and
 - (C) draw the attention of the recipient to this paragraph 8.
- 8.5 Collins Stewart reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations or warranties referred to in paragraphs 1.5 to 1.7 of Part C and paragraphs 1.10 to 1.12 and 2.12 to 2.14 of Part D of this Appendix I were given truthfully by such Tullett Securityholder or Tullett Optionholder and, if such investigation is undertaken and as a result Collins Stewart determines that such representation and warranty was not so given, Collins Stewart shall have the powers set out in paragraphs 8.2(b) and 8.3.
- 8.6 **Overseas Securityholders should inform themselves about and observe any applicable legal or regulatory requirements. If they are in any doubt about their position, they should consult their professional adviser in the relevant territory.**

PART C: Forms Of Acceptance

1. Each Tullett Securityholder by whom, or on whose behalf, a Form of Acceptance is executed, irrevocably undertakes, represents, warrants and agrees to and with Collins Stewart and HSBC (so as to bind him or her, it or them and his, her, its or their personal representatives, heirs, successors and assigns) to the following effect:

1.1 that, subject to paragraph 8 of Part B of this Appendix I, the execution of a white Form of Acceptance shall constitute:

- (A) an acceptance or deemed acceptance of the Ordinary Offer in respect of the number of Tullett Ordinary Shares inserted, or deemed to be inserted, in Box 1;
- (B) if Box 1 is left blank or a greater number than such Tullett Ordinary Shareholder's registered holding appears in Box 1, an acceptance by the Tullett Ordinary Shareholder of the Ordinary Offer in respect of the total number of Tullett Ordinary Shares registered in his, her or its name in each case;
- (C) an election for the Partial Cash Alternative in respect of the number of Tullett Ordinary Shares inserted in Box 2 or, if a number greater than the number of Tullett Ordinary Shares inserted, or deemed to be inserted, in Box 1 or if "ALL" is inserted in Box 2, an election for the Partial Cash Alternative in respect of the number of Tullett Ordinary Shares inserted, or deemed to be inserted, in Box 1;
- (D) if Box 3 is completed and a valid election is made for the Partial Cash Alternative in respect of any Tullett Ordinary Shares inserted or deemed to be inserted in Box 1, an election under the Additional Cash Facility to receive (subject to availability) additional cash instead of New Collins Stewart Shares to which he would have otherwise been entitled to receive under the Partial Cash Alternative, in respect of the number of Tullett Ordinary Shares inserted in Box 3 or, where "ALL" is inserted in Box 3, in respect of the number of Tullett Ordinary Shares inserted, or deemed inserted, in Box 1;
- (E) if Box 4A is completed and a valid election for the Partial Cash Alternative has been made, an election for the Loan Note Alternative in respect of the cash amount specified in Box 4A or the amount of cash which such Tullett Ordinary Shareholder would otherwise have received under the Partial Cash Alternative, in the event that an amount greater than such entitlement is inserted in Box 4A;
- (F) if Box 4B has been ticked and valid elections for the Partial Cash Alternative and under the Additional Cash Facility have been made, an election for the Loan Note Alternative in respect of such additional cash which may be allocated to such Tullett Ordinary Shareholder under the Additional Cash Facility;
- (G) an authority to Collins Stewart or HSBC or either of their agents to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute any further documents and give any further assurances which may be required to enable Collins Stewart to obtain the full benefit of this Part C and/or to perfect any of the authorities expressed to be given hereunder;

in each case on and subject to the terms and conditions set out or referred to in this document and in the white Form of Acceptance and that, subject only to the rights of withdrawal set out or referred to in paragraphs 1.3 and 3 of Part B of Appendix I of this document, each such acceptance shall be irrevocable provided that if (i) no Boxes are completed or (ii) the total number of Tullett Ordinary Shares inserted in Box 1 is greater than the number of Tullett Ordinary Shares registered in the name of the relevant accepting Tullett Ordinary Shareholder or (iii) (save as contemplated above) the acceptance is otherwise completed incorrectly, but the white Form of Acceptance is signed, it will be deemed to be an acceptance of the Ordinary Offer in respect of all the Tullett Ordinary Shares registered in the name of the acceptor;

1.2 that, subject to paragraph 8 of Part B of this Appendix I, the execution of a pink Form of Acceptance shall constitute:

- (A) an acceptance or deemed acceptance of the Bond Offer in respect of the nominal amount of Tullett Bonds inserted, or deemed to be inserted, in Box 1 and a consent to an amendment of the terms of the SPB Instrument so as to permit Collins Stewart to become a registered holder of the Tullett Bonds upon the Bond Offer becoming or being declared unconditional in all respects;

- (B) if Box 1 is left blank or a greater nominal amount than such Tullett Bondholder's registered holding appears in Box 1, an acceptance by the Tullett Bondholder of the Bond Offer in respect of the total nominal amount of Tullett Bonds registered in his name in each case;
- (C) if the denomination in which the Tullett Bonds the subject of the Form of Acceptance is not specified in Box 1, an authority for Collins Stewart to treat the acceptance as being in respect of denomination of Tullett Bonds recorded in the register of Tullett Bondholders;
- (D) if Box 2 of the pink Form of Acceptance has been ticked, if eligible, an election to receive New Collins Stewart Shares under the Bond Offer Additional Share Facility in lieu of the cash to which such Tullett Bondholder would otherwise have been entitled under the Bond Offer;
- (E) an authority to Collins Stewart to withhold from the cash to be paid to the Tullett Bondholder under the Bond Offer funds equal to any Relevant Tax Liability arising in respect of the Bond Offer, and to pay these amounts to Tullett and procure that Tullett pays these amounts to the authority entitled to the same and to the extent that such cash is not sufficient to meet that liability, authority to Collins Stewart and/or its agents to sell sufficient of the New Collins Stewart Shares to be issued to the Tullett Bondholder under the Bond Offer to meet the remainder of such Relevant Tax Liability;
- (F) an authority to Collins Stewart or its agents to sign a written resolution in respect of such Tullett Bondholder's registered holding of Tullett Bonds approving the proposed amendment of the terms of the SPB Instrument in the manner described in paragraph 2(b) of Part A of Appendix I to this document, provided that such authority may only be exercised if such exercise would result in the last remaining condition to the Bond Offer being satisfied;
- (G) an authority to Collins Stewart or its agents to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute any further documents and give any further assurances which may be required to enable Collins Stewart to obtain the full benefit of this Part C and/or to perfect any of the authorities expressed to be given hereunder;

in each case on and subject to the terms and conditions set out or referred to in this document and in the pink Form of Acceptance and that, subject only to the rights of withdrawal set out or referred to in paragraph 6 of Part B of Appendix I, each such acceptance shall be irrevocable provided that if (i) no Boxes are completed; or (ii) the total nominal amount of Tullett Bonds inserted in Box 1 is greater than the nominal amount of Tullett Bonds registered in the name of the acceptor or (iii) (save as contemplated above) the acceptance is otherwise completed incorrectly, but the pink Form of Acceptance is signed, it will be deemed to be an acceptance of the Bond Offer in respect of all the Tullett Bonds registered in the name of the acceptor;

1.3 that, subject to paragraph 8 of Part B of this Appendix I, the execution of a blue Form of Acceptance shall constitute:

- (A) an acceptance or deemed acceptance of the A Preference Offer in respect of the number of Tullett A Preference Shares inserted, or deemed to be inserted, in Box 1;
- (B) if Box 1 is left blank or a greater number than such Tullett A Preference Shareholder's registered holding appears in Box 1, an acceptance by the Tullett A Preference Shareholder of the A Preference Offer in respect of the total number of Tullett A Preference Shares registered in his, her or its name in each case;
- (C) if Box 2 has been completed, an election to receive Loan Notes in lieu of the lower of the amount inserted in Box 2 and the maximum cash which such Tullett A Preference Shareholder would otherwise have received in respect of the number of A Preference Shares inserted in Box 2;
- (D) if Box 3 has been ticked, if eligible, an election to receive the Further Payment under the A Preference Offer in the form of new Collins Stewart Shares;
- (E) an authority to Collins Stewart or its agents to sign a written resolution of Tullett A Preference Shareholders approving the amendment of the rights attaching to the Tullett A Preference Shares in the manner described in paragraph 3(b) of Part A of Appendix I to this document, provided that such authority may only be exercised if such exercise would result in the last remaining condition to the A Preference Offer being satisfied;
- (F) an authority to Collins Stewart or its agents to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an

undertaking to execute any further documents and give any further assurances which may be required to enable Collins Stewart to obtain the full benefit of this Part C and/or to perfect any of the authorities expressed to be given hereunder;

in each case on and subject to the terms and conditions set out or referred to in this document and in the blue Form of Acceptance and that, subject only to the rights of withdrawal set out or referred to in paragraph 3 of Part B of Appendix I, each such acceptance shall be irrevocable provided that if (i) no Boxes are completed; or (ii) the total number of Tullett A Preference Shares inserted in Box 1 is greater than the number of Tullett A Preference Shares registered in the name of the acceptor or (iii) (save as contemplated above) the acceptance is otherwise completed incorrectly, but the blue Form of Acceptance is signed, it will be deemed to be an acceptance of the A Preference Offer in respect of all the Tullett A Preference Shares registered in the name of the acceptor;

1.4 that, subject to paragraph 8 of Part B of this Appendix I, the execution of a green Form of Acceptance shall constitute:

- (A) an acceptance or deemed acceptance of the B Preference Offer in respect of the number of Tullett B Preference Shares inserted, or deemed to be inserted, in Box 1;
- (B) if Box 1 is left blank or a greater number than such Tullett B Preference Shareholders' registered holding appears in Box 1, an acceptance by the Tullett B Preference Shareholder of the B Preference Offer in respect of the total number of Tullett Shares registered in his, her or its or their name in each case;
- (C) if Box 2 has been completed, an election to receive Loan Notes in lieu of the lower of the amount inserted in Box 2 and the maximum cash which such Tullett B Preference Shareholder would otherwise have received in respect of the number of Tullett B Preference Shares inserted in Box 2;
- (D) an authority to Collins Stewart or its agents to sign a written resolution of Tullett B Preference Shareholders approving the amendment of the rights attaching to the Tullett B Preference Shares in the manner described in paragraph 4(b) of Part A of Appendix I to this document, provided that such authority may only be exercised if such exercise would result in the last remaining condition to the B Preference Offer being satisfied;
- (E) an authority to Collins Stewart or its agents to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute any further documents and give any further assurances which may be required to enable Collins Stewart to obtain the full benefit of this Part C and/or to perfect any of the authorities expressed to be given hereunder;

in each case on and subject to the terms and conditions set out or referred to in this document and in the green Form of Acceptance and that, subject only to the rights of withdrawal set out or referred to in paragraph 3 of Part B of Appendix I, each such acceptance shall be irrevocable provided that if (i) no Boxes are completed; or (ii) the total number of Tullett B Preference Shares inserted in Box 1 is greater than the number of Tullett Shares registered in the name of the acceptor or (iii) (save as contemplated above) the acceptance is otherwise completed incorrectly, but the green Form of Acceptance is signed, it will be deemed to be an acceptance of the B Preference Offer in respect of all the Tullett B Preference Shares registered in the name of the acceptor;

1.5 that, if "Yes" is marked in Box 7A on the white Form of Acceptance, Box 5A on the pink Form of Acceptance, Box 6A on the blue Form of Acceptance or Box 5A of the green Form of Acceptance, the execution of the relevant Form of Acceptance shall constitute a representation and warranty that such Tullett Securityholder is not (i) a resident of or with a registered address in the United States, (ii) located in the United States when executing the Form of Acceptance, (iii) sending the Form of Acceptance on a non-discretionary basis on behalf of a person located in the United States at the time the instruction to accept the Offers was given, (iv) accepting the Offers or acquiring the New Collins Stewart Shares or the Loan Notes with a view to offer, sell, pledge or otherwise transfer the New Collins Stewart Shares or the Loan Notes, directly or indirectly, in or into the United States and a further representation and warranty that such Tullett Securityholder is otherwise entitled to accept the relevant Offer without being in breach of any laws or applicable requirements of any other jurisdiction to which such Tullett Securityholder may be subject;

1.6 that, if "Yes" is marked in Box 7B of the white Form of Acceptance, Box 5B on the pink Form of Acceptance or Box 6B on the blue Form of Acceptance, such Tullett Securityholder is an Eligible US Securityholder and the execution of the relevant Form of Acceptance shall constitute:

- (A) an irrevocable representation and warranty that such Eligible US Securityholder is an Accredited Investor that has delivered or is delivering to Collins Stewart, through Capita IRG Plc, a duly completed and signed Investor Letter prior to, or together with, delivery of such Form of Acceptance;
- (B) an irrevocable agreement not to offer, sell, pledge or otherwise transfer the New Collins Stewart Shares delivered to such Eligible US Securityholder except (i) pursuant to an effective registration statement under the US Securities Act, (ii) to a person such Eligible US Securityholder reasonably believes is a “qualified institutional buyer” (as defined in Rule 144A under the US Securities Act) in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in a transaction meeting the requirements of Rule 903 or 904 of Regulation S under the US Securities Act or (iv) pursuant to another available exemption from the registration requirements of the US Securities Act and, in each case, in accordance with any other applicable securities laws and after such Eligible US Securityholder has furnished to Collins Stewart a written opinion of counsel, certifications or other evidence to such effect acceptable to it in form and substance;
- (C) an irrevocable agreement that, if Collins Stewart, in its absolute discretion, does not satisfy itself that an exemption from the registration requirements of the US Securities Act is available, Collins Stewart shall be entitled to treat such Tullett Securityholder as a Non-Eligible US Securityholder, and the execution of such Form of Acceptance by such Tullett Securityholder shall constitute the irrevocable authorisations and appointments contained in paragraph 1.7 below;
- (D) the irrevocable authorisation to Collins Stewart to remit cash instead of Loan Notes in respect of any election by such Eligible US Securityholder in respect of the Loan Note Alternative;

1.7 that, unless “Yes” is marked in Box 7B of the white Form of Acceptance, Box 5B of the pink Form of Acceptance or Box 6B of the blue Form of Acceptance, such Tullett Securityholder shall be deemed to be a Non-Eligible US Securityholder and the execution of the relevant Form of Acceptance shall constitute:

- (A) notwithstanding any other term of the Offers, in the case of the Ordinary Offer, a deemed election for the maximum entitlement under the Partial Cash Alternative (if the Partial Cash Alternative is still open);
- (B) the irrevocable authorisation to Collins Stewart or HSBC or any director of Collins Stewart or any director of HSBC and/or their respective agents to arrange for the sale or allotment of New Collins Stewart Shares (other than those New Collins Stewart Shares which are sold pursuant to the cash underpinning arrangements as a result of any deemed election in respect of the Partial Cash Alternative (if still open)) to which such Non-Eligible US Securityholder would otherwise be entitled pursuant to the Offers and to remit the cash proceeds, in pounds sterling, of such sale or allotment, net of expenses, to such Non-Eligible US Securityholder instead as described in paragraph 8.2(b) of Part B of Appendix I to this document;
- (C) the irrevocable appointment of Collins Stewart or HSBC or any director of Collins Stewart or director of HSBC and/or any of their respective agents as such Non-Eligible US Securityholder’s agent to effect such sale or allotment as such Non-Eligible US Securityholder’s agent, with full power (including powers of delegation) to do all such things as may be necessary for or ancillary to such purpose;
- (D) the irrevocable authorisation to Collins Stewart to remit cash instead of Loan Notes in respect of any election by such Non-Eligible US Securityholder in respect of the Loan Note Alternative and cash instead of New Collins Stewart Shares in respect of any election by such Non-Eligible US Securityholder in respect of the Bond Offer Additional Share Facility;
- (E) the irrevocable authorisation to Collins Stewart to remit the Further Payment under the A Preference Offer in the form of cash instead of New Collins Stewart Shares in respect of any election by such Non-Eligible US Securityholder in respect of the Further Payment under the A Preference Offer.

If “Yes” is marked in Box 7A of the white Form of Acceptance, Box 5A of the pink Form of Acceptance, Box 6A of the blue Form of Acceptance or Box 5A of the green Form of Acceptance, such Tullett Securityholder will be deemed to have given the representations and warranties contained in paragraph 1.5 of Part C of Appendix I above (i.e. that such Tullett Securityholder is not a resident, with a registered address or located in the United States, acting on a non-discretionary basis on behalf of

such a person or accepting the Offers or acquiring the New Collins Stewart Shares to transfer them into the United States and that such Tullett Securityholder is complying with applicable laws by accepting the Offer).

If “Yes” is marked in Box 7B of the white Form of Acceptance, Box 5B of the pink Form of Acceptance or Box 6B of the blue Form of Acceptance such Tullett Securityholder will be deemed to have given the representations, warranties and authorisations contained in paragraph 1.6 above (i.e. that such Tullett Securityholder is an Eligible US Securityholder).

If such Tullett Securityholder cannot mark “Yes” in Box 7B of the white Form of Acceptance, Box 5B of the pink Form of Acceptance or Box 6B of the blue Form of Acceptance, such acceptance will be treated in accordance with paragraph 1.7 above (i.e. that such Tullett Securityholder is a Non-Eligible US Securityholder).

- 1.8 that the Tullett Securities in respect of which the Offers are accepted or deemed to be accepted are sold with full title guarantee and free from all liens, equities, charges, encumbrances, rights of pre-emption and other interests and together with all rights attaching thereto on or after 23 January 2003, including the right to receive and retain all dividends and other distributions, if any, declared, made or paid after that date, save (in the case of the Ordinary Offer) for the entitlement of certain Tullett Ordinary Shareholders to the special payment in relation to virt-x plc, as described in paragraph 10(a) of Appendix IV to this document and save (in the case of the Bond Offer) for the right to receive and retain any interest payable on the Tullett Bonds by Tullett in respect of the period up to 18 February 2003;
- 1.9 that the execution of the Forms of Acceptance constitutes, subject to the relevant Offers becoming unconditional in all respects in accordance with their terms and to an accepting Tullett Securityholder not having validly withdrawn his, her, its or their acceptance, the irrevocable appointment of each of Collins Stewart and HSBC and any of their respective directors and/or agents as such Tullett Securityholder’s attorney and/or agent and an irrevocable instruction to the attorney and/or agent to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney and/or agent in relation to the Tullett Securities referred to in paragraphs 1.1 to 1.4 of this Part C in favour of Collins Stewart or such other person or persons as Collins Stewart or its agents may direct and to deliver such form(s) of transfer and/or other document(s) at the discretion of the attorney and/or agent together with the certificate(s) and/or other document(s) of title relating to such Tullett Securities for registration within six months of the Offers becoming unconditional in all respects and to complete, execute and do all such other documents, acts and things as may in the opinion of the attorney and/or agent be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offers (and/or any election for the Partial Cash Alternative, or the Loan Note Alternative, or under the Additional Cash Facility, the Further Payment or Bond Offer Additional Share Facility) and to vest in Collins Stewart or its nominee(s) the Tullett Securities as aforesaid;
- 1.10 that the execution of the Forms of Acceptance constitutes, subject to the relevant Offers becoming unconditional in all respects and to an accepting Tullett Securityholder not having validly withdrawn his, her or its acceptance, separate irrevocable authorities and requests:
 - (A) to Tullett or its agents to procure the registration of the transfer of the Tullett Securities pursuant to the Offers and the delivery of the share and Bond certificate(s) and/or other document(s) of title in respect thereof to Collins Stewart or as it may direct;
 - (B) subject to the provisions of paragraph 8 of Part B of this Appendix I, to Collins Stewart or its agents to procure that such Tullett Securityholder’s name is entered on the register of Collins Stewart in respect of any New Collins Stewart Shares to which such Tullett Securityholder becomes entitled on acceptance of the Offers (subject to the Collins Stewart Articles);
 - (C) to Collins Stewart or its agents or to HSBC or its agents to procure the despatch by first class post or air mail (or by such other method as may be approved by the Panel) of a cheque drawn on a United Kingdom clearing bank for any cash to which an accepting Tullett Securityholder is entitled and/or documents of title for any New Collins Stewart Shares, to which an accepting Tullett Securityholder is entitled, at the risk of such securityholder, to the person or agent whose name and address is set out in the relevant Box of the Forms of Acceptance, or if no such address is set out, to the first-named holder at his, her, its or their registered address or in the case of joint holders, to the first named holder;

- (D) to Collins Stewart or its agents to record and act upon any instructions (unless and until revoked) with regard to notices or dividend or payments of interest on the bonds and the loan notes mandates which have been recorded in the records of Tullett in respect of such Tullett Securityholder's holding(s) of Tullett Securities to which such Forms of Acceptance relate;
- 1.11 that the execution of the Forms of Acceptance constitute a separate authority to Collins Stewart and HSBC and any director of Collins Stewart or HSBC and/or their respective agents within the terms of paragraph 6 of Part B of this Appendix I;
- 1.12 that, subject to the relevant Offers becoming unconditional in all respects (or if the Offers will become unconditional in all respects (other than in respect of the condition in paragraph 1(d) of Part A of this Appendix I) or lapse immediately upon the outcome of the resolution in question or in such other circumstances as Collins Stewart may request and the Panel may permit) and pending registration, the execution of a Form of Acceptance in respect of the Tullett Securities comprised or deemed to be comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
- (A) entitles Collins Stewart or its agents to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Tullett or of any class of its shareholders or bondholders) attaching to any such Tullett Securities;
 - (B) constitutes an authority to Tullett or its agents from such Tullett Securityholder to send any notice, warrant, document or other communication which may be required to be sent to him, her, it or them as a member(s) of Tullett to Collins Stewart at its registered office;
 - (C) constitutes the irrevocable appointment of any director of Collins Stewart or of HSBC to sign such documents and do such things as may in the opinion of such attorney seem necessary or desirable or expedient in connection with the exercise of any votes or other rights or privileges attaching to the Tullett Securities comprised within the acceptance held by such Tullett Securityholder, including, without limitation, to sign any consent to short notice of a general meeting or a meeting of any class of its shareholders or bondholders on his, her, it or their behalf and/or to attend and/or execute a form of proxy in respect of such Tullett Securities appointing any person nominated by Collins Stewart to attend general meetings and separate class meetings of Tullett or its members or bondholders (or any of them) and any adjournment thereof and to exercise the votes attaching to such Tullett Securities on his, her, it or their behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding conditions of the Offers; and
 - (D) constitutes the agreement of such Tullett Securityholder not to exercise any of such rights without the consent of Collins Stewart and the irrevocable undertaking of such Tullett Securityholder not to appoint a proxy or representative (other than Collins Stewart or any person or any person representing them) to attend any such general meeting or separate class meeting,
- provided that this authority will cease to be valid if the acceptance is validly withdrawn in accordance with paragraphs 1.3 or 3 of Part B of this Appendix I;
- 1.13 that he, she, it or they will deliver in the manner specified to the Receiving Agent at either of the addresses referred to in paragraph 1.1 of Part B of this Appendix I, his, her, its or their share certificate(s) and/or other document(s) of title in respect of all Tullett Securities referred to in paragraphs 1.1 to 1.4 of this Part C or an indemnity acceptable to Collins Stewart in lieu thereof, as soon as possible and in any event within six months of the Offers becoming or being declared unconditional in all respects and will execute any further documents, do such acts and give any further assurances that may be required in connection with his, her, its or their acceptance of the Offers in respect of the Tullett Securities so referred to;
- 1.14 that, if he, she, it or they accepts the Offers and does not validly withdraw such acceptance, he, she, it or they will do all such acts and things as shall be necessary or expedient to vest in Collins Stewart or its nominee(s) or such other persons as it may decide the Tullett Securities referred to in paragraphs 1.1 to 1.4 above and will do all such acts and things as may be necessary or expedient to enable the Receiving Agent to perform its functions as escrow agent for the purposes of the Offers;

- 1.15 that he, she, it or they agrees to ratify each and every act which may be done or effected by Collins Stewart or HSBC or any director of Collins Stewart or any director of HSBC or their respective agents or Tullett or its agents, as the case may be, in the exercise of any of its or his, her, it or their powers and/or authorities hereunder;
 - 1.16 that the deemed acceptances, elections and authorities referred to in such paragraph shall, subject to the rights of withdrawal set out in paragraphs 1.3 and 3 of Part B of this Appendix I, be irrevocable;
 - 1.17 that the execution of the Forms of Acceptance constitute his, her, its or their submission, in relation to all matters arising out of the Offers and the Forms of Acceptance, to the jurisdiction of the courts of England;
 - 1.18 that he, she, it or they acknowledge(s) that HSBC (save to the extent required by regulations) does not and will not have any duties or responsibilities towards him, her, it or them comparable or similar to those imposed by the FSA's Conduct of Business best execution rules requiring best execution and suitability and that in respect of the Offers, he, she, it or they is/are not and will not be a customer of HSBC;
 - 1.19 that if any provision of Part B of this Appendix I or this Part C, shall be unenforceable or invalid or shall not operate so as to afford Collins Stewart or HSBC and/or their respective directors and agents the full benefit of the powers of attorney and authorities expressed to be given therein, he, she, it or they shall with all practicable speed do all such acts and things and execute all such documents that may reasonably be required or desirable to enable Collins Stewart and/or HSBC and/or any director and/or agent of either of them to secure the full benefits of Part B and this Part C; and
 - 1.20 that, on execution, the Forms of Acceptance shall take effect as a deed.
2. References in this Part C to a Tullett Securityholder shall include references to the person or persons executing Forms of Acceptance and, in the event of more than one person executing Forms of Acceptance, the provisions of this Part C shall apply to them jointly and to each of them.

PART D: Option Proposals Form of Election

Each Tullett Optionholder by whom, or on whose behalf, an Option Proposals Form of Election is executed, irrevocably undertakes, represents, warrants and agrees to and with Collins Stewart, Tullett and HSBC (so as to bind him or her, his or her personal representatives, heirs, successors and assigns) to the following effect:

1. that the execution of Part I of the Option Proposals Form of Election shall take effect as a deed and shall constitute:
 - 1.1 an acceptance or deemed acceptance of the Option Cancellation Proposal in respect of the number of Tullett Ordinary Shares subject to an option inserted, or deemed to be inserted, in Boxes 2 and 4;
 - 1.2 if Box 1 is left blank or a greater number than the number of Tullett Ordinary Shares subject to such Tullett Optionholder's options under the Tullett Share Option Plan with an option price of £3.33 appears in Box 1, a deemed insertion in Box 1 of the number of Tullett Ordinary Shares subject to such Tullett Optionholder's options with an option price of £3.33;
 - 1.3 an acceptance of the Option Cancellation Proposal in respect of the number of Tullett Ordinary Shares subject to such Tullett Optionholder's options under the Tullett Share Option Plan with an option price of £3.33 inserted in Box 2 or, if a number greater than the number inserted, or deemed to be inserted, in Box 1 or if "ALL" is inserted in Box 2, an acceptance of the Option Cancellation Proposal in respect of the number of Tullett Ordinary Shares subject to such Tullett Optionholder's options with an option price of £3.33 inserted, or deemed to be inserted, in Box 1;
 - 1.4 if Box 3 is left blank or a greater number than the number of Tullett Ordinary Shares subject to such Tullett Optionholder's options under the Tullett Share Option Plan with an option price of £3.75 appears in Box 3, a deemed insertion in Box 3 of the number of Tullett Ordinary Shares subject to such Tullett Optionholder's options with an option price of £3.75;
 - 1.5 an acceptance of the Option Cancellation Proposal in respect of the number of Tullett Ordinary Shares subject to such Tullett Optionholder's options under the Tullett Share Option Plan with an option price of £3.75 inserted in Box 4 or, if a number greater than the number inserted, or deemed to be inserted, in Box 3 or if "ALL" is inserted in Box 4, an acceptance of the Option Cancellation Proposal in respect of the number of Tullett Ordinary Shares subject to such Tullett Optionholder's options with an option price of £3.75 inserted, or deemed to be inserted, in Box 3;
 - 1.6 an authority to Collins Stewart to withhold from the cash to be paid to the Tullett Optionholder under the Option Cancellation Proposal funds equal to the Relevant Tax Liabilities, and to pay these amounts to Tullett and procure that Tullett pays these amounts to the authority entitled to the same and, to the extent that such cash is not sufficient to meet such Relevant Tax Liabilities, authority to Collins Stewart and/or its agents to sell sufficient of the New Collins Stewart Shares to be issued to the Tullett Optionholder under the Option Cancellation Proposal to meet the remainder of such Relevant Tax Liabilities;
 - 1.7 an authority to Collins Stewart or its agents to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute any further documents and give any further assurances which may be required to enable Collins Stewart to obtain the full benefit of this Part D and/or to perfect any of the authorities expressed to be given hereunder;
 - 1.8 subject to the Ordinary Offer becoming unconditional in all respects, the authority to Collins Stewart or its agents or to HSBC or its agents to procure the despatch by post of a cheque drawn on a United Kingdom clearing bank for such cash as the Tullett Optionholder is entitled and documents of title for any New Collins Stewart Shares to which the Tullett Optionholder may be entitled at the risk of the Tullett Optionholder to the address set out in the Option Proposals Form of Acceptance or, if no such address is set out, to the Tullett Optionholder at the address held for him or her by Tullett in relation to the Tullett Share Option Plan;
 - 1.9 subject to paragraph 8 of Part B of this Appendix I, the authority to Collins Stewart or its agents to procure that the Tullett Optionholder's name is entered on the register of ordinary members of Collins Stewart in respect of any New Collins Stewart Shares to which the Tullett Optionholder becomes entitled on the acceptance of the Option Cancellation Proposal or Option Exercise Proposal;
 - 1.10 if Box A of paragraph 3 of Part I of the Option Proposals Form of Election, relating to the Option Cancellation Proposal, is ticked, the execution of the Option Proposals Form of Election shall constitute a representation and warranty that such Tullett Optionholder is not (i) resident or with a

registered address in the United States, (ii) located in the United States when executing the Option Proposals Form of Election, (iii) sending the Option Proposals Form of Election on a non-discretionary basis on behalf of a person located in the United States at the time the instruction to accept the Option Cancellation Proposal was given and (iv) accepting the Option Cancellation Proposal or acquiring the New Collins Stewart Shares with a view to offer, sell, pledge or otherwise transfer the New Collins Stewart Shares directly or indirectly in or into the United States and a further representation and warranty that such Tullett Optionholder is otherwise entitled to accept the Option Cancellation Proposal and/or receive New Collins Stewart Shares without being in breach of any laws or applicable requirements of any other jurisdictions to which such Tullett Optionholder may be subject.

- 1.11 if Box B of paragraph 3 of Part I of the Option Proposals Form of Election, relating to the Option Cancellation Proposal, is ticked, such Tullett Optionholder is an Eligible US Securityholder and the execution of the Option Proposals Form of Election shall constitute:
- (A) an irrevocable representation and warranty that such Eligible US Securityholder is an Accredited Investor that has delivered or is delivering to Collins Stewart, through Capita IRG Plc, a duly completed and signed Investor Letter prior to, or together with, delivery of the Option Proposals Form of Election;
 - (B) an irrevocable agreement not to offer, sell, pledge or otherwise transfer the New Collins Stewart Shares delivered to such Eligible US Securityholder except (i) pursuant to an effective registration statement under the US Securities Act, (ii) to a person such Eligible US Securityholder reasonably believes is a “qualified institutional buyer” (as defined in Rule 144A under the US Securities Act) in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in a transaction meeting the requirements of Rule 903 or 904 of Regulation S under the US Securities Act or (iv) pursuant to another available exemption from the registration requirements of the US Securities Act and, in each case, in accordance with any other applicable securities laws and after such Eligible US Securityholder has furnished to Collins Stewart a written opinion of counsel, certifications or other evidence acceptable to it in form and substance; and
 - (C) an irrevocable agreement that, if Collins Stewart, in its sole discretion, does not satisfy itself that an exemption from the registration requirements of the US Securities Act is available, Collins Stewart shall be entitled to treat such Tullett Optionholder as a Non-Eligible US Securityholder, and the execution of the Option Proposals Form of Election by such Tullett Optionholder shall constitute the irrevocable authorisations and appointments contained in paragraph 1.12 below.
- 1.12 if Box C of paragraph 3 of Part I of the Option Proposals Form of Election, relating to the Option Cancellation Proposal, is ticked, or if Box A or Box B of paragraph 3 of Part I of the Option Proposals Form of Election are not ticked, such Tullett Optionholder is a Non-Eligible US Securityholder, or irrevocably agrees to be treated as such, and the execution of the Form of Acceptance shall constitute:
- (A) an irrevocable authorisation for Collins Stewart or HSBC or any director of Collins Stewart or a director of HSBC and/or their respective agents to arrange for the sale or allotment of New Collins Stewart Shares to which such Non-Eligible US Securityholder would otherwise be entitled pursuant to the acceptance of the Option Cancellation Proposal and to remit the cash proceeds, in pounds sterling, of such sale or allotment, net of expenses, to such Non-Eligible US Securityholder instead as described in paragraph 8.2(b) of Part B of Appendix I to this document;
 - (B) the irrevocable appointment of Collins Stewart or HSBC or any director of Collins Stewart or director of HSBC and/or any of their respective agents as such Non-Eligible US Securityholder’s agent to effect such sale or allotment as such Non-Eligible US Securityholder’s agent, with full power (including powers of delegation) to do all such things as may be necessary for or ancillary to such purpose;
- 1.13 the appointment of Collins Stewart as the Tullett Optionholder’s attorney for the purposes of selling any New Collins Stewart Shares required under paragraph 1.6 above and the execution of such documents and performance of such acts as may be required to perform such sale and the undertaking of the Tullett Optionholder to ratify any act of Collins Stewart in purported or actual exercise of the power of attorney;

in each case on and subject to the terms and conditions set out or referred to in this document and in Part I of the Option Proposals Form of Acceptance and that each such acceptance shall be irrevocable provided that if (i) no boxes are completed or (ii) (save as contemplated above) the acceptance is otherwise completed incorrectly but the Part I of the Option Proposals Form of Acceptance is signed, it will be deemed to be an acceptance of the Option Cancellation Proposal in respect of all options held by the Tullett Optionholder under the Tullett Share Option Plan;

2. that the execution of Part II of the Option Proposals Form of Election shall take effect as a deed and shall constitute:
 - 2.1 an acceptance or deemed acceptance of the Option Exercise Proposal in respect of the number of Tullett Ordinary Shares subject to an option inserted, or deemed to be inserted, in Boxes 2 and 5;
 - 2.2 if Box 1 is left blank or a greater number than the number of Tullett Ordinary Shares subject to such Tullett Optionholder's options under the Tullett Share Option Plan with an option price of £3.33 appears in Box 1, a deemed insertion in Box 1 of the number of options held by such Tullett Optionholder under the Tullett Share Option Plan with an option price of £3.33;
 - 2.3 if Box 3 is left blank or the number inserted is not equal to £3.33 multiplied by the number of shares inserted, or deemed to be inserted, in Box 2, a deemed insertion in Box 3 of a number equal to £3.33 multiplied by the number of shares inserted, or deemed to be inserted, in Box 2;
 - 2.4 if Part I of the Option Proposals Form of Election is also signed and the number inserted, or deemed to be inserted, in Box 2 of Part I when added to the number inserted in Box 2 of Part II is greater than the number inserted, or deemed to be inserted, in Box 1 of Part II, a deemed insertion in Box 2 of Part II of the number equal to that inserted, or deemed to be inserted, in Box 1 of Part II minus the number inserted, or deemed to be inserted in Box 2 of Part I;
 - 2.5 if Box 4 is left blank or a greater number than the number of Tullett Ordinary Shares subject to such Tullett Optionholder's options under the Tullett Share Option Plan with an option price of £3.75 appears in Box 4, a deemed insertion in Box 4 of the number of Tullett Ordinary Shares subject to options held by such Tullett Optionholder under the Tullett Share Option Plan with an option price of £3.75;
 - 2.6 an acceptance of the Option Exercise Proposal in respect of the number of options over Tullett Ordinary Shares at an exercise price of £3.75 inserted in Box 5 or, if a number greater than the number inserted, or deemed to be inserted, in Box 4 or if "ALL" is inserted in Box 5, an acceptance of the Option Exercise Proposal in respect of the options over the number of Tullett Ordinary Shares inserted, or deemed to be inserted, in Box 4;
 - 2.7 if Box 6 is left blank or the amount inserted is not equal to £3.33 multiplied by the number of shares inserted, or deemed to be inserted, in Box 5, a deemed insertion in Box 6 of an amount equal to £3.33 multiplied by the number inserted, or deemed to be inserted, in Box 5;
 - 2.8 if Part I of the Option Proposals Form of Election is also signed and the number inserted, or deemed to be inserted, in Box 4 of Part I when added to the number inserted in Box 5 of Part II is greater than the number inserted, or deemed to be inserted, in Box 4 of Part II, a deemed insertion in Box 5 of Part II of the number equal to that inserted, or deemed to be inserted, in Box 4 of Part II minus the number inserted, or deemed to be inserted in Box 4 of Part I;
 - 2.9 an authority to Collins Stewart to withhold from the cash (if any) to be paid to the Tullett Optionholder under the Partial Cash Alternative to the Ordinary Offer in respect of Tullett Ordinary Shares acquired by the Tullett Optionholder under the Option Exercise Proposal, funds equal to the Relevant Tax Liabilities, and to pay these amounts to Tullett and procure that Tullett pay these amounts to the authority entitled to the same and to the extent that such amount of cash withheld is not sufficient to meet such Relevant Tax Liabilities, authority to Collins Stewart and/or its agents to sell sufficient of the New Collins Stewart Shares to be issued to the Tullett Optionholder under the Ordinary Offer in respect of Tullett Ordinary Shares acquired by the Tullett Optionholder under the Option Exercise Proposal to meet the remainder of such Relevant Tax Liabilities;
 - 2.10 the appointment of Collins Stewart as the Tullett Optionholder's attorney for the purpose of selling any New Collins Stewart Shares required under paragraph 2.9 above and the execution of such documents and performance of such acts as may be required to perform such sale and the undertaking of the Tullett Optionholder to ratify any act of Collins Stewart in purported or actual exercise of the power of attorney;

- 2.11 an authority to Collins Stewart or its agents to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute any further documents and give any further assurances which may be required to enable Collins Stewart to obtain the full benefit of this Part D and/or to perfect any of the authorities expressed to be given hereunder;
- 2.12 if Box A of paragraph 3 of Part II of the Option Proposals Form of Election, relating to the Option Exercise Proposal, is ticked, the execution of the Option Proposals Form of Election shall constitute a representation and warranty that such Tullett Optionholder is not (i) resident or with a registered address in the United States, (ii) located in the United States when executing the Option Proposals Form of Election, (iii) sending the Option Proposals Form of Election on a non-discretionary basis on behalf of a person located in the United States at the time the instruction to accept the Option Exercise Proposal was given and (iv) accepting the Option Exercise Proposal or acquiring the Tullett Ordinary Shares issuable upon exercise of the Tullett Options or any New Collins Stewart Shares issued on exchange thereof pursuant to the Ordinary Offer with a view to offer, sell, pledge or otherwise transfer such Tullett Ordinary Shares or New Collins Stewart Shares directly or indirectly in or into the United States and a further representation and warranty that such Tullett Optionholder is otherwise entitled to accept the Option Exercise Proposal and/or receive such Tullett Ordinary Shares or New Collins Stewart Shares without being in breach of any laws or applicable requirements of any other jurisdictions to which such Tullett Optionholder may be subject.
- 2.13 if Box B of paragraph 3 of Part II of the Option Proposals Form of Election, relating to the Option Exercise Proposal, is ticked, such Tullett Optionholder is an Eligible US Securityholder and the execution of the Option Proposals Form of Election shall constitute:
- (A) an irrevocable representation and warranty that such Eligible US Securityholder is an Accredited Investor that has delivered or is delivering to Collins Stewart, through Capita IRG Plc, a duly completed and signed Investor Letter prior to, or together with, delivery of the Option Proposals Form of Election;
 - (B) an irrevocable agreement not to offer, sell, pledge or otherwise transfer the Tullett Ordinary Shares issuable upon exercise of the Tullett Options or any New Collins Stewart Shares issued on exchange thereof pursuant to the Ordinary Offer delivered to such Eligible US Securityholder except (i) pursuant to an effective registration statement under the US Securities Act, (ii) to a person such Eligible US Securityholder reasonably believes is a “qualified institutional buyer” (as defined in Rule 144A under the US Securities Act) in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in a transaction meeting the requirements of Rule 903 or 904 of Regulation S under the US Securities Act or (iv) pursuant to another available exemption from the registration requirements of the US Securities Act and, in each case, in accordance with any other applicable securities laws and after such Eligible US Securityholder has furnished to Collins Stewart a written opinion of counsel, certifications or other evidence acceptable to it in form and substance; and
 - (C) an irrevocable agreement that, if Collins Stewart, in its sole discretion, does not satisfy itself that an exemption from the registration requirements of the US Securities Act is available, Collins Stewart shall be entitled to treat such Tullett Optionholder as a Non-Eligible US Securityholder, and the execution of the Option Proposals Form of Election by such Tullett Optionholder shall constitute the irrevocable authorisations and appointments contained in paragraph 1.12 below.
- 2.14 if Box C of paragraph 3 of Part II of the Option Proposals Form of Election, relating to the Option Exercise Proposal, is ticked, or if Box A or Box B of paragraph 3 of Part II of the Option Proposals Form of Election are not ticked, such Tullett Optionholder is a Non-Eligible US Securityholder, or irrevocably agrees to be treated as such, and the execution of the Options Proposals Form of Election shall constitute:
- (A) acceptance by such Tullett Optionholder of the Option Cancellation Proposal;
 - (B) an irrevocable authorisation for Collins Stewart or HSBC or any director of Collins Stewart or a director of HSBC and/or their respective agents to arrange for the sale or allotment of New Collins Stewart Shares to which such Tullett Optionholder would otherwise be entitled pursuant to the acceptance of the Option Cancellation Proposal and to remit the cash proceeds, in pounds sterling, of such sale or allotment, net of expenses, to such Tullett

Optionholder instead as described in paragraph 8.2(b) of Part B of Appendix I to this document;

- (C) the irrevocable appointment of Collins Stewart or HSBC or any director of Collins Stewart or director of HSBC and/or any of their respective agents as such Tullett Optionholder's agent to effect such sale or allotment as such Tullett Optionholder's agent, with full power (including powers of delegation) to do all such things as may be necessary for or ancillary to such purpose;

in each case on and subject to the terms and conditions set out or referred to in this document and in Part II of the Option Proposals Form of Election and that each such acceptance shall be irrevocable provided that if (i) no boxes are completed or (ii) (save as contemplated above) the acceptance is otherwise completed incorrectly but Part II of the Option Proposals Form of Election is signed and the witness to the signature has added their signature, it will be deemed to be an acceptance of the Option Exercise Proposal in respect of all options held by the Tullett Optionholder under the Tullett Share Option Plan, save in the circumstances referred to below and save for those options validly assented to the Option Cancellation Proposal or deemed to be so assented;

3. that, if Part II of the Option Proposals Form of Election is validly executed but the Tullett Optionholder does not provide with such form a cheque made payable to Tullett for the aggregate amounts inserted, or deemed to be inserted, in Boxes 3 and 6 of Part II, the Tullett Optionholder will be deemed to have not validly accepted the Option Exercise Proposal;
4. that, if the Tullett Optionholder is deemed to have not validly accepted the Option Exercise Proposal for any reason or if the Option Exercise Proposal should lapse, any cheque enclosed by the Tullett Optionholder with the Option Proposals Form of Election shall be returned to the Tullett Optionholder by first class post or by air mail at his or her risk to the address set out in the Option Proposals Form of Election or, if no such address is set out, to the Tullett Optionholder at the address held for him or her by Tullett in relation to the Tullett Share Option Plan;
5. that, if the amount of any cheque enclosed by the Tullett Optionholder with a validly executed Part II of the Option Proposals Form of Election is for a greater amount than the aggregate of the amounts inserted, or deemed to be inserted, in Boxes 3 and 6 of Part II, following the Offers becoming unconditional, a cheque for the excess amount drawn on a United Kingdom clearing bank shall be sent by first class post or air mail at the risk of the Tullett Optionholder to the address set out in the Option Proposals Form of Acceptance or, if no such address is set out, to the address held for him or her by Tullett in relation to the Tullett Share Option Plan;
6. that the execution or signature of the Option Proposals Form of Election constitutes a separate authority to Collins Stewart and HSBC and/or their respective agents within the terms of paragraph 6 of Part B of this Appendix I;
7. that the execution of the Option Proposals Form of Election constitutes the Tullett Optionholder's submission, in relation to all matters arising out of the Option Proposals and the Option Proposals Form of Election, to the jurisdiction of the courts of England;
8. that he or she acknowledges that, save as imposed upon HSBC or Collins Stewart by regulators, HSBC and/or Collins Stewart does not have any duties towards him or her comparable or similar to those imposed by the Financial Services Authority's rules requiring best execution and suitability and that, in respect of the Option Proposals, he or she is not and will not be a customer of HSBC or Collins Stewart; and
9. that if any provision of Part B of this Appendix I or this Part D shall be unenforceable or invalid or shall not operate so as to afford Collins Stewart or HSBC and/or their respective directors and agents the full benefit of the powers of attorney and authorities expressed to be given therein, he or she shall with all practicable speed do all such acts and things and execute all such documents that may reasonably be required or desirable to enable Collins Stewart and/or HSBC and/or any director and/or agent of either of them to secure the full benefits of Part B and this Part D.

APPENDIX II

PARTICULARS OF THE LOAN NOTES

The Floating Rate Unsecured Loan Notes 2008 of Collins Stewart, which will be guaranteed by Bank of Scotland as to principal only will be created by a resolution of the Board of Collins Stewart and will be constituted by a Loan Note Instrument to be executed as a deed by Collins Stewart and Bank of Scotland. The issue of the Loan Notes will be conditional on the Ordinary Offer becoming or being declared unconditional in all respects. If valid elections for the Loan Note Alternative received by 3.00 p.m. (London time) on the later of (i) the date falling 14 days after the Ordinary Offer becomes or is declared unconditional as to acceptances and (ii) the business day prior to the date on which the Ordinary Offer becomes or is declared unconditional in all respects do not require the issue of at least £2 million in nominal amount of Loan Notes, no Loan Notes will be issued unless Collins Stewart exercises its discretion otherwise. The maximum nominal amount of Loan Notes available under the Loan Note Alternative is £30 million. To the extent that elections for Loan Notes cannot be satisfied in full, the available Loan Notes will be applied first in satisfying, as far as possible on a *pro rata* basis, elections in respect of the basic entitlement to cash under the Partial Cash Alternative. Any Loan Notes available thereafter will be applied in satisfying, as far as possible on a *pro rata* basis, elections for Loan Notes in respect of the cash consideration payable under the A Preference Offer (but not in respect of the Further Payment) and the B Preference Offer. Any Loan Notes available thereafter will be applied in satisfying, as far as possible on a *pro rata* basis, elections for Loan Notes in respect of additional cash allocated under the Additional Cash Facility. The Loan Note Instrument will contain provisions, *inter alia*, to the effect set out below.

1. Form and status

The Loan Notes will be issued by Collins Stewart, credited as fully paid, in amounts and integral multiples of £1 and will constitute unsecured obligations of Collins Stewart. The Loan Note Instrument will not contain any restrictions on borrowing, disposals or charging of assets by Collins Stewart.

2. Guarantee of principal

All amounts of principal only payable by Collins Stewart to Noteholders in respect of redemption of the Loan Notes shall be guaranteed by Bank of Scotland.

3. Interest

- 3.1 Interest on the outstanding principal amount of the Loan Notes will accrue from day to day, will be calculated on the basis of a 365-day year and will be payable (subject to any requirement to deduct tax therefrom) six-monthly in arrears on 30 June and 31 December in each year (each an "Interest Payment Date") in respect of the interest period (as defined below) ending on the day immediately preceding those dates, in each case only to persons who are registered as holders of Loan Notes at the close of business on the relevant record date (being the thirtieth day before the relevant Interest Payment Date), except that the first payment of interest on any Loan Note will be made in respect of the period from the date of issue of such Loan Note (including such day of issue) up to (but excluding) 31 December 2003. In respect of the Loan Notes, such period and each subsequent period commencing on an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date is referred to as an "Interest Period".
- 3.2 The rate of interest for an Interest Period on the Loan Notes will be the rate per annum calculated by Collins Stewart to be 1 per cent. below LIBOR expressed as a rate per annum for six-month sterling deposits commencing on the first day of the relevant Interest Period (notwithstanding whether such Interest Period happens to fall short of or to exceed six months) which appears on Telerate Page 3750 at or about 11.00 a.m. (London time) on such date.
- 3.3 If the rate of interest on the Loan Notes cannot be established as described in paragraph 3.2 above for any Interest Period, the rate of interest for that Interest Period shall be calculated by reference to such rate as Collins Stewart shall reasonably determine on the basis of quotations made for six-month sterling deposits of a similar size in any such other inter-bank market or markets as Collins Stewart may reasonably select and, if a rate of interest cannot be established in accordance with the foregoing provisions for any succeeding Interest Period, then the rate of interest on the Loan Notes for such Interest Period shall be the same as that applicable to the Loan Notes during the immediately preceding Interest Period.

4. Redemption of Loan Notes

- 4.1 Noteholders shall be entitled to require Collins Stewart to redeem the whole (whatever the amount) or any part (being £100 in nominal amount or any integral multiple thereof) of his holding of Loan Notes at par together with accrued interest (subject in the latter case to any requirement to deduct tax therefrom) upon any Interest Payment Date falling on or after 31 December 2003 by giving notice in writing to Collins Stewart (by executing the form endorsed on the Loan Note certificate) not less than 30 days before the relevant Interest Payment Date accompanied by such evidence (if any) as the Collins Stewart directors may reasonably require to prove the title of the person requiring redemption.
- 4.2 If at any time on or after 31 December 2003 the principal amount of all the Loan Notes outstanding shall be £200,000 or less, Collins Stewart shall be entitled, having given to the remaining Noteholders not less than 30 days' notice in writing, to redeem, on the expiry date of such notice, all or part of the outstanding Loan Notes by payment of the principal amount thereof together with accrued interest (subject in the latter case to any requirement to deduct tax therefrom).
- 4.3 Any Loan Notes not previously so redeemed or purchased will be repaid in full at par on 7 April 2008 together with accrued interest (subject in the latter case to any requirement to deduct tax therefrom) to (but excluding) that date.
- 4.4 A Noteholder shall also be entitled to require redemption of all or part of the Loan Notes held by him at par, together with accrued interest, if Collins Stewart fails to pay within 21 days of the due date therefor any principal or interest payable in respect of the Loan Notes or on the occurrence of certain insolvency events described in the Loan Note Instrument.
- 4.5 A Noteholder may, by notice in writing to Collins Stewart given on or before a date being 60 days prior to any Interest Payment Date falling on or after 31 December 2003 (the "Redemption Date") elect that the principal amount of all Loan Notes held by such Noteholder and then outstanding shall be redeemed in US dollars, in which event Collins Stewart shall on the Redemption Date and in full discharge of its obligations to repay such Loan Notes, pay to the Noteholders an amount in US dollars (the "Repayment Value") obtained by converting the principal amount outstanding of such Loan Notes into US dollars at the spot rate for the purchase of US dollars with sterling certified by Bank of Scotland as prevailing at or about 11.00 a.m. (London time) on a business day falling not more than five days after the election date, provided that the Repayment Value shall not exceed the lower of (i) an amount equal to the sterling nominal amount of the Loan Notes to be repaid plus one twenty-fourth of Y per cent. of the sterling nominal value of the Loan Notes to be repaid, where Y is the number of complete months and part of months between the date on which the Loan Notes were issued and the Redemption Date and (ii) an amount equal to 101.5 per cent. of the sterling nominal amount of the Loan Notes to be repaid, in either case converted into US dollars at the spot rate for the purchase of US dollars with sterling certified by Bank of Scotland at or about 11.00 a.m. (London time) on the Redemption Date. The Repayment Value shall not be less than an amount equal to 98.5 per cent. of the sterling nominal amount of the Loan Notes to be repaid converted into US dollars at the Spot rate for the purchase of US dollars for sterling certified by Bank of Scotland at or about 11.00 a.m. (London time) on the Redemption Date. The guarantee provided by Bank of Scotland is for the sterling nominal amount of the Loan Notes to be repaid only.

5. Purchase of Loan Notes

Collins Stewart will be entitled at any time to purchase Loan Notes by tender, private treaty or otherwise by agreement with the relevant Noteholders.

6. Cancellation

All Loan Notes purchased or repaid by Collins Stewart shall be cancelled and shall not be available for re-issue.

7. Modification

The provisions of the Loan Note Instrument and the rights of the Noteholders may from time to time be modified, abrogated or compromised in any respect by Collins Stewart with the written consent of Bank of Scotland and the holders of 75 per cent. in nominal amount of the Loan Notes then in issue or the sanction of an Extraordinary Resolution (as defined in the Loan Note Instrument).

8. Registration and transfer

The Loan Notes are transferable (other than to overseas persons) in amounts of £100 or integral multiples thereof or the whole amount of the transferor's holding of Loan Notes.

The Loan Notes have not been and will not be registered under the US Securities Act or under the securities laws of any state of the United States and may not be offered, sold, pledged or otherwise transferred in the United States except pursuant to an effective registration statement under the US Securities Act or pursuant to an available exemption from the registration requirements of the US Securities Act.

9. No Listing

No application has or will be made to any stock exchange for the Loan Notes to be listed or otherwise traded or dealt in.

10. Governing Law

The Loan Notes and the Loan Note Instrument will be governed by and construed in accordance with English law.

APPENDIX III

TAXATION

1. United Kingdom taxation

The following paragraphs apply only to persons who are resident only in the United Kingdom for United Kingdom tax purposes, and who own their Tullett Ordinary Shares, Tullett A Preference Shares, Tullett B Preference Shares or Tullett Bonds as investments and who are the beneficial owners thereof and to holders of options under the Tullett Share Option Plan who were resident and ordinarily resident in the United Kingdom for United Kingdom tax purposes when their options were granted, and remain so. They are based on Collins Stewart's and HSBC's understanding of current UK legislation and Inland Revenue Practice and are intended to be a general guide to the UK taxation consequences of accepting the Offers and the alternatives thereunder and the Option Exercise and Cancellation Proposals and certain other matters and are not, and should not be treated as, definitive advice as to the consequences of accepting the Offers and the alternatives thereunder and the Option Exercise and Cancellation Proposals. The statements may not apply to certain classes of persons such as dealers in securities. Any Tullett Securityholder or Tullett Optionholder who is in any doubt about his or her tax position or who may be subject to tax in a jurisdiction other than the UK is advised to consult his, her or its duly authorised financial adviser without delay.

1. *The Offers (other than the Bond Offer)*

A. *UK taxation of capital gains*

(i) *Cash*

Subject to the comments made below, to the extent that any Tullett Securityholder receives cash under the Partial Cash Alternative, the Additional Cash Facility, the A Preference Offer or the B Preference Offer such Tullett Securityholder will be treated as disposing of his, her or its Tullett Ordinary Shares, Tullett A Preference Shares or Tullett B Preference Shares (as the case may be) and a liability to UK capital gains tax or corporation tax may arise depending on such Tullett Securityholder's personal circumstances (including the availability of any exemptions, reliefs and allowable losses). In the computation of any taxable gain (or allowable loss) of such Tullett Securityholder in respect of the receipt of the Further Payment in cash under the A Preference Offer, the entire consideration for the disposal (including the full amount of the Further Payment) shall be brought into account for tax purposes, without discount for postponement of the payment of the Further Payment and without regard to any risk that any part of the Further Payment may not be paid. If any part of the Further Payment subsequently proves to be irrecoverable, any necessary adjustment will be made to the tax paid whether by discharge or repayment. In certain circumstances, tax may be paid in such instalments as the Inland Revenue may allow where the Further Payment is received in cash.

(ii) *New Collins Stewart Shares*

A Tullett Securityholder who does not hold (whether alone or together with persons connected with him or her) more than 5 per cent. of, or of any class of, shares in or debentures of Tullett will not, to the extent that he, she or it receives New Collins Stewart Shares under the Ordinary Offer or the A Preference Offer, be treated as disposing of his or her Tullett Ordinary Shares or Tullett A Preference Shares (as the case may be). Instead, any gain or loss which would otherwise have arisen on disposal of such Tullett Ordinary Shares or Tullett A Preference Shares (as the case may be) should be "rolled over" into the New Collins Stewart Shares so that the New Collins Stewart Shares will be treated as the same asset as those Tullett Ordinary Shares or Tullett A Preference Shares (as the case may be) in respect of which they are issued, acquired at the same time as such Tullett Ordinary Shares or Tullett A Preference Shares (as the case may be) and for the same acquisition cost.

A Tullett Securityholder who holds (whether alone or together with persons connected with him or her) more than 5 per cent. of, or of any class of, shares in, or debentures of, Tullett is advised that application for clearance under section 138 of the Taxation of Chargeable Gains Act 1992 has been made to the Inland Revenue on behalf of Collins Stewart in respect of the Offers and Option Proposals. Provided such clearance is received, the tax treatment of the relevant Tullett Securityholder will be the same as that described in the immediately preceding paragraph. The Offers and Option Proposals are not conditional on such clearance being received.

For the purposes of calculating any liability to corporation tax or capital gains tax arising as a result of the Offers, the base cost of Tullett Securityholders in their Tullett Ordinary Shares or Tullett A Preference Shares, (as the case may be) will be apportioned between any cash received under the

Offers and any New Collins Stewart Shares received under the Offers in proportion to the respective values of the cash and New Collins Stewart Shares received (valuing the New Collins Stewart Shares, for these purposes, on the first date on which dealings commence in such New Collins Stewart Shares).

On a subsequent disposal of the New Collins Stewart Shares, a liability to capital gains tax or corporation tax or an allowable loss may, depending on the holder's personal circumstances (including the availability of any exemptions, reliefs and allowable losses), arise.

(iii) *Loan Notes*

Save in the case of Tullett Securityholders which are within the charge to UK corporation tax, a Tullett Securityholder who elects to receive Loan Notes instead of all or part of his or her cash entitlement under the Partial Cash Alternative, the A Preference Offer, the B Preference Offer or the Additional Cash Facility should be treated in the same way as a Tullett Securityholder receiving New Collins Stewart Shares under the Offers.

A Tullett Securityholder which is within the charge to UK corporation tax and which elects to receive Loan Notes instead of cash under the Partial Cash Alternative, the A Preference Offer, the B Preference Offer or the Additional Cash Facility will not be treated as disposing of its Tullett Ordinary Shares, Tullett A Preference Shares or Tullett B Preference Shares. Instead any gain or loss which would otherwise have arisen on the disposal will be calculated and "held over" and deemed to accrue on a subsequent disposal (including redemption) of the Loan Notes. No indexation allowance will be available during the period for which the gains are "held over" in this way.

For the purposes of calculating any liability to corporation tax or capital gains tax arising as a result of the Offers, the base cost of Tullett Securityholders in their Tullett Ordinary Shares, Tullett A Preference Shares or Tullett B Preference Shares (as the case may be) will be apportioned between any cash received under the Offers and any Loan Notes received under the Ordinary Offer and/or the A Preference Offer and/or the B Preference Offer in proportion to the respective values of the cash and Loan Notes received.

On a subsequent disposal of the Loan Notes (other than for holders within the charge to UK corporation tax), a liability to capital gains tax or an allowable loss may, depending on the holder's personal circumstances (including the availability of any exemptions, reliefs and allowable losses), arise. On a subsequent disposal of Loan Notes by a Noteholder which is within the charge to UK corporation tax, any held over chargeable gain or allowable loss will crystallise.

B. UK taxation of income

(i) *New Collins Stewart Shares*

Under current UK tax legislation, Collins Stewart will not be required to withhold tax from any dividend paid on the New Collins Stewart Shares.

A holder of New Collins Stewart Shares who is an individual (including certain trustees and personal representatives) resident for tax purposes only in the United Kingdom and who receives a dividend will be entitled to a tax credit on such dividend equal to one ninth of the dividend (or one tenth of the of the aggregate of the dividend and tax credit). The individual will be taxable on the aggregate of the dividend and related tax credit which will be regarded as the top slice of his or her income. To the extent that such individual is not liable to pay tax at the Schedule F upper rate (32.5 per cent.) or the Schedule F trust rate (25 per cent.), the tax credit will satisfy in full any liability to pay tax on the dividend. To the extent that the recipient is liable to pay tax at the Schedule F upper rate or the Schedule F trust rate, the recipient will pay tax at the relevant rate on the gross dividend but will be able to offset the related tax credit against part of this liability.

A holder of New Collins Stewart Shares which is a company within the charge to UK corporation tax will not normally be liable to tax on any dividend received on New Collins Stewart Shares.

(ii) *Loan Notes*

Interest on the Loan Notes will generally have to be paid after deduction of UK income tax at source (currently at the rate of 20 per cent.) unless Collins Stewart has received a direction from the UK Inland Revenue allowing it to pay such interest gross (in the case of certain persons resident outside the United Kingdom entitled to be paid interest without deduction of tax, or at a reduced rate, pursuant to double taxation agreements with the country or jurisdiction in which they are resident) or unless Collins Stewart reasonably believes (and any person by or through whom interest on the Loan

Notes is paid reasonably believes) that the beneficial owner of the interest is a company and is within the charge to UK corporation tax in respect of the payment of interest and provided that the Inland Revenue has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the beneficial owner is not within the charge to UK corporation tax in respect of such payment of interest at the time the payment is made). It is a condition of the Loan Notes that holders furnish on request to Collins Stewart such information as it may request to enable it to determine whether or not it is required to deduct UK tax from payments of interest under the Loan Notes.

Collins Stewart will not make any additional payments to holders of Loan Notes in respect of any amount it is required to withhold or deduct from any payment made in respect of the Loan Notes.

Holders of Loan Notes who are individuals may wish to note that the Inland Revenue has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual. Information so obtained may, in certain circumstances, be exchanged by the Inland Revenue with the tax authorities of other jurisdictions.

For holders of Loan Notes who are UK resident individuals, any interest paid on the Loan Notes will form part of the recipient's income for the purposes of UK income tax, credit being allowed for the income tax deducted at source. The deduction made by Collins Stewart will fully satisfy the liability of any holder who pays tax at the lower or basic rate only; but individuals who pay tax at the higher rate (currently 40 per cent.) will have to account for further tax.

UK resident individual holders of Loan Notes should note that a charge to tax on income may arise under the "accrued income scheme" if they transfer Loan Notes on a date other than an Interest Payment Date and in respect of which income has accrued since the preceding Interest Payment Date.

For the purposes of UK corporation tax, the Loan Notes will constitute qualifying corporate bonds and holders within the charge to UK corporation tax in respect of the Loan Notes will be required to bring into charge as income all returns, profits, gains and losses (whether of an income or capital nature) on, and fluctuations in value of, the Loan Notes broadly in accordance with their statutory accounting treatment.

C. Stamp Duty and Stamp Duty Reserve Tax

The following comments are intended as a general guide (and, for example, do not relate to persons such as brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules apply):

(i) Accepting the Offers

No stamp duty or stamp duty reserve tax will be payable by Tullett Securityholders as a result of accepting the Offers.

(ii) Disposal of New Collins Stewart Shares

A subsequent transfer or sale of New Collins Stewart Shares will generally give rise to a liability to pay stamp duty or stamp duty reserve tax by the purchaser of the New Collins Stewart Shares but not by the seller.

(iii) Loan Notes

Stamp Duty and stamp duty reserve tax will not be payable on a transfer or sale of (or agreement to transfer or sell) Loan Notes.

2. UK Taxation of the Bond Offer

The following summary assumes that the Ordinary Offer will become or be declared unconditional in all respects on or before 5 April 2003 and that the Bond Offer is validly accepted and such acceptance is effective on or before that date.

A. National Insurance contributions

It is a condition of accepting the Bond Offer that it constitutes the agreement of the relevant Tullett Bondholder to pay any employer's National Insurance contributions arising in respect of the cash and New Collins Stewart Shares received under the Bond Offer. The employer's National Insurance contributions liability will be charged at the rate of 11.8 per cent. on the amount of cash and the value of the New Collins Stewart Shares received (valuing, for these purposes, the New Collins Stewart Shares at the date on which the Bond Offer becomes unconditional). It is a further condition of the

Bond Offer that Collins Stewart may retain from any cash due under it an amount equal to this employer's National Insurance contributions liability which it will remit to Tullett to enable Tullett to account for it under the PAYE system.

Employee National Insurance contributions will be payable on the amount of cash and value of the New Collins Stewart Shares received (valued as above) which, when aggregated with the relevant Tullett Bondholder's other earnings for National Insurance contributions purposes, does not exceed £30,420. It is a condition of the Bond Offer that Collins Stewart may retain from any cash due under the Bond Offer an amount equal to any employee's National Insurance contributions liability which it will remit to Tullett to enable Tullett to account for it under the PAYE system.

B. Income Tax

Income tax will be payable on 88.2 per cent. of the amount of cash and value of the New Collins Stewart Shares received (valued as above) less the nominal amount of the Bond. It is a condition of the Bond Offer that Collins Stewart may retain from any cash due under the Bond Offer an amount equal to the income tax liability which it will remit to Tullett to enable Tullett to account for it under the PAYE system.

Tullett Bondholders who accept the Bond Offer should refer to paragraph 1(B)(i) above in respect of income tax payable on the receipt of dividends on New Collins Stewart Shares.

C. Capital Gains Tax

On a subsequent disposal of New Collins Stewart Shares received under the Bond Offer, a liability to capital gains tax or an allowable loss may arise depending on the holder's personal circumstances (including the availability of any exemptions and reliefs). For the purposes of computing any gain or loss arising on such disposal, the base cost of the New Collins Stewart Shares will be their market value on the date on which the holder's acceptance of the Bond Offer is or becomes unconditional in all respects.

D. Stamp duty and stamp duty reserve tax

No stamp duty or stamp duty reserve tax will be payable by Tullett Bondholders as a result of accepting the Bond Offer.

3. UK Taxation of the Option Cancellation Proposal

The following summary assumes that the Ordinary Offer will become or be declared unconditional in all respects on or before 5 April 2003 and that the Option Cancellation Proposal is validly accepted and such acceptance is effective on or before that date.

A. National Insurance Contributions

It is a condition of accepting the Option Cancellation Proposal that it constitutes the agreement of the relevant Tullett Optionholder to pay any employer's National Insurance contributions arising in respect of the cash and New Collins Stewart Shares received as consideration for the release of the option. Employer's National Insurance contributions will be charged at the rate of 11.8 per cent. on the amount of cash and the value of the New Collins Stewart Shares received (valuing, for these purposes, the New Collins Stewart Shares at the date on which the Option Cancellation Proposal becomes unconditional). It is a further condition of the Option Cancellation Proposal that Collins Stewart may retain from any cash due under it an amount equal to this employer's National Insurance contributions liability which it will remit to Tullett to enable Tullett to account for it under the PAYE system.

Employee National Insurance contributions will be payable on the amount of cash and value of the New Collins Stewart Shares received (valued as above) which, when aggregated with the relevant Tullett Optionholders other earnings for National Insurance contributions purposes does not exceed £30,420. It is a condition of the Option Cancellation Proposal that Collins Stewart may retain from any cash due under the Option Cancellation Proposal an amount equal to any employee's National Insurance contributions liability which it will remit to Tullett to enable Tullett to account for it under the PAYE system.

B. Income Tax

Income tax will be payable on 88.2 per cent. of the amount of cash and value of the New Collins Stewart Shares received (valued as above). It is a condition of the Option Cancellation Proposal that Collins Stewart may retain from any cash due under the Option Cancellation Proposal an amount

equal to the income tax liability which it will remit to Tullett to enable Tullett to account for it under the PAYE system.

Tullett Optionholders who accept the Option Cancellation Proposal should refer to paragraph 1(B)(i) above in respect of income tax payable on the receipt of dividends on new Collins Stewart Shares.

C. Capital Gains Tax

On a subsequent disposal of New Collins Stewart Shares received under the Option Cancellation Proposal a liability to capital gains tax or an allowable loss may arise depending on the holder's personal circumstances (including the availability of any exemptions and reliefs). For the purposes of computing any gain or loss arising on such disposal, the base cost of the New Collins Stewart Shares will be their market value on the date on which the holder's acceptance of the Option Cancellation Proposal is or becomes unconditional in all respects.

D. Stamp duty and stamp duty reserve tax

No stamp duty or stamp duty reserve tax will be payable by Tullett Optionholders as a result of accepting the Option Cancellation Proposal.

4. UK Taxation of the Option Exercise Proposal

The following summary assumes that the Ordinary Offer will become or be declared unconditional in all respects on or before 5 April 2003 and that the Option Exercise Proposal is validly accepted and such acceptance is effective on or before that date.

A. National Insurance Contributions

The National Insurance contributions implications of exercising options (whether under the Option Exercise Proposal or otherwise) depend on whether the options were granted under the Approved Plan or the Unapproved Plan.

(i) Options granted under the Approved Plan

No employers' or employees' National Insurance contributions liability arises on the exercise of an option granted under the Approved Plan.

(ii) Options granted under the Unapproved Plan

Employer's National Insurance contributions will be charged at the rate of 11.8 per cent. on the amount by which the market value of the Tullett Ordinary Shares acquired exceeds the aggregate option price paid to acquire them. It is a condition of exercise of an option that no Tullett Ordinary Shares will be issued to a Tullett Optionholder unless arrangements satisfactory to Tullett are in place to enable this liability to met by and recovered from the Tullett Optionholder.

Employee National Insurance contributions will be payable on the amount by which the market value of the Tullett Ordinary Shares acquired exceeds the aggregate option price paid to acquire them which, when aggregated with the relevant Tullett Optionholder's other earnings for National Insurance Contributions purposes does not exceed £30,420. It is a condition of exercise of an option that no Tullett Ordinary Shares will be issued to a Tullett Optionholder unless arrangements satisfactory to Tullett are in place to enable any such liability to be met by and recovered from the Tullett Optionholder.

B. Income Tax

The income tax implications of exercising your options (whether under the Option Exercise Proposal or otherwise) depend on whether your options were granted under the Approved Plan or the Unapproved Plan.

(i) Options granted under the Approved Plan

Income tax will be payable on the amount by which the market value of the Tullett Ordinary Shares you acquire exceeds the aggregate option price paid to acquire them.

Tullett Optionholders must declare any income tax liability in respect of the exercise of options granted under the Approved Plan to the Inland Revenue on a self-assessment tax return relating to the tax year in which the options are exercised. The income tax due will not be paid under the PAYE system and must be paid directly to the Inland Revenue. The self assessment return must be submitted to the Inland Revenue by no later than 31 January 2004 if the Tullett

Optionholder wishes to calculate his own tax liability or by no later than 30 September 2003 if the Tullett Optionholder wishes the Inland Revenue to calculate the tax liability. Please note that full details of the exercise of your options will be given to the Inland Revenue.

You will be required to notify the Inland Revenue (the Inspector of Taxes for your tax district) and pay tax even if you do not automatically receive a self-assessment return form. You may, therefore, need to request a self-assessment tax return for completion and submission to the Inland Revenue. Details of your tax district can be obtained from www.inlandrevenue.gov.uk. Please note that full details of the exercise of your options will be given to the Inland Revenue.

Tullett Optionholders are advised to ensure that they have sufficient funds to enable them to meet the tax liability at the relevant time.

(ii) *Options granted under the Unapproved Plan*

Income tax will be payable on 88.2 per cent. of the amount by which the market value of the Tullett Ordinary Shares you acquire exceeds the aggregate option price paid to acquire them. It is a condition of exercise that no Tullett Ordinary Shares will be issued to a Tullett Optionholder unless arrangements satisfactory to Tullett are in place to enable this liability to be met by and recovered from the Tullett Optionholder.

C. *Capital Gains Tax*

A Tullett Optionholder who exercises his options and then accepts the Ordinary Offer (whether under the Option Exercise Proposal or otherwise) will be treated in the same way as any other Tullett Ordinary Shareholder.

The base cost of the Tullett Ordinary Shares acquired on the exercise of an option and used for the purposes of calculating any gain chargeable to capital gains tax on the sale of those Tullett Ordinary Shares under the Ordinary Offer will be the aggregate of:

- (i) the option exercise price paid to acquire the Tullett Ordinary Shares;
- (ii) the amount charged to income tax on the exercise of the options; and
- (iii) if relevant, any employer's National Insurance contributions borne by the employee.

Consequently, there should be no liability (or only a very small liability) to pay capital gains tax as a result of a disposal under the Ordinary Offer of the Tullett Ordinary Shares acquired on the exercise of an option. There is an annual exemption for chargeable gains (less allowable losses) from all sources for a tax year which are below an annual exemption level. The annual exemption for the 2002/2003 tax year is £7,700.

D. *Stamp Duty and Stamp Duty Reserve Tax*

No stamp duty or stamp duty reserve tax will be payable by Tullett Optionholders as a result of accepting the Option Exercise Proposal.

2. **United States federal income taxation**

The following is a general summary of certain US federal income tax consequences to Tullett Securityholders and Tullett Optionholders of (i) receiving New Collins Stewart Shares and/or cash in exchange for their Tullett Ordinary Shares, Tullett A Preference Shares, Tullett B Preference Shares, Tullett Bonds and/or Tullett Options pursuant to the Offers, and (ii) holding and disposing of New Collins Stewart Shares received in the Offers (together, the "Transactions"). The following summary applies only to Tullett Securityholders and Tullett Optionholders that are "US Holders" (defined below) and that hold the Tullett Securities or Tullett Options, and will hold New Collins Stewart Shares, as capital assets (generally, assets held for investment). The following summary is not a complete analysis of all US federal income tax consequences of the Transactions to US Holders, including, in particular, US federal income tax consequences to US Holders subject to special tax rules, including, among others, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, dealers or traders in securities or currencies, tax-exempt entities, US Holders that have held the Tullett Securities or Tullett Options, and/or will hold the New Collins Stewart Shares, as part of an "integrated", "hedging" or "conversion" transaction or as a position in a "straddle" for US federal income tax purposes, grantor trusts, US Holders that have a "functional currency" other than the US dollar, US Holders that own (or are deemed to own) or will own (or will be deemed to own) 10 per cent. or more (by voting power or value) of the stock of Tullett or Collins Stewart before or after the completion of the Offers, or US Holders subject to the alternative minimum tax. In addition, the following summary does not discuss US federal income tax

consequences to US Holders of receiving (i) Loan Notes under the Loan Note Alternative or of holding and disposing of such Loan Notes, (ii) New Collins Stewart Shares the rights in which are not transferable or are subject to a substantial risk of forfeiture, whichever is applicable, within the meaning of Section 83 of the US Code or (iii) payments in respect of the virt-x plc payment entitlement.

For purposes of the following summary, a “US Holder” is a beneficial owner of Tullett Securities and/or Tullett Options that is for US federal income tax purposes: (i) a citizen or resident of the United States, (ii) a corporation or other entity (treated as a corporation for US federal income tax purposes) created or organised in or under the laws of the United States or any state thereof (including the District of Columbia), (iii) an estate the income of which is subject to US federal income taxation regardless of its source or (iv) a trust if such trust validly elects to be treated as a United States person for US federal income tax purposes or if (x) a court within the United States is able to exercise primary supervision over its administration and (y) one or more United States persons have the authority to control all of the substantial decisions of such trust.

If a partnership (including any entity treated as a partnership for US federal income tax purposes) holds Tullett Securities and/or Tullett Options, the US federal income tax consequences to the partners of such partnership of the Transactions will depend on the activities of the partnership and the status of the partners.

The following summary is based on the US Internal Revenue Code of 1986, as amended (the “US Code”), US Treasury Regulations thereunder, and judicial and administrative interpretations thereof, in each case as in effect and available on the date of this document. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below. No ruling will be sought from the US Internal Revenue Service (the “IRS”) with respect to any statement or conclusion in the following summary, and there is no assurance that the IRS will not challenge such statement or conclusion or, if challenged, that a court will uphold such statement or conclusion.

Each Tullett Securityholder and Tullett Optionholder should consult its own tax advisors with respect to the US federal, state, local, foreign and other tax consequences of the Transactions to such holder.

1. US-UK income tax treaty

The United States and the United Kingdom have recently concluded a new income tax treaty (the “New Treaty”). The New Treaty is not effective until it is ratified by the competent authorities in both countries. As of the date of this document, the New Treaty is still in the ratification process and it is not certain whether, and if so when, it will be ratified and put into effect. If and when it becomes effective, the New Treaty will put in place new rules that modify the treatment of US Holders under the current income tax treaty between the United States and the United Kingdom (the “Current Treaty”) in several aspects. Specific references to the new rules under the New Treaty have been included as appropriate throughout this summary. Such references assume that the New Treaty will be ratified in its current form (as of the date of this document). Each US Holder should consult its own tax advisor regarding the effect of the New Treaty on its participation in the Transactions and the tax consequences thereof.

2. Exchange of Tullett Shares for New Collins Stewart Shares and/or cash in the Offers

Except as discussed below, based on the terms of the Offers, an exchange of Tullett Shares for New Collins Stewart Shares and/or cash in the Offers will be treated as a taxable sale by a US Holder of Tullett Shares. Generally, a US Holder will recognise a gain or loss upon in an amount equal to the difference between (a) the proceeds from the sale, equal to the sum of (i) the fair market value of New Collins Stewart Shares on the date of the sale and (ii) cash (together, the “Offer Consideration”), and (b) the US Holder’s adjusted tax basis in the Tullett Shares on the date of the sale.

For purposes of the preceding paragraph, generally, the amount of the Offer Consideration received by a US Holder will equal the US dollar value of the fair market value of the New Collins Stewart Shares, and/or cash received (or constructively received) in pounds sterling, calculated by reference to the spot rate in effect on the date of the sale. However, in the case of a cash method US Holder or an accrual method US Holder that elects to apply rules applicable to a cash method US Holder described in this sentence, the applicable US Treasury Regulations require the use of the spot rate in effect on the settlement date for purposes of determining the US Holder’s tax basis in stock or securities traded on an established securities market. Therefore, it is possible that the spot rate in effect on the settlement date, rather than the spot rate in effect on the date of the sale, should be used for purposes of determining the fair market value of the New Collins Stewart Shares in computing taxable gain or

loss of a cash method US Holder or an electing accrual method US Holder. See “Currency exchange rules” in paragraph 8 below.

In certain circumstances, a US Holder may not receive New Collins Stewart Shares it is entitled to under the Offers and, instead, may be required to receive proceeds from the sale of such shares by Collins Stewart in the open market. For purposes of computing any gain or loss from the sale of a Tullett Security or Tullett Option by such US Holder, Collins Stewart and Tullett intend to take the position that the proceeds from the open market sale of a New Collins Stewart Share represents the fair market value of the portion of the Tullett Share the New Collins Stewart Share is attributable to. Therefore, for purposes of computing any gain or loss from the sale of a Tullett Security or Tullett Option, the entire amount of the sale proceeds should be included in the Offer Consideration, even if a portion of the proceeds is withheld to satisfy the UK tax liability of the US Holder. Any UK tax paid may be available as a deduction from a US Holder’s income subject to US federal income tax or as a credit against the US Holder’s US federal income tax liability. The rules governing foreign taxes paid by US Holders are complex. US Holders should consult their own tax advisors regarding the availability of any UK taxes paid as a deduction or a credit in light of their particular circumstances.

Subject to the summary under “Passive foreign investment company” below, generally, any gain or loss will be a capital gain or loss. In the case of a non-corporate US Holder, the maximum marginal US federal income tax rate applicable to such gain will be lower than the maximum marginal US federal income tax applicable to ordinary income if such US Holder’s holding period for such Tullett Shares exceeds one year. The gain or loss, if any, recognised by a US Holder generally will be treated as a US source gain or loss for US foreign tax credit purposes, except that losses will be treated as foreign source losses to the extent that the US Holder received dividends that were “financial services” income during the 24-month period prior to the sale. The deductibility of capital losses is subject to limitations. In addition, US Holders may recognize foreign exchange gain or loss. See “Currency exchange rules” below.

Tullett A Preference Shares

Under the terms of the A Preference Offer, US Holders holding Tullett A Preference Shares will be entitled to the Further Payment. The amount of the Further Payment will not be determined and the Further Payment will not be made until 19 November 2004. Therefore, a US Holder that sells Tullett A Preference Shares pursuant to the A Preference Offer may be subject to special US federal income tax rules. There are uncertainties regarding the proper US federal income tax characterisation of the Further Payment and it is possible that the Further Payment is, for US federal income tax purposes, an indebtedness payable in cash or in stock and the fair market value of such indebtedness on the date of the sale of the Tullett A Preference Shares may be included in the total Offer Consideration in determining gain or loss from the sale of the Tullett A Preference Shares and, in addition, result in the accrual of original issue discount. Alternative characterisations of the Further Payment are also possible. Therefore, such US Holders should consult their own tax advisors regarding the US federal income tax consequences to them of selling Tullett A Preference Shares pursuant to the A Preference Offer.

3. *Exchange of Tullett Bonds for New Collins Stewart Shares and/or cash in the Offers*

Except as discussed below, generally, for US federal income tax purposes, an exchange of a Tullett Bond for Offer Consideration will be treated in a manner similar to treatment of a Tullett Share as discussed under “Exchange of Tullett Shares for New Collins Stewart Shares and/or cash in the Offers” above. However, a portion of gain, if any, resulting from such exchange attributable to the accrued and unpaid interest on the Tullett Bond will be taxed as interest income and, generally, as passive or, in certain circumstances, financial services income from non-US sources for foreign tax credit limitation purposes. In addition, this summary does not discuss the possible US federal income tax consequences of exchanging a Tullett Bond that is not transferable or that is subject to a substantial risk of forfeiture within the meaning of Section 83 of the US Code for Offer Considerations. Each Tullett Bondholder should consult its own tax advisor regarding the US federal income tax consequences to the Tullett Bondholder of exchanging its Tullett Bonds for Offer Consideration in the Tullett Bond Offer in light of their particular circumstances.

4. *Cancellation of Tullett Options pursuant to the Option Cancellation Proposal*

With certain special exceptions, generally, payments received in consideration for cancelling a right to acquire stock of a corporation received in connection with the performance of services is treated as compensation income in the hands of the recipient. Generally, such compensation will equal the U.S.

dollar value, as determined using the spot rate in effect on the date of the cancellation, of the sum of the fair market value of any property (such as the New Collins Stewart Shares), as of the date of its receipt, and the cash received in pounds sterling. Generally, a US Holder is subject to the US federal income tax on payments that constitute compensation income at ordinary income tax rates applicable to the US Holder. In addition, such payments generally are subject to certain wage-related withholdings and other applicable rules. US federal tax rules governing stock rights received in connection with the performance of services are complex. Tullett Optionholders should consult their own tax advisors regarding the application of the US federal tax rules to the cancellation of their Options in consideration for the Option Cancellation Proposal in light of their particular circumstances.

5. *Exercise of Tullett Options pursuant to the Option Exercise Proposal*

With certain special exceptions, generally, when a US Holder exercises a right to acquire stock of a corporation which the US Holder received in connection with the performance of services, the US Holder is treated as receiving compensation income on the date of the exercise in an amount equal to the U.S. dollar value, as determined using the spot rate in effect on the date of the exercise, of the excess of the fair market value of the stock issued upon the exercise of the stock right over any exercise price paid. Generally, a US Holder is subject to the U.S. federal income tax on payments that constitute compensation income at ordinary income tax rates applicable to the US Holder. In addition, such payments generally are subject to certain wage-related withholdings and other applicable rules. Generally, any subsequent sale or other taxable disposition of the stock is taxed in a manner discussed under “Exchange of Tullett Shares for New Collins Stewart Shares and/or cash in the Offers” above if the stock is held for investment. U.S. federal tax rules governing stock rights received in connection with the performance of services are complex. Tullett Optionholders should consult their own tax advisors regarding the application of the U.S. federal tax rules to the exercise of their Options and the subsequent exchange of the Tullett Shares for Offer Considerations pursuant to the Offers in light of their particular circumstances.

6. *New Collins Stewart Shares*

Generally, a US Holder’s initial tax basis in New Collins Stewart Shares will be the US dollar value of the fair market value of the New Collins Stewart Shares on the date of sale of Tullett Shares or Tullett Bonds, or, in the case of Tullett Options that are cancelled, the Cancellation Date. For purposes of the preceding sentence, the US dollar value will be determined by reference to the spot rate in effect, in the case of cash method US Holders and accrual method US holders that elect to apply rules applicable to cash method US Holders described herein, on the date of settlement, and, in the case of other accrual method US Holders, the spot rate in effect on the date of the sale. The holding period of the New Collins Stewart Shares will start on the date of the sale.

Distributions by Collins Stewart

Subject to the discussion under “Passive foreign investment company” below, generally, the gross amount of any distribution by Collins Stewart with respect to New Collins Stewart Shares will be includible in a US Holder’s ordinary income as dividends to the extent of Collins Stewart’s current and accumulated earnings and profits (as determined under US federal income tax principles) at the time such amount is received (or constructively received) by the US Holder in accordance with the US Holder’s usual method of accounting for US federal income tax purposes. Any distribution in excess of Collins Stewart’s current and accumulated earnings and profits will be treated first as tax-free return of capital to the extent of a US holder’s adjusted tax basis and thereafter as a capital gain. Collins Stewart does not maintain calculations of earnings and profits under US federal income tax principles. Therefore, it is possible that a distribution may be designated as a dividend even if that distribution would otherwise be treated as a tax-free return of capital or as capital gain under the rules described above. Dividends on a New Collins Stewart Share will be treated as foreign source income for US foreign tax credit purposes and, with certain exceptions, will be treated as “passive” or, in certain cases, “financial services” income for purposes of determining the US Holder’s foreign tax credit limitation. Dividends paid by Collins Stewart will not be eligible for the dividends received deduction in the hands of corporate US Holders.

The Current Treaty provides that a US Holder that is eligible for benefits under the Current Treaty may receive from the UK Inland Revenue, in respect of a cash dividend, a payment equal to (i) the amount of a tax credit to which an individual resident of the United Kingdom for UK tax purposes would have been entitled had such resident received the dividend (the “Tax Credit Amount”), less (ii) an amount not to exceed 15 per cent. of the sum of the dividend and the Tax Credit Amount, which is

deemed a tax withheld by the UK Inland Revenue. At the current levels of the tax credit available for a UK resident individual (one-ninth of a dividend), in practice, no actual payment from the UK Inland Revenue in respect of the Tax Credit Amount will be available.

A US Holder that is eligible for benefits under the Current Treaty and that elects the application of the Current Treaty with respect to the dividends, will include in its gross income, as dividends, an amount equal to the sum of the actual dividend plus the Tax Credit Amount and such US Holder will be treated, for US foreign tax credit purposes, as having paid UK tax equal to the amount of the Tax Credit Amount.

A US Holder may elect the application of the Current Treaty by filing a timely and duly completed IRS Form 8833 with the holder's income tax return for the relevant year. The electing US Holder may deduct the Tax Credit Amount from the US Holder's income subject to US federal income taxation or use the Tax Credit Amount as a credit against the US Holder's US federal income tax liability. However, the Tax Credit Amount may be deducted only if the US Holder does not claim a credit for foreign taxes paid or accrued in that year, and the US Holder will not be entitled to a deduction or credit with respect to the Tax Credit Amount that may be refunded to the holder pursuant to the Current Treaty. The rules governing the foreign taxes paid by US Holders are complex. US Holders should consult their own tax advisors regarding the availability of the Tax Credit Amount described above as a foreign tax credit or a deduction in light of their particular circumstances.

Under the New Treaty, there will no longer be any entitlement to receive from the UK Inland Revenue any repayment of the Tax Credit Amount, and a US Holder will no longer be eligible for foreign tax credit or deductions in respect of the Tax Credit Amount. The New Treaty will apply to dividends paid or credit on or after the first day of the second month following the date on which the New Treaty is ratified. A US Holder may elect to continue to apply the terms of the Current Treaty for an additional 12-month period beginning on the date the New Treaty becomes effective. US Holders should consult their own tax advisors regarding the application of the Current and New Treaties to their ownership of New Collins Stewart Shares.

Proceeds from the sale, taxable exchange or retirement of New Collins Stewart Shares

Generally, upon the sale, taxable exchange or retirement of a New Collins Stewart Share, a US Holder will recognise a taxable gain or loss equal to the difference, if any, between the amount realised on the sale, taxable exchange or retirement and the US Holder's tax basis in the New Collins Stewart Share. Subject to the discussion under "Passive foreign investment company" below, any gain or loss will be capital gain or loss. In the case of a non-corporate US Holder, the maximum marginal US federal income tax rate applicable to such gain will be lower than the maximum marginal US federal income tax applicable to ordinary income if such US Holder's holding period for such New Collins Stewart Shares exceeds one year.

Any gain or loss recognised by a US Holder generally will be treated as US source income or loss for US foreign tax credit purposes, except that losses will be treated as foreign source losses to the extent that the US Holder received dividends that were "financial services" income during the 24-month period prior to the sale. The deductibility of capital losses is subject to limitations.

For purposes of the preceding paragraph, to the extent that proceeds from the sale, taxable exchange or redemption of a New Collins Stewart Share received by a US Holder are denominated in pounds sterling, a gain or loss from such sale, taxable exchange or redemption will be determined using the US dollar value of the proceeds received in pounds sterling, calculated by reference to the exchange rate in effect, in the case of cash method US Holder or an electing accrual method US Holder, on the settlement date and, in the case of a non-electing accrual method US Holder, on the date of the sale, taxable exchange or redemption. See also "Currency exchange rules" below.

7. *Passive foreign investment company*

Generally, for US federal income tax purposes, Tullett or Collins Stewart will be a "passive foreign investment company" (a "PFIC"), if either (i) 75 per cent. or more of its gross income is "passive" income or (ii) 50 per cent. or more of the value of its assets, determined on the basis of a quarterly average, is attributable to assets that produce or are held for the production of passive income. Passive income generally includes dividends, interest, royalties and rents not arising from the active conduct of a trade or business, and gains from the sale of assets that produce such income. For purposes of determining whether Tullett or Collins Stewart is a PFIC, Tullett or Collins Stewart, respectively, is treated as if it held its proportionate share of the assets and received its proportionate share of the income of each of its subsidiaries of which it owned 25 per cent. or more, by value.

If Tullett were a PFIC in any taxable year during which a US Holder owned a Tullett Share, the US Holder may be subject to US federal income tax at the highest ordinary income tax rate applicable to the US Holder and required to pay interest on any gain recognised by the US Holder as described under “Exchange of Tullett Shares for New Collins Stewart Shares and/or cash in the Offer” above. Based on the current activities of Tullett and its subsidiaries, Tullett does not believe it currently is a PFIC. However, the determination of whether Tullett is a PFIC is made annually. Therefore, it is possible that Tullett will be determined to be a PFIC in the current year, or was a PFIC in any of its past taxable years.

If Collins Stewart is a PFIC in any taxable year during which a US Holder owns a New Collins Stewart Share, the US Holder may be subject to US federal income tax at the highest ordinary income tax rate applicable to the US Holder and required to pay interest on (a) any “excess distribution” (generally, a distribution in excess of 125 per cent. of the average annual distribution received by the US Holder in the three preceding taxable years or, if shorter, the US Holder’s holding period in the New Collins Stewart Share) received on the New Collins Stewart Shares, or (b) a portion of any gain recognised on the sale, taxable or certain non-taxable exchange or redemption of the New Collins Stewart Shares.

Based on the current and planned activities of Collins Stewart and its subsidiaries, Collins Stewart does not believe that it is a PFIC and it does not expect to become a PFIC in the foreseeable future. The determination of whether Collins Stewart is a PFIC is made annually. Therefore, it is possible that Collins Stewart will become a PFIC in the current or any future year due to changes in the assets or income composition of Collins Stewart and its subsidiaries, including its intended acquisition of Tullett.

8. *Currency exchange rules*

If the cash received in pounds sterling is converted into US dollars on the date of its receipt (or constructive receipt) by the US Holder, except as discussed below, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of such amount. If the US Holder does not convert the cash into US dollars on the date of receipt (or constructive receipt), the US Holder will have a tax basis in the pounds sterling equal to their US dollar value on the date of the receipt.

Generally, any gain or loss realised by the US Holder on a subsequent conversion or other disposition of the pounds sterling will be treated as ordinary income or loss. Generally, such gain or loss will be treated as US source income or loss.

Foreign currency rules applicable only to holders of Tullett Bonds

A gain or loss realized upon the sale of a Tullett Bond under the Tullett Bond Offer, to the extent attributable to fluctuations in currency exchange rates, is generally ordinary income or loss. A gain or loss attributable to fluctuations in exchange rates equals the difference between (i) the US dollar value of the pound sterling purchase price for such Tullett Bond, determined on the date such Tullett Bond is disposed of, and (ii) the US dollar value of the pound sterling purchase price for such Tullett Bond, determined on the date such US Holder acquired such Tullett Bond. Any portion of the proceeds of such sale, exchange or retirement attributable to accrued interest and/or original issue discount may result in exchange gain or loss under the rules applicable to interest and/or original issue discount will be determined as set forth below.

In the case of interest on a Tullett Bond that is required to be included in income by the US Holder prior to the receipt of payment (e.g., stated interest on a Tullett Bond held by an accrual basis US Holder or accrued original issue discount), a US Holder is required to include in income the US dollar value of the amount of interest that has accrued and is otherwise required to be taken into account with respect to the Tullett Bond during the accrual period. Unless the U.S. Holder makes the election discussed in the next paragraph, the US dollar value of such accrued interest is determined by translating such interest at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the portion of the accrual period within the taxable year. The average rate of exchange for the accrual period (or partial period) is the simple average of the spot exchange rates for each business day of such period (or other method if such method is reasonably derived and consistently applied).

Under the so-called “spot rate convention election”, a US Holder may, in lieu of applying the rules described in the preceding paragraph, elect to translate accrued interest income into US dollars at the exchange rate in effect on the last day of the relevant accrual period for accrued interest or original

issue discount, or in the case of an accrual period that spans two taxable years, at the exchange rate in effect on the last day of the taxable year.

Additionally, if a payment of such interest is actually received within five business days of the last day of the accrual period or taxable year, an electing US Holder may instead translate such income into US dollars at the exchange rate in effect on the day of actual receipt. Any such election applies to all debt instruments held by the US Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the US Holder and is irrevocable without the consent of the IRS.

9. *Backup withholding and information reporting requirements*

US federal backup withholding and information reporting requirements apply to certain payments of the Offer Consideration, dividends on, and proceeds from the sale, exchange or redemption of, New Collins Stewart Shares, all of which are held by certain non-corporate US Holders. A portion of any such payment may be withheld as a backup withholding against such holder's potential US federal income tax liability if such holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with such information reporting requirements. Corporate US Holders are generally exempt from the backup withholding and information reporting requirements but may be required to comply with certification and identification requirements in order to prove their exemption. Any amounts withheld under the backup withholding rules from a payment to a US Holder will be refunded (or credited against such holder's US federal income tax liability, if any), provided the required information is furnished to the IRS. US Holders should consult their own tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

The above summary is not intended to constitute a complete analysis of all US federal income tax consequences of the Transactions to a US Holder. Each US Holder should consult its own tax advisor with respect to the US federal, state, local, foreign and other tax consequences of the Transactions.

APPENDIX IV

ADDITIONAL INFORMATION

1. Responsibility statements

- 1.1 The directors of Collins Stewart, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document other than that relating to Tullett and its subsidiaries, the directors of Tullett and their connected persons. To the best of the knowledge and belief of the directors of Collins Stewart (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The directors of Tullett, whose names are set out in paragraph 2.3 below, accept responsibility for the information contained in this document relating to Tullett and its subsidiaries, the directors of Tullett and their connected persons. To the best of the knowledge and belief of the directors of Tullett (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- 2.1 The directors of Collins Stewart are:

Keith Hamill
Andrew Stewart
Terry Smith
Helen Smith
Terry Hitchcock
Robert Lucas
John Spencer

- 2.2 The principal and registered office of Collins Stewart and the business address of all the directors of Collins Stewart is 9th Floor, 88 Wood Street, London EC2V 7QR.

- 2.3 The directors of Tullett are:

Derek Tullett CBE
Bruce Collins
Stephen Jack
David Clark
Richard Isenberg
Tsugio Kambara
Gary Killian
Laurence Stein
Michael Whitaker
Koichi Yanagita

- 2.4 The principal and registered office of Tullett and the business address of all the directors of Tullett is Cable House, 54-62 New Broad Street, London EC2M 1JJ.

3. Shareholdings and dealings

3.1 *Interests and dealings in the share capital of Collins Stewart*

- (a) As at close of business on the last day of the disclosure period (as defined in paragraph 3.3 below), the interests, all of which are beneficial unless otherwise stated, of the directors of Collins Stewart and of their immediate families and their connected persons (within the meaning of section 346 of the Act) in the share capital of Collins Stewart (as shown in the register required to be kept under section 325 of the Act or which have been notified to Collins Stewart pursuant to sections 324 and 328 of the Act and the existence of which is known to or could with reasonable diligence become known by the director concerned) were as follows:

<i>Director</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Percentage of Collins Stewart Ordinary Shares</i>	<i>Number of Collins Stewart 'B' Preference Shares</i>	<i>Percentage of Collins Stewart 'B' Preference Shares</i>
Keith Hamill	15,822	0.02	Nil	—
Andy Stewart	4,400,000	4.14	329,666	10.00
Terry Smith	8,800,000	8.28	659,333	20.00
Helen Smith	2,200,000	2.07	164,833	5.00
Terry Hitchcock	660,000	0.62	98,900	3.00
Robert Lucas	133,294	0.13	Nil	—
John Spencer	31,645	0.03	Nil	—

- (b) As at close of business on the last day of the disclosure period, the following options to subscribe for Collins Stewart Shares had been granted under the Collins Stewart Share Option Plans to the directors of Collins Stewart:

<i>Director</i>	<i>Number of Options over Collins Stewart Ordinary Shares</i>
The Collins Stewart Holdings plc Unapproved Share Option Scheme No. 2	
Keith Hamill	127,532
John Spencer	63,766
The Collins Stewart Holdings plc Sharesave Scheme 2000	
Andrew Stewart	5,779
Terry Smith	5,779
Helen Smith	5,779

- (c) As at close of business on the last day of the disclosure period, Tullett and companies within the Tullett Group held no shares in Collins Stewart.
- (d) The following dealings for value in Collins Stewart Shares have been carried out during the disclosure period by Tullett and companies within the Tullett Group:

<i>Name</i>	<i>Date</i>	<i>Nature of Transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
Tullett Liberty (Equities) Limited	11 Jul-02	Sell	5,000	3.38
Tullett Liberty (Equities) Limited	11 Jul-02	Buy	5,000	3.38
Tullett Liberty (Equities) Limited	14 Oct-02	Sell	190	2.80
Tullett Liberty (Equities) Limited	14 Oct-02	Buy	190	2.79
Tullett Liberty (Equities) Limited	11 Nov-02	Sell	10,035	3.35
Tullett Liberty (Equities) Limited	11 Nov-02	Sell	2,230	3.35
Tullett Liberty (Equities) Limited	11 Nov-02	Buy	12,265	3.35

- (e) As at close of business on the last day of the disclosure period, the interests in securities in Collins Stewart of the directors of Tullett and (so far as the directors of Tullett are aware having made due and careful enquiries) their immediate families and connected persons (within the meaning of Section 346 of the Act) and of all other persons who have irrevocably undertaken to accept the Offers, were as follows:

<i>Name</i>	<i>Type of security</i>	<i>Number of Collins Stewart securities</i>
Goldman Sachs Asset Management International	Collins Stewart Shares	77,820
GSAM (GS&Co.)	Collins Stewart Shares	17,400
Goldman Sachs Princeton L.L.C.	Collins Stewart Shares	94,200
Possfund Nominees Limited ⁽¹⁾	Collins Stewart Shares	268,883
Britel Fund Nominees Limited ⁽¹⁾	Collins Stewart Shares	211,629
Lehman Brothers International (Europe)	Collins Stewart CFDs ⁽²⁾	625,000

Note:

- (1) The manager of Possfund Nominees Limited and Britel Fund Nominees Limited also manages funds holding 79,504 Collins Stewart Shares on behalf of other discretionary clients.
- (2) Lehman Brothers International (Europe) is a party to a number of agreements under which a cash payment is made to reflect the difference between the price of a Collins Stewart Ordinary Share when the agreement is closed out and an agreed reference price fixed at the commencement of the agreement (such reference prices are set out in paragraph 3.1(g) of Appendix IV to this document). Such agreements do not have a fixed maturity date and will be settled in cash only.

- (f) The following dealings for value in Collins Stewart Shares have been carried out during the disclosure period by the directors of Tullett and (so far as the Directors of Tullett are aware having made due and careful enquiries) their immediate families and connected persons (within the meaning of Section 346 of the Act) and by all other persons who have irrevocably undertaken to accept the Offers:

Dealings by Goldman Sachs

<i>Name</i>	<i>Date</i>	<i>Nature of Transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
Goldman Sachs International	19-Sep-01	Buy	1,137	3.11
Goldman Sachs International	21-Sep-01	Sell	1,534	2.58
Goldman Sachs International	24-Sep-01	Buy	4,603	2.7486
Goldman Sachs Asset Management International	24-Sep-01	Sell	24,637	2.8
Goldman Sachs International	26-Sep-01	Buy	50,000	2.8033
Goldman Sachs Asset Management International	26-Sep-01	Sell	19,113	2.75
Goldman Sachs International	28-Sep-01	Sell	25,000	3
Goldman Sachs International	16-Oct-01	Sell	68,021	3.11
Goldman Sachs International	18-Oct-01	Buy	68,000	3.225
Goldman Sachs International	18-Oct-01	Buy	410	3.18
Goldman Sachs International	31-Oct-01	Buy	3,800	3.14
Goldman Sachs International	6-Nov-01	Sell	3,800	3.13
Goldman Sachs International	7-Nov-01	Buy	68,021	3.115
Goldman Sachs International	8-Nov-01	Sell	68,021	3.1119
Goldman Sachs International	10-Jan-02	Buy	1,914	3.9
Goldman Sachs International	23-Jan-02	Sell	1,914	4.2379
Goldman Sachs International	14-Feb-02	Buy	1,686	4.3
Goldman Sachs International	1-Mar-02	Sell	1,686	4.1458
Goldman Sachs International	5-Mar-02	Sell	12,296	4.3157
Goldman Sachs International	6-Mar-02	Buy	12,296	4.29
Goldman Sachs International	26-Mar-02	Sell	25,000	3.9
Goldman Sachs International	2-Apr-02	Buy	2,271	4.135
Goldman Sachs International	9-Apr-02	Sell	2,271	4.068
Goldman Sachs International	15-Apr-02	Sell	106,944	4.025
Goldman Sachs International	16-Apr-02	Buy	50,000	4.012
Goldman Sachs International	16-Apr-02	Sell	3,229	4.025
Goldman Sachs International	17-Apr-02	Buy	53,472	4.022
Goldman Sachs International	17-Apr-02	Sell	93,435	4.0182
Goldman Sachs International	17-Apr-02	Sell	13,509	3.995
Goldman Sachs International	17-Apr-02	Buy	53,472	3.995
Goldman Sachs International	17-Apr-02	Buy	5,102	3.999
Goldman Sachs International	17-Apr-02	Buy	13,509	3.995
Goldman Sachs International	17-Apr-02	Sell	53,472	3.995
Goldman Sachs International	19-Apr-02	Buy	25,000	4.0741
Goldman Sachs International	19-Apr-02	Sell	152,685	4.015
Goldman Sachs International	22-Apr-02	Buy	10,000	4.1041
Goldman Sachs International	25-Apr-02	Buy	50,000	4.1742
Goldman Sachs International	25-Apr-02	Buy	5,222	4.17
Goldman Sachs International	7-May-02	Buy	15,000	4.2221
Goldman Sachs International	7-May-02	Sell	11,240	4.19
Goldman Sachs International	8-May-02	Buy	8,871	4.1792
Goldman Sachs International	13-May-02	Sell	14,431	4.36
Goldman Sachs International	14-May-02	Buy	25,000	4.4244
Goldman Sachs International	20-May-02	Buy	27,108	4.415
Goldman Sachs International	28-May-02	Sell	78,216	4.415
Goldman Sachs International	29-May-02	Buy	20,000	4.439
Goldman Sachs International	30-May-02	Buy	15,000	4.3522

<i>Name</i>	<i>Date</i>	<i>Nature of Transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
Goldman Sachs International	13-Jun-02	Buy	11,267	4.2543
Goldman Sachs International	14-Jun-02	Buy	100,000	4.07407
Goldman Sachs International	19-Jun-02	Sell	6,000	3.957
Goldman Sachs International	28-Jun-02	Sell	8,575	3.65
Goldman Sachs International	3-Jul-02	Buy	19,085	3.5786
Goldman Sachs International	4-Jul-02	Buy	24,468	3.5736
Goldman Sachs International	4-Jul-02	Sell	134,498	3.5875
Goldman Sachs International	8-Jul-02	Sell	4,300	3.6
Goldman Sachs International	9-Jul-02	Buy	25,000	3.5786
Goldman Sachs International	17-Jul-02	Buy	6,000	3.0561
Goldman Sachs International	18-Jul-02	Buy	77,002	3.1031
Goldman Sachs International	18-Jul-02	Buy	25,000	3.0881
Goldman Sachs International	22-Jul-02	Buy	7,978	2.9029
Goldman Sachs International	25-Jul-02	Buy	3,191	2.8378
Goldman Sachs International	31-Jul-02	Buy	4,787	2.9215
GSAM (GS&Co.)	31-Jul-02	Buy	17,400	2.93
Goldman Sachs Asset Management International	6-Aug-02	Buy	13,900	2.8851
Goldman Sachs Asset Management International	6-Aug-02	Buy	13,900	2.8851
Goldman Sachs International	22-Aug-02	Buy	1,887	3.155
Goldman Sachs International	22-Aug-02	Sell	1,887	3.155
Goldman Sachs International	28-Aug-02	Buy	1,765	3.0725
Goldman Sachs International	28-Aug-02	Buy	2,201	3.0725
Goldman Sachs International	28-Aug-02	Buy	2,353	3.0725
Goldman Sachs International	28-Aug-02	Buy	2,725	3.0725
Goldman Sachs International	29-Aug-02	Sell	9,044	3.03
Goldman Sachs International	29-Aug-02	Sell	4,294	3.007
Goldman Sachs International	29-Aug-02	Buy	9,044	3.03
Goldman Sachs International	6-Sep-02	Sell	40,858	2.987
Goldman Sachs International	6-Sep-02	Buy	136,194	2.9756
Goldman Sachs International	9-Sep-02	Sell	95,336	3
Goldman Sachs International	9-Sep-02	Buy	95,336	3
Goldman Sachs International	10-Sep-02	Sell	18,086	3.0819
Goldman Sachs International	17-Sep-02	Sell	65,000	3.2368
Goldman Sachs International	18-Sep-02	Buy	648	3.0825
Goldman Sachs International	19-Sep-02	Sell	648	3.085
Goldman Sachs International	19-Sep-02	Sell	15,761	3.0919
Goldman Sachs International	19-Sep-02	Buy	648	3.085
Goldman Sachs International	19-Sep-02	Sell	100,000	3.1437
Goldman Sachs International	19-Sep-02	Sell	100,000	3.1437
Goldman Sachs International	20-Sep-02	Sell	150,000	3.1437
Goldman Sachs International	23-Sep-02	Sell	100,000	3.1437
Goldman Sachs International	24-Sep-02	Buy	7,111	3.13
Goldman Sachs International	30-Sep-02	Sell	50,000	3.0938
Goldman Sachs International	1-Oct-02	Sell	25,000	2.997
Goldman Sachs International	4-Oct-02	Buy	50,000	2.6553
Goldman Sachs International	4-Oct-02	Buy	85,000	2.525
Goldman Sachs International	4-Oct-02	Buy	100,000	2.5551
Goldman Sachs International	8-Oct-02	Sell	5,688	2.6973
Goldman Sachs International	10-Oct-02	Sell	1,423	2.695
Goldman Sachs International	11-Oct-02	Buy	11,923	2.65
Goldman Sachs Princeton L.L.C.	11-Oct-02	Sell	51,700	2.65
Goldman Sachs International	17-Oct-02	Sell	6,000	2.88

<i>Name</i>	<i>Date</i>	<i>Nature of Transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
Goldman Sachs Asset Management International	25-Oct-02	Buy	8,372	3.175
Goldman Sachs Asset Management International	25-Oct-02	Buy	17,233	3.175
Goldman Sachs Asset Management International	25-Oct-02	Buy	24,415	3.175
Goldman Sachs International	28-Oct-02	Sell	5,923	3.0185
Goldman Sachs International	29-Oct-02	Sell	33,813	2.885
Goldman Sachs International	30-Oct-02	Sell	30,000	2.91416
Goldman Sachs International	31-Oct-02	Sell	25,000	2.7972
Goldman Sachs International	1-Nov-02	Sell	55,000	2.80719
Goldman Sachs International	6-Nov-02	Sell	100,000	3.25
Goldman Sachs International	7-Nov-02	Sell	100,000	3.255
Goldman Sachs International	12-Nov-02	Sell	5,000	3.2984
Goldman Sachs International	14-Nov-02	Sell	100,000	3.3
Goldman Sachs Princeton L.L.C.	22-Nov-02	Sell	21,000	3.407
Goldman Sachs International	4-Dec-02	Buy	39,028	3.35
Goldman Sachs International	11-Dec-02	Sell	215	3.1984
Goldman Sachs International	6-Jan-03	Buy	5,787	3.246
Goldman Sachs International	8-Jan-03	Buy	4,539	3.1616
Goldman Sachs International	8-Jan-03	Sell	10,326	3.1831

Dealings by Lehman Brothers International (Europe)

<i>Name</i>	<i>Date</i>	<i>Nature of Transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
Lehman Brothers International (Europe)	28-Sept-01	Sell	3,500	3.05
Lehman Brothers International (Europe)	28-Sept-01	Sell	25,000	3.05
Lehman Brothers International (Europe)	28-Sept-01	Buy	28,500	3.05
Lehman Brothers International (Europe)	03-Oct-01	Sell	10,000	3.08
Lehman Brothers International (Europe)	03-Oct-01	Buy	10,000	3.08
Lehman Brothers International (Europe)	30-Oct-01	Buy	25,000	3.1864
Lehman Brothers International (Europe)	31-Oct-01	Buy	182,000	3.1463
Lehman Brothers International (Europe)	05-Nov-01	Buy	112,500	3.1262
Lehman Brothers International (Europe)	09-Nov-01	Buy	5,000	3.23
Lehman Brothers International (Europe)	09-Nov-01	Buy	10,000	3.22
Lehman Brothers International (Europe)	12-Nov-01	Buy	5,000	3.3567
Lehman Brothers International (Europe)	13-Nov-01	Sell	11,375	3.4132
Lehman Brothers International (Europe)	20-Nov-01	Sell	75,000	3.8124
Lehman Brothers International (Europe)	20-Nov-01	Sell	103,125	3.8423
Lehman Brothers International (Europe)	22-Nov-01	Sell	23,070	3.8423
Lehman Brothers International (Europe)	02-Jan-02	Buy	9,679	3.9078
Lehman Brothers International (Europe)	07-Jan-02	Buy	77,680	4.0581
Lehman Brothers International (Europe)	10-Jan-02	Sell	300,000	3.92
Lehman Brothers International (Europe)	17-Jan-02	Sell	2,500	3.94
Lehman Brothers International (Europe)	17-Jan-02	Buy	2,500	3.94
Lehman Brothers International (Europe)	18-Jan-02	Sell	264,289	4.2436
Lehman Brothers International (Europe)	15-Feb-02	Buy	200	4.29
Lehman Brothers International (Europe)	15-Feb-02	Sell	200	4.29
Lehman Brothers International (Europe)	25-Mar-02	Buy	100,000	3.9059
Lehman Brothers International (Europe)	28-Mar-02	Sell	70,000	4.1937
Lehman Brothers International (Europe)	28-Mar-02	Buy	35,000	4.1312

<i>Name</i>	<i>Date</i>	<i>Nature of Transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
Lehman Brothers International (Europe)	04-Apr-02	Sell	65,000	4.1937
Lehman Brothers International (Europe)	05-Apr-02	Buy	100,000	4.2063
Lehman Brothers International (Europe)	09-May-02	Sell	75,000	4.3934
Lehman Brothers International (Europe)	17-May-02	Sell	50,000	4.4134
Lehman Brothers International (Europe)	28-Jun-02	Buy	200,000	3.5804
Lehman Brothers International (Europe)	28-Jun-02	Buy	50,000	3.5954
Lehman Brothers International (Europe)	28-Jun-02	Buy	15,000	3.62209
Lehman Brothers International (Europe)	02-Jul-02	Sell	150,000	3.68
Lehman Brothers International (Europe)	03-Jul-02	Sell	66,050	3.5696
Lehman Brothers International (Europe)	08-Jul-02	Buy	1,620	3.58
Lehman Brothers International (Europe)	08-Jul-02	Sell	1,620	3.58
Lehman Brothers International (Europe)	24-Jul-02	Sell	3,500	2.78
Lehman Brothers International (Europe)	24-Jul-02	Buy	3,500	2.78
Lehman Brothers International (Europe)	02-Aug-02	Buy	1,490	2.91
Lehman Brothers International (Europe)	05-Aug-02	Sell	1,490	2.87
Lehman Brothers International (Europe)	21-Aug-02	Buy	10,000	3.1
Lehman Brothers International (Europe)	21-Aug-02	Sell	10,000	3.1
Lehman Brothers International (Europe)	22-Aug-02	Buy	5,000	3.18
Lehman Brothers International (Europe)	22-Aug-02	Sell	5,000	3.18
Lehman Brothers International (Europe)	31-Oct-02	Sell	50000	2.7645
Lehman Brothers International (Europe)	01-Nov-02	Sell	150,000	2.7844
Lehman Brothers International (Europe)	05-Nov-02	Sell	50,000	3.0439
Lehman Brothers International (Europe)	08-Nov-02	Sell	100,000	3.2734
Lehman Brothers International (Europe)	27-Nov-02	Sell	50,000	3.4731
Lehman Brothers International (Europe)	15-Jan-03	Sell	25,000	3.3
Lehman Brothers International (Europe)	20-Jan-03	Sell	150,000	316.37
Lehman Brothers International (Europe)	20-Jan-03	Sell	50,000	312.374

Dealings by Salomon Brothers (UK) Equity Limited

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
Salomon Brothers (UK) Equity Limited	08-Aug-02	Sell	1,900	2.84
Salomon Brothers (UK) Equity Limited	08-Aug-02	Buy	1,900	2.84
Salomon Brothers (UK) Equity Limited	28-Oct-02	Buy	20,000	2.99
Salomon Brothers (UK) Equity Limited	28-Oct-02	Sell	30,000	3.01
Salomon Brothers (UK) Equity Limited	28-Oct-02	Buy	10,000	3.10
Salomon Brothers (UK) Equity Limited	30-Oct-02	Sell	7,300	2.92
Salomon Brothers (UK) Equity Limited	30-Oct-02	Sell	8,720	2.94
Salomon Brothers (UK) Equity Limited	30-Oct-02	Sell	5,000	2.95
Salomon Brothers (UK) Equity Limited	04-Nov-02	Sell	5,000	2.90
Salomon Brothers (UK) Equity Limited	04-Nov-02	Buy	17,792	3.00
Salomon Brothers (UK) Equity Limited	04-Nov-02	Sell	10,000	3.05
Salomon Brothers (UK) Equity Limited	06-Nov-02	Sell	40,000	3.30
Salomon Brothers (UK) Equity Limited	07-Nov-02	Sell	70	3.30
Salomon Brothers (UK) Equity Limited	08-Nov-02	Sell	100,000	3.35
Salomon Brothers (UK) Equity Limited	11-Nov-02	Buy	5,000	3.23
Salomon Brothers (UK) Equity Limited	11-Nov-02	Buy	5,000	3.25
Salomon Brothers (UK) Equity Limited	11-Nov-02	Buy	17,000	3.25
Salomon Brothers (UK) Equity Limited	11-Nov-02	Buy	5,000	3.31
Salomon Brothers (UK) Equity Limited	12-Nov-02	Buy	2,500	3.30
Salomon Brothers (UK) Equity Limited	12-Nov-02	Buy	50,000	3.30

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
Salomon Brothers (UK) Equity Limited	12-Nov-02	Sell	12,000	3.35
Salomon Brothers (UK) Equity Limited	12-Nov-02	Sell	12,000	3.35
Salomon Brothers (UK) Equity Limited	12-Nov-02	Sell	12,000	3.35
Salomon Brothers (UK) Equity Limited	12-Nov-02	Sell	12,000	3.35
Salomon Brothers (UK) Equity Limited	12-Nov-02	Buy	30,000	3.35
Salomon Brothers (UK) Equity Limited	12-Nov-02	Sell	37,500	3.35
Salomon Brothers (UK) Equity Limited	12-Nov-02	Sell	37,500	3.35
Salomon Brothers (UK) Equity Limited	12-Nov-02	Sell	37,500	3.35
Salomon Brothers (UK) Equity Limited	12-Nov-02	Sell	37,500	3.35
Salomon Brothers (UK) Equity Limited	12-Nov-02	Buy	60,000	3.35
Salomon Brothers (UK) Equity Limited	12-Nov-02	Buy	150,000	3.35
Salomon Brothers (UK) Equity Limited	15-Nov-02	Buy	6,000	3.38
Salomon Brothers (UK) Equity Limited	15-Nov-02	Buy	10,000	3.40
Salomon Brothers (UK) Equity Limited	18-Nov-02	Buy	10,000	3.35
Salomon Brothers (UK) Equity Limited	20-Nov-02	Sell	2,050	3.36
Salomon Brothers (UK) Equity Limited	22-Nov-02	Buy	95,400	3.42
Salomon Brothers (UK) Equity Limited	22-Nov-02	Sell	75,000	3.42
Salomon Brothers (UK) Equity Limited	22-Nov-02	Buy	3,000	3.45
Salomon Brothers (UK) Equity Limited	22-Nov-02	Sell	28,000	3.46
Salomon Brothers (UK) Equity Limited	25-Nov-02	Buy	100	3.45
Salomon Brothers (UK) Equity Limited	25-Nov-02	Buy	700	3.45
Salomon Brothers (UK) Equity Limited	25-Nov-02	Buy	1,800	3.45
Salomon Brothers (UK) Equity Limited	25-Nov-02	Buy	2,400	3.45
Salomon Brothers (UK) Equity Limited	25-Nov-02	Buy	4,700	3.45
Salomon Brothers (UK) Equity Limited	25-Nov-02	Buy	6,000	3.45
Salomon Brothers (UK) Equity Limited	25-Nov-02	Buy	10,900	3.45
Salomon Brothers (UK) Equity Limited	25-Nov-02	Buy	17,800	3.45
Salomon Brothers (UK) Equity Limited	25-Nov-02	Buy	25,600	3.45
Salomon Brothers (UK) Equity Limited	25-Nov-02	Sell	69,545	3.45
Salomon Brothers (UK) Equity Limited	26-Nov-02	Buy	700	3.50
Salomon Brothers (UK) Equity Limited	26-Nov-02	Buy	900	3.50
Salomon Brothers (UK) Equity Limited	26-Nov-02	Buy	1,700	3.50
Salomon Brothers (UK) Equity Limited	26-Nov-02	Buy	2,200	3.50
Salomon Brothers (UK) Equity Limited	26-Nov-02	Buy	3,900	3.50
Salomon Brothers (UK) Equity Limited	26-Nov-02	Sell	5,000	3.50
Salomon Brothers (UK) Equity Limited	26-Nov-02	Buy	6,400	3.50
Salomon Brothers (UK) Equity Limited	26-Nov-02	Sell	7,000	3.50
Salomon Brothers (UK) Equity Limited	26-Nov-02	Buy	9,200	3.50
Salomon Brothers (UK) Equity Limited	26-Nov-02	Sell	10,000	3.50
Salomon Brothers (UK) Equity Limited	26-Nov-02	Sell	10,000	3.50
Salomon Brothers (UK) Equity Limited	27-Nov-02	Buy	100	3.45
Salomon Brothers (UK) Equity Limited	27-Nov-02	Buy	1,800	3.45
Salomon Brothers (UK) Equity Limited	27-Nov-02	Buy	2,400	3.45
Salomon Brothers (UK) Equity Limited	27-Nov-02	Buy	4,700	3.45
Salomon Brothers (UK) Equity Limited	27-Nov-02	Buy	6,100	3.45
Salomon Brothers (UK) Equity Limited	27-Nov-02	Buy	11,100	3.45
Salomon Brothers (UK) Equity Limited	27-Nov-02	Buy	17,900	3.45
Salomon Brothers (UK) Equity Limited	27-Nov-02	Buy	25,900	3.45
Salomon Brothers (UK) Equity Limited	27-Nov-02	Sell	50,000	3.45
Salomon Brothers (UK) Equity Limited	28-Nov-02	Buy	1,500	3.42
Salomon Brothers (UK) Equity Limited	28-Nov-02	Sell	100,000	3.42
Salomon Brothers (UK) Equity Limited	29-Nov-02	Buy	100	3.42
Salomon Brothers (UK) Equity Limited	29-Nov-02	Buy	2,700	3.42
Salomon Brothers (UK) Equity Limited	29-Nov-02	Buy	3,500	3.42
Salomon Brothers (UK) Equity Limited	29-Nov-02	Buy	6,600	3.42

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
Salomon Brothers (UK) Equity Limited	29-Nov-02	Buy	8,700	3.42
Salomon Brothers (UK) Equity Limited	29-Nov-02	Buy	15,800	3.42
Salomon Brothers (UK) Equity Limited	29-Nov-02	Buy	25,700	3.42
Salomon Brothers (UK) Equity Limited	29-Nov-02	Buy	36,900	3.42
Salomon Brothers (UK) Equity Limited	03-Dec-02	Buy	1,555	3.40
Salomon Brothers (UK) Equity Limited	03-Dec-02	Buy	1,800	3.40
Salomon Brothers (UK) Equity Limited	03-Dec-02	Buy	3,100	3.40
Salomon Brothers (UK) Equity Limited	03-Dec-02	Buy	3,700	3.40
Salomon Brothers (UK) Equity Limited	03-Dec-02	Buy	6,800	3.40
Salomon Brothers (UK) Equity Limited	03-Dec-02	Buy	7,926	3.40
Salomon Brothers (UK) Equity Limited	03-Dec-02	Buy	14,300	3.40
Salomon Brothers (UK) Equity Limited	03-Dec-02	Buy	31,319	3.40
Salomon Brothers (UK) Equity Limited	03-Dec-02	Sell	70,500	3.40
Salomon Brothers (UK) Equity Limited	05-Dec-02	Buy	7,300	3.25
Salomon Brothers (UK) Equity Limited	05-Dec-02	Sell	58,000	3.29
Salomon Brothers (UK) Equity Limited	05-Dec-02	Sell	65,000	3.29
Salomon Brothers (UK) Equity Limited	05-Dec-02	Sell	69,000	3.29
Salomon Brothers (UK) Equity Limited	05-Dec-02	Sell	69,000	3.29
Salomon Brothers (UK) Equity Limited	05-Dec-02	Sell	162,000	3.29
Salomon Brothers (UK) Equity Limited	05-Dec-02	Sell	296,819	3.29
Salomon Brothers (UK) Equity Limited	05-Dec-02	Buy	719,819	3.29
Salomon Brothers (UK) Equity Limited	10-Dec-02	Buy	25,000	3.20
Salomon Brothers (UK) Equity Limited	10-Dec-02	Buy	50,000	3.23
Salomon Brothers (UK) Equity Limited	10-Dec-02	Sell	25,000	3.27
Salomon Brothers (UK) Equity Limited	10-Dec-02	Sell	38,000	3.27
Salomon Brothers (UK) Equity Limited	10-Dec-02	Sell	10,000	3.27
Salomon Brothers (UK) Equity Limited	11-Dec-02	Sell	17,000	3.27
Salomon Brothers (UK) Equity Limited	03-Jan-03	Sell	25,000	3.22
Salomon Brothers (UK) Equity Limited	07-Jan-03	Buy	31,000	3.17
Salomon Brothers (UK) Equity Limited	09-Jan-03	Sell	5,000	3.20
Salomon Brothers (UK) Equity Limited	09-Jan-03	Sell	5,000	3.25
Salomon Brothers (UK) Equity Limited	13-Jan-03	Sell	25,000	3.28
Salomon Brothers (UK) Equity Limited	21-Jan-03	Buy	4,060	3.28

- (g) The following dealings for value in Collins Stewart CFDs⁽¹⁾ have been carried out during the disclosure period by those persons who have irrevocably undertaken to accept the Offers:

<i>Name</i>	<i>Date</i>	<i>Number of Collins Stewart Shares to which the CFDs relate</i>	<i>Reference price per Collins Stewart CFD (GBP)</i>
Lehman Brothers International (Europe)	31-Oct-02	50,000	2.7645
Lehman Brothers International (Europe)	01-Nov-02	150,000	2.7844
Lehman Brothers International (Europe)	05-Nov-02	50,000	3.0439
Lehman Brothers International (Europe)	08-Nov-02	100,000	3.2734
Lehman Brothers International (Europe)	27-Nov-02	50,000	3.4731
Lehman Brothers International (Europe)	15-Jan-03	25,000	3.3
Lehman Brothers International (Europe)	20-Jan-03	150,000	3.1637
Lehman Brothers International (Europe)	20-Jan-03	50,000	3.12374

Note:

- (1) See Note (2) on page 100.

- (h) As at close of business on the last day of the disclosure period, the interests in Collins Stewart Shares of HSBC were as follows:

<i>Name</i>	<i>Type of security</i>	<i>Number of Collins Stewart securities</i>
HSBC Asset Management (Europe) Limited	Collins Stewart Shares	90,653

- (i) The following dealings for value in Collins Stewart Shares have been carried out by HSBC during the disclosure period:

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
HSBC Bank plc	17-Sep-01	Buy	10,000	3.28
HSBC Bank plc	17-Sep-01	Buy	5,000	3.24
HSBC Bank plc	18-Sep-01	Buy	5,000	3.15
HSBC Bank plc	19-Sep-01	Sell	5,000	3.10
HSBC Bank plc	19-Sep-01	Sell	5,000	3.10
HSBC Bank plc	21-Sep-01	Buy	4,000	2.64
HSBC Bank plc	21-Sep-01	Buy	50,000	2.61
HSBC Bank plc	21-Sep-01	Sell	50,000	2.62
HSBC Bank plc	24-Sep-01	Sell	5,000	2.68
HSBC Bank plc	24-Sep-01	Sell	5,000	2.68
HSBC Bank plc	24-Sep-01	Sell	3,000	2.80
HSBC Bank plc	28-Sep-01	Buy	25,000	3.00
HSBC Bank plc	02-Oct-01	Sell	10,000	3.08
HSBC Bank plc	02-Oct-01	Sell	10,000	3.08
HSBC Bank plc	03-Oct-01	Buy	5,000	2.85
HSBC Bank plc	05-Oct-01	Buy	5,000	2.87
HSBC Bank plc	08-Oct-01	Buy	5,000	2.85
HSBC Bank plc	16-Oct-01	Sell	10,000	3.02
HSBC Bank plc	22-Oct-01	Buy	4,140	3.20
HSBC Bank plc	24-Oct-01	Buy	100,000	3.18
HSBC Bank plc	24-Oct-01	Buy	65,518	3.18
HSBC Bank plc	24-Oct-01	Buy	273,200	3.18
HSBC Bank plc	24-Oct-01	Sell	232,500	3.18
HSBC Bank plc	24-Oct-01	Sell	219,000	3.18
HSBC Bank plc	24-Oct-01	Sell	232,500	3.18
HSBC Bank plc	24-Oct-01	Sell	219,000	3.18
HSBC Bank plc	24-Oct-01	Sell	13,000	3.18
HSBC Bank plc	24-Oct-01	Buy	65,400	3.18
HSBC Bank plc	24-Oct-01	Sell	13,500	3.18
HSBC Bank plc	25-Oct-01	Sell	38,561	3.21179
HSBC Bank plc	29-Oct-01	Buy	100,000	3.19
HSBC Bank plc	29-Oct-01	Sell	41,600	3.23
HSBC Bank plc	30-Oct-01	Buy	5,000	3.13
HSBC Bank plc	05-Nov-01	Buy	29,100	3.12
HSBC Bank plc	08-Nov-01	Sell	21,000	3.15
HSBC Bank plc	08-Nov-01	Sell	10,000	3.15
HSBC Bank plc	09-Nov-01	Sell	50,000	3.24
HSBC Bank plc	09-Nov-01	Buy	125,000	3.16
HSBC Bank plc	09-Nov-01	Sell	50,000	3.18
HSBC Bank plc	09-Nov-01	Sell	50,000	3.18
HSBC Bank plc	12-Nov-01	Sell	10,000	3.47
HSBC Bank plc	12-Nov-01	Sell	5,000	3.40
HSBC Bank plc	13-Nov-01	Sell	10,000	3.55
HSBC Bank plc	15-Nov-01	Sell	10,000	3.55
HSBC Bank plc	15-Nov-01	Sell	10,000	3.55

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
HSBC Bank plc	19-Nov-01	Sell	3,000	3.78
HSBC Bank plc	20-Nov-01	Sell	56,000	386.1072
HSBC Bank plc	20-Nov-01	Buy	103,125	3.85
HSBC Bank plc	20-Nov-01	Buy	103,125	3.85
HSBC Bank plc	20-Nov-01	Sell	40,000	3.90
HSBC Bank plc	22-Nov-01	Buy	10,097	3.85614
HSBC Bank plc	22-Nov-01	Buy	10,000	3.82
HSBC Bank plc	22-Nov-01	Buy	25,000	3.78
HSBC Bank plc	23-Nov-01	Sell	25,000	3.80619
HSBC Bank plc	27-Nov-01	Buy	4,674	3.73775
HSBC Bank plc	05-Dec-01	Sell	25,000	3.70
HSBC Bank plc	05-Dec-01	Sell	5,000	3.70
HSBC Bank plc	05-Dec-01	Sell	5,000	3.70
HSBC Bank plc	06-Dec-01	Sell	25,000	3.75
HSBC Bank plc	11-Dec-01	Sell	13,330	3.79
HSBC Bank plc	12-Dec-01	Sell	5,000	3.80
HSBC Bank plc	13-Dec-01	Sell	25,000	3.75
HSBC Bank plc	13-Dec-01	Buy	50,000	3.7350
HSBC Bank plc	17-Dec-01	Sell	25,000	3.77
HSBC Bank plc	17-Dec-01	Buy	5,000	3.77
HSBC Bank plc	20-Dec-01	Sell	10,000	3.83
HSBC Bank plc	02-Jan-02	Buy	7,779	3.90
HSBC Bank plc	02-Jan-02	Buy	1,900	3.90
HSBC Bank plc	02-Jan-02	Sell	9,679	3.90
HSBC Bank plc	04-Jan-02	Sell	5,000	4.05
HSBC Bank plc	07-Jan-02	Buy	35,000	4.05
HSBC Bank plc	10-Jan-02	Buy	5,000	3.90
HSBC Bank plc	10-Jan-02	Buy	10,000	3.87
HSBC Bank plc	14-Jan-02	Buy	3,000	3.87
HSBC Bank plc	16-Jan-02	Buy	3,000	3.92
HSBC Bank plc	24-Jan-02	Sell	1,892	4.46
HSBC Bank plc	24-Jan-02	Buy	23,484	4.454648
HSBC Bank plc	25-Jan-02	Sell	3,000	4.53
HSBC Bank plc	25-Jan-02	Sell	2,500	4.55
HSBC Bank plc	31-Jan-02	Sell	20,000	4.40
HSBC Bank plc	31-Jan-02	Sell	20,000	4.40
HSBC Bank plc	04-Feb-02	Buy	1,575	4.36
HSBC Asset Management (Europe) Limited	07-Feb-02	Sell	50,000	4.10
HSBC Bank plc	07-Feb-02	Buy	50,000	4.10
HSBC Bank plc	07-Feb-02	Sell	571	4.26
HSBC Bank plc	07-Feb-02	Sell	577	4.26
HSBC Bank plc	08-Feb-02	Buy	50,000	4.21
HSBC Asset Management (Europe) Limited	08-Feb-02	Sell	50,000	4.21
HSBC Asset Management (Europe) Limited	08-Feb-02	Sell	55,000	4.125p
HSBC Bank plc	08-Feb-02	Sell	8,000	4.17
HSBC Bank plc	08-Feb-02	Sell	100	4.21
HSBC Bank plc	12-Feb-02	Buy	45,000	4.26
HSBC Bank plc	12-Feb-02	Sell	48,000	4.33
HSBC Bank plc	12-Feb-02	Sell	2,500	4.28
HSBC Bank plc	12-Feb-02	Sell	2,500	4.28
HSBC Bank plc	12-Feb-02	Sell	25,000	4.26074

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
HSBC Bank plc	12-Feb-02	Sell	20,000	4.28571
HSBC Asset Management (Europe) Limited	12-Feb-02	Sell	45,000	4.26
HSBC Bank plc	19-Feb-02	Buy	5,000	4.17
HSBC Bank plc	20-Feb-02	Sell	19,882	4.17083
HSBC Bank plc	20-Feb-02	Buy	5,000	4.12
HSBC Bank plc	20-Feb-02	Buy	2,000	4.02
HSBC Bank plc	21-Feb-02	Sell	2,000	4.13
HSBC Bank plc	21-Feb-02	Sell	2,500	4.20
HSBC Bank plc	27-Feb-02	Sell	7,500	4.32
HSBC Bank plc	28-Feb-02	Buy	2,000	4.18
HSBC Bank plc	04-Mar-02	Sell	3,000	4.25
HSBC Bank plc	04-Mar-02	Sell	7,500	4.30
HSBC Bank plc	11-Mar-02	Sell	3,000	4.38
HSBC Bank plc	11-Mar-02	Sell	2,500	4.49
HSBC Bank plc	11-Mar-02	Sell	5,000	4.40
HSBC Bank plc	12-Mar-02	Sell	11,225	4.515412
HSBC Bank plc	12-Mar-02	Buy	3,000	4.43
HSBC Bank plc	12-Mar-02	Sell	5,000	4.44
HSBC Bank plc	12-Mar-02	Sell	6,000	4.44
HSBC Bank plc	13-Mar-02	Sell	490	4.4250p
HSBC Bank plc	13-Mar-02	Sell	1,603	4.43031
HSBC Bank plc	14-Mar-02	Sell	490	4.39
HSBC Bank plc	19-Mar-02	Sell	24,500	4.29
HSBC Asset Management (Europe) Limited	19-Mar-02	Buy	24,500	4.29
HSBC Bank plc	19-Mar-02	Buy	76,900	4.24
HSBC Bank plc	20-Mar-02	Sell	25,000	4.11089
HSBC Bank plc	21-Mar-02	Buy	5,600	4.02
HSBC Bank plc	26-Mar-02	Sell	2,500	3.95
HSBC Bank plc	04-Apr-02	Sell	3,000	4.22
HSBC Bank plc	05-Apr-02	Sell	10,000	4.27
HSBC Bank plc	05-Apr-02	Sell	2,235	4.28
HSBC Bank plc	09-Apr-02	Sell	2,200	4.10
HSBC Bank plc	09-Apr-02	Buy	2,500	4.08
HSBC Bank plc	22-Apr-02	Buy	5,000	2.67
HSBC Bank plc	22-Apr-02	Buy	5,000	3.98
HSBC Bank plc	24-Apr-02	Sell	25	4.12
HSBC Bank plc	26-Apr-02	Buy	1,845	4.13
HSBC Asset Management (Europe) Limited	29-Apr-02	Buy	25,000	4.17
HSBC Bank plc	30-Apr-02	Buy	2,000	4.08
HSBC Bank plc	02-May-02	Sell	10,000	4.24
HSBC Bank plc	07-May-02	Sell	25,000	4.23
HSBC Asset Management (Europe) Limited	07-May-02	Buy	25,000	4.23
HSBC Bank plc	08-May-02	Buy	9,616	4.17918
HSBC Bank plc	08-May-02	Sell	5,000	4.25
HSBC Bank plc	09-May-02	Sell	10,000	4.35
HSBC Bank plc	09-May-02	Buy	75,000	4.40
HSBC Bank plc	09-May-02	Sell	50,000	4.40
HSBC Asset Management (Europe) Limited	09-May-02	Buy	10,000	4.35

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
HSBC Asset Management (Europe) Limited	13-May-02	Buy	140,000	4.40
HSBC Bank plc	13-May-02	Buy	189,533	4.40
HSBC Bank plc	13-May-02	Sell	94,000	4.40
HSBC Bank plc	13-May-02	Buy	3,000	4.32
HSBC Bank plc	13-May-02	Buy	153,000	4.40
HSBC Bank plc	13-May-02	Buy	140,000	4.40
HSBC Bank plc	13-May-02	Sell	46,000	4.40
HSBC Bank plc	13-May-02	Sell	237,950	4.40
HSBC Bank plc	13-May-02	Sell	7,200	4.40
HSBC Bank plc	13-May-02	Buy	189,533	4.40
HSBC Bank plc	14-May-02	Sell	3,000	4.40
HSBC Bank plc	21-May-02	Sell	4,000	4.43
HSBC Bank plc	22-May-02	Sell	1,302	4.43
HSBC Bank plc	24-May-02	Buy	600	4.4050
HSBC Bank plc	05-Jun-02	Buy	5,000	4.25
HSBC Bank plc	05-Jun-02	Buy	5,000	4.20
HSBC Asset Management (Europe) Limited	05-Jun-02	Buy	25,000	4.25
HSBC Asset Management (Europe) Limited	06-Jun-02	Buy	10,000	4.23
HSBC Bank plc	06-Jun-02	Buy	6,000	4.18
HSBC Bank plc	06-Jun-02	Sell	3,000	4.28
HSBC Bank plc	07-Jun-02	Sell	8,000	4.27
HSBC Bank plc	07-Jun-02	Sell	8,000	4.27
HSBC Bank plc	07-Jun-02	Sell	8,000	4.27
HSBC Asset Management (Europe) Limited	11-Jun-02	Buy	15,000	4.27
HSBC Bank plc	11-Jun-02	Sell	15,000	4.27
HSBC Bank plc	11-Jun-02	Sell	5,000	4.28
HSBC Bank plc	14-Jun-02	Sell	125,000	4.1520
HSBC Bank plc	14-Jun-02	Sell	10,000	4.27
HSBC Bank plc	14-Jun-02	Buy	75,000	4.22
HSBC Bank plc	14-Jun-02	Buy	5,000	4.07
HSBC Bank plc	17-Jun-02	Buy	8,000	3.95
HSBC Bank plc	17-Jun-02	Sell	7,000	4.00
HSBC Bank plc	18-Jun-02	Sell	5,000	4.15
HSBC Bank plc	19-Jun-02	Buy	3,000	3.95
HSBC Bank plc	20-Jun-02	Buy	2,500	3.83
HSBC Bank plc	20-Jun-02	Buy	2,500	3.83
HSBC Bank plc	25-Jun-02	Buy	1,200	3.77
HSBC Bank plc	26-Jun-02	Buy	2,000	3.77
HSBC Bank plc	26-Jun-02	Buy	10,000	3.75
HSBC Bank plc	26-Jun-02	Buy	25,000	3.69369
HSBC Bank plc	26-Jun-02	Buy	2,000	3.77
HSBC Bank plc	27-Jun-02	Buy	5,000	3.65
HSBC Bank plc	27-Jun-02	Buy	5,000	3.63
HSBC Bank plc	27-Jun-02	Buy	10,000	3.63
HSBC Bank plc	28-Jun-02	Buy	234,769	3.5750
HSBC Bank plc	28-Jun-02	Sell	200,000	3.5750
HSBC Bank plc	28-Jun-02	Sell	5,000	3.65
HSBC Bank plc	28-Jun-02	Sell	10,000	3.60
HSBC Bank plc	28-Jun-02	Sell	10,000	3.60

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
HSBC Asset Management (Europe) Limited	01-Jul-02	Buy	8,940	3.73
HSBC Bank plc	02-Jul-02	Buy	2,000	3.66
HSBC Bank plc	03-Jul-02	Buy	5,000	3.65
HSBC Bank plc	03-Jul-02	Buy	2,000	3.56
HSBC Bank plc	04-Jul-02	Buy	2,000	3.56
HSBC Bank plc	04-Jul-02	Buy	1,225	3.56
HSBC Bank plc	04-Jul-02	Buy	2,000	3.50
HSBC Bank plc	05-Jul-02	Buy	2,000	3.50
HSBC Bank plc	05-Jul-02	Sell	600	3.56
HSBC Bank plc	05-Jul-02	Buy	2,000	3.50
HSBC Bank plc	09-Jul-02	Buy	40,000	3.56
HSBC Bank plc	10-Jul-02	Sell	668	3.5550
HSBC Bank plc	10-Jul-02	Buy	30,000	3.49825
HSBC Bank plc	10-Jul-02	Sell	666	3.5550
HSBC Bank plc	11-Jul-02	Sell	2,156	3.365
HSBC Bank plc	12-Jul-02	Buy	5,000	3.37
HSBC Bank plc	15-Jul-02	Buy	5,000	3.35
HSBC Bank plc	15-Jul-02	Buy	5,000	3.30
HSBC Bank plc	15-Jul-02	Buy	5,000	3.30
HSBC Bank plc	15-Jul-02	Buy	5,000	3.28
HSBC Bank plc	16-Jul-02	Buy	2,000	3.15
HSBC Bank plc	17-Jul-02	Sell	5,000	3.17
HSBC Bank plc	17-Jul-02	Sell	5,000	3.12188
HSBC Bank plc	17-Jul-02	Sell	15,000	3.13187
HSBC Bank plc	17-Jul-02	Sell	1,920	3.10
HSBC Bank plc	17-Jul-02	Buy	508,000	3.05
HSBC Bank plc	17-Jul-02	Buy	250,000	3.05
HSBC Bank plc	17-Jul-02	Sell	645,000	3.05
HSBC Bank plc	17-Jul-02	Sell	107,000	3.05
HSBC Bank plc	17-Jul-02	Sell	6,000	3.05
HSBC Bank plc	18-Jul-02	Sell	40,000	3.0969
HSBC Bank plc	18-Jul-02	Sell	2,500	3.13
HSBC Bank plc	18-Jul-02	Sell	25,000	3.08192
HSBC Bank plc	19-Jul-02	Buy	40,000	2.93293
HSBC Bank plc	23-Jul-02	Buy	100,000	2.85
HSBC Bank plc	23-Jul-02	Buy	50,000	2.88
HSBC Bank plc	23-Jul-02	Sell	50,000	2.88
HSBC Bank plc	23-Jul-02	Sell	100,000	2.85
HSBC Bank plc	25-Jul-02	Sell	2,500	2.88
HSBC Bank plc	26-Jul-02	Sell	600	2.89
HSBC Bank plc	29-Jul-02	Buy	25,000	2.90
HSBC Bank plc	29-Jul-02	Sell	5,000	2.93
HSBC Bank plc	29-Jul-02	Sell	5,000	2.95
HSBC Bank plc	29-Jul-02	Sell	2,500	2.95
HSBC Bank plc	29-Jul-02	Sell	5,000	2.95
HSBC Bank plc	30-Jul-02	Buy	58,257	2.88
HSBC Bank plc	30-Jul-02	Buy	5,000	2.88
HSBC Bank plc	30-Jul-02	Sell	50,000	2.88
HSBC Bank plc	05-Aug-02	Sell	50,000	2.88
HSBC Bank plc	06-Aug-02	Buy	5,000	2.74
HSBC Asset Management (Europe) Limited	08-Aug-02	Buy	1,900	2.84
HSBC Bank plc	13-Aug-02	Sell	5,000	2.95

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
HSBC Bank plc	19-Aug-02	Sell	2,420	3.0650p
HSBC Bank plc	21-Aug-02	Sell	2,500	3.20
HSBC Bank plc	23-Aug-02	Sell	2,150	3.19
HSBC Bank plc	23-Aug-02	Sell	2,150	3.19
HSBC Bank plc	23-Aug-02	Sell	2,150	3.19
HSBC Bank plc	03-Sep-02	Buy	5,000	2.85
HSBC Bank plc	03-Sep-02	Buy	10,000	2.85
HSBC Bank plc	04-Sep-02	Sell	4,000	2.90
HSBC Bank plc	05-Sep-02	Sell	10,000	3.00
HSBC Bank plc	05-Sep-02	Sell	10,000	3.00
HSBC Bank plc	05-Sep-02	Sell	10,000	3.00
HSBC Bank plc	09-Sep-02	Buy	78,903	3.00
HSBC Bank plc	10-Sep-02	Sell	10,000	3.12
HSBC Bank plc	10-Sep-02	Sell	10,000	3.12
HSBC Bank plc	12-Sep-02	Sell	22,695	3.15
HSBC Bank plc	12-Sep-02	Sell	30,170	3.17
HSBC Bank plc	17-Sep-02	Buy	2,500	3.10
HSBC Bank plc	20-Sep-02	Sell	50,000	3.18
HSBC Bank plc	23-Sep-02	Buy	5,000	3.13
HSBC Bank plc	23-Sep-02	Buy	5,000	3.13
HSBC Bank plc	24-Sep-02	Buy	5,000	3.10
HSBC Bank plc	24-Sep-02	Buy	3,000	3.10
HSBC Bank plc	24-Sep-02	Buy	5,000	3.10
HSBC Bank plc	30-Sep-02	Buy	5,000	3.10
HSBC Bank plc	30-Sep-02	Sell	50,000	3.08
HSBC Bank plc	01-Oct-02	Buy	5,000	2.97
HSBC Bank plc	01-Oct-02	Buy	25,000	3.00
HSBC Bank plc	02-Oct-02	Buy	10,000	2.98
HSBC Bank plc	03-Oct-02	Buy	50,000	2.92
HSBC Bank plc	03-Oct-02	Buy	5,000	2.85
HSBC Bank plc	03-Oct-02	Buy	5,500	2.85
HSBC Bank plc	03-Oct-02	Buy	5,500	2.85
HSBC Bank plc	03-Oct-02	Buy	50,000	2.92
HSBC Bank plc	04-Oct-02	Buy	41,725	2.55
HSBC Bank plc	04-Oct-02	Buy	14,000	2.80
HSBC Bank plc	04-Oct-02	Buy	5,000	2.80
HSBC Bank plc	04-Oct-02	Buy	14,000	2.80
HSBC Bank plc	04-Oct-02	Sell	150,000	2.55
HSBC Bank plc	04-Oct-02	Buy	50,000	2.55
HSBC Bank plc	04-Oct-02	Buy	5,000	2.55
HSBC Bank plc	04-Oct-02	Sell	10,000	2.56
HSBC Bank plc	04-Oct-02	Buy	25,000	2.55
HSBC Bank plc	04-Oct-02	Buy	50,000	2.55
HSBC Bank plc	04-Oct-02	Sell	50,000	2.55
HSBC Bank plc	04-Oct-02	Sell	100,000	2.55
HSBC Bank plc	04-Oct-02	Buy	5,000	2.80
HSBC Bank plc	04-Oct-02	Sell	100,000	2.55
HSBC Bank plc	04-Oct-02	Sell	50,000	2.55
HSBC Bank plc	04-Oct-02	Buy	14,000	2.80
HSBC Bank plc	04-Oct-02	Buy	55,000	2.55
HSBC Bank plc	07-Oct-02	Buy	20,000	2.68
HSBC Bank plc	07-Oct-02	Buy	20,000	2.68
HSBC Bank plc	08-Oct-02	Sell	20,110	2.73
HSBC Bank plc	08-Oct-02	Sell	400	2.75

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
HSBC Bank plc	08-Oct-02	Sell	5,000	2.85
HSBC Bank plc	08-Oct-02	Sell	5,000	2.80
HSBC Bank plc	08-Oct-02	Sell	400	2.75
HSBC Bank plc	09-Oct-02	Buy	5,000	2.65
HSBC Bank plc	10-Oct-02	Buy	27,000	2.63
HSBC Bank plc	10-Oct-02	Buy	8,000	2.65
HSBC Bank plc	10-Oct-02	Sell	37,500	2.65
HSBC Bank plc	10-Oct-02	Sell	12,500	2.65
HSBC Bank plc	11-Oct-02	Buy	117,000	2.65
HSBC Bank plc	11-Oct-02	Sell	3,000	2.70
HSBC Bank plc	11-Oct-02	Buy	750,000	2.65
HSBC Bank plc	11-Oct-02	Sell	90,000	2.65
HSBC Bank plc	11-Oct-02	Sell	40,000	2.65
HSBC Bank plc	11-Oct-02	Sell	375,000	2.65
HSBC Bank plc	11-Oct-02	Sell	100,000	2.65
HSBC Bank plc	11-Oct-02	Sell	160,000	2.65
HSBC Bank plc	15-Oct-02	Sell	600	2.87
HSBC Bank plc	16-Oct-02	Buy	5,000	2.85
HSBC Bank plc	17-Oct-02	Sell	10,000	2.95
HSBC Bank plc	21-Oct-02	Buy	313,500	3.05
HSBC Bank plc	21-Oct-02	Sell	65,720	3.05
HSBC Bank plc	21-Oct-02	Sell	50,000	3.05
HSBC Bank plc	21-Oct-02	Sell	200,000	3.05
HSBC Bank plc	22-Oct-02	Buy	20,000	3.08
HSBC Bank plc	22-Oct-02	Sell	10,000	3.08
HSBC Bank plc	22-Oct-02	Sell	10,000	3.08
HSBC Bank plc	23-Oct-02	Buy	430,000	3.05
HSBC Bank plc	23-Oct-02	Sell	182,505	3.05
HSBC Bank plc	23-Oct-02	Sell	3,000	3.08
HSBC Bank plc	23-Oct-02	Sell	250,000	3.05
HSBC Bank plc	23-Oct-02	Sell	182,504	3.05
HSBC Bank plc	24-Oct-02	Sell	20,000	3.20
HSBC Bank plc	24-Oct-02	Sell	20,000	3.20
HSBC Bank plc	24-Oct-02	Sell	20,290	3.20
HSBC Bank plc	25-Oct-02	Sell	300,000	3.203333
HSBC Bank plc	25-Oct-02	Buy	645,000	3.20
HSBC Bank plc	25-Oct-02	Buy	100,000	3.1936
HSBC Bank plc	25-Oct-02	Buy	50,000	3.1936
HSBC Bank plc	25-Oct-02	Buy	25,000	3.18819
HSBC Bank plc	25-Oct-02	Sell	100,000	3.20
HSBC Bank plc	25-Oct-02	Sell	100,000	3.20
HSBC Bank plc	25-Oct-02	Sell	100,000	3.20
HSBC Bank plc	25-Oct-02	Sell	100,000	3.20
HSBC Bank plc	25-Oct-02	Sell	100,000	3.20
HSBC Bank plc	25-Oct-02	Buy	66,437	3.20
HSBC Bank plc	25-Oct-02	Sell	25,000	3.20
HSBC Bank plc	25-Oct-02	Sell	50,000	3.20
HSBC Bank plc	25-Oct-02	Buy	50,000	3.14
HSBC Bank plc	25-Oct-02	Buy	80,000	3.14
HSBC Bank plc	25-Oct-02	Sell	25,000	3.16
HSBC Bank plc	25-Oct-02	Sell	25,000	3.16
HSBC Bank plc	28-Oct-02	Buy	218,900	3.00
HSBC Bank plc	28-Oct-02	Buy	10,000	3.10
HSBC Bank plc	28-Oct-02	Sell	200,000	3.00

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
HSBC Bank plc	28-Oct-02	Sell	200,000	3.00
HSBC Bank plc	28-Oct-02	Sell	124,604	3.00
HSBC Bank plc	28-Oct-02	Buy	227,993	3.00
HSBC Bank plc	28-Oct-02	Buy	150,000	2.9940
HSBC Bank plc	28-Oct-02	Sell	100,000	3.00
HSBC Bank plc	28-Oct-02	Buy	5,000	3.00
HSBC Bank plc	29-Oct-02	Buy	5,000	2.95
HSBC Bank plc	29-Oct-02	Sell	10,000	2.95
HSBC Bank plc	29-Oct-02	Buy	40,000	2.85
HSBC Bank plc	29-Oct-02	Sell	15,000	2.85
HSBC Bank plc	29-Oct-02	Sell	10,000	2.85
HSBC Bank plc	29-Oct-02	Sell	125,000	2.85
HSBC Bank plc	29-Oct-02	Sell	125,000	2.85
HSBC Bank plc	29-Oct-02	Sell	125,000	2.85
HSBC Bank plc	29-Oct-02	Buy	3,000	2.85
HSBC Bank plc	30-Oct-02	Sell	1,500	2.95
HSBC Bank plc	31-Oct-02	Buy	5,000	2.88
HSBC Bank plc	31-Oct-02	Buy	25,000	2.90
HSBC Bank plc	31-Oct-02	Buy	10,000	2.77
HSBC Bank plc	31-Oct-02	Buy	25,000	2.80
HSBC Bank plc	31-Oct-02	Sell	250,000	2.80
HSBC Bank plc	31-Oct-02	Sell	10,000	279.50
HSBC Bank plc	31-Oct-02	Sell	75,000	280.56
HSBC Bank plc	31-Oct-02	Buy	25,000	2.90
HSBC Bank plc	31-Oct-02	Buy	50,000	276.45
HSBC Bank plc	31-Oct-02	Buy	50,000	2.88
HSBC Bank plc	01-Nov-02	Buy	150,000	278.44
HSBC Bank plc	01-Nov-02	Sell	100,000	2.79
HSBC Bank plc	01-Nov-02	Sell	50,000	2.79
HSBC Bank plc	04-Nov-02	Sell	3,000	2.95
HSBC Bank plc	04-Nov-02	Sell	5,000	3.10
HSBC Bank plc	05-Nov-02	Buy	50,000	304.39
HSBC Bank plc	05-Nov-02	Sell	21,460	3.10
HSBC Bank plc	05-Nov-02	Sell	50,000	3.05
HSBC Bank plc	05-Nov-02	Sell	50,000	3.05
HSBC Bank plc	05-Nov-02	Sell	10,000	3.20
HSBC Bank plc	05-Nov-02	Sell	25,000	3.20
HSBC Bank plc	06-Nov-02	Sell	50,000	3.30
HSBC Bank plc	06-Nov-02	Buy	25,000	3.30
HSBC Bank plc	06-Nov-02	Buy	20,000	3.30
HSBC Bank plc	06-Nov-02	Sell	70,000	3.30
HSBC Bank plc	06-Nov-02	Sell	35,000	3.30
HSBC Bank plc	06-Nov-02	Sell	35,000	3.30
HSBC Bank plc	07-Nov-02	Sell	25,000	3.27
HSBC Bank plc	08-Nov-02	Buy	100,000	3.2734
HSBC Bank plc	08-Nov-02	Sell	25,000	3.28
HSBC Bank plc	08-Nov-02	Sell	25,000	3.28
HSBC Bank plc	08-Nov-02	Sell	25,000	3.28
HSBC Bank plc	08-Nov-02	Sell	25,000	3.28
HSBC Bank plc	08-Nov-02	Sell	5,000	3.33
HSBC Bank plc	08-Nov-02	Sell	10	3.35
HSBC Bank plc	08-Nov-02	Sell	5,000	3.33
HSBC Bank plc	11-Nov-02	Buy	3,000	3.25
HSBC Bank plc	11-Nov-02	Buy	12,000	3.30

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
HSBC Bank plc	11-Nov-02	Sell	25,000	3.27
HSBC Bank plc	11-Nov-02	Sell	25,000	3.27
HSBC Bank plc	11-Nov-02	Buy	12,500	3.30
HSBC Bank plc	13-Nov-02	Buy	1,200	3.29
HSBC Bank plc	13-Nov-02	Buy	3,034	329.83
HSBC Bank plc	13-Nov-02	Buy	30,000	3.32
HSBC Bank plc	13-Nov-02	Sell	10,000	3.32
HSBC Bank plc	13-Nov-02	Sell	10,000	3.32
HSBC Bank plc	13-Nov-02	Sell	10,000	3.32
HSBC Bank plc	13-Nov-02	Buy	5,000	3.32
HSBC Bank plc	13-Nov-02	Sell	5,000	3.32
HSBC Bank plc	15-Nov-02	Buy	10,000	3.40841
HSBC Bank plc	18-Nov-02	Buy	74,378	3.3750
HSBC Bank plc	18-Nov-02	Buy	10,000	3.3750
HSBC Bank plc	18-Nov-02	Sell	85,000	3.375
HSBC Bank plc	18-Nov-02	Sell	14,957	3.3750
HSBC Bank plc	18-Nov-02	Sell	85,000	3.3750
HSBC Bank plc	22-Nov-02	Sell	5,000	3.40
HSBC Bank plc	25-Nov-02	Sell	5,370	3.46
HSBC Bank plc	26-Nov-02	Buy	128,000	3.46
HSBC Bank plc	26-Nov-02	Buy	138,000	3.46
HSBC Bank plc	27-Nov-02	Buy	5,000	3.43
HSBC Bank plc	27-Nov-02	Buy	10,000	3.3932
HSBC Bank plc	27-Nov-02	Sell	3,000	3.48
HSBC Bank plc	27-Nov-02	Buy	2,000	3.38
HSBC Bank plc	27-Nov-02	Sell	2,000	3.40
HSBC Bank plc	27-Nov-02	Buy	5,000	3.43
HSBC Bank plc	28-Nov-02	Buy	378,747	3.47
HSBC Bank plc	28-Nov-02	Buy	378,747	3.47
HSBC Bank plc	29-Nov-02	Sell	50,490	3.43
HSBC Bank plc	29-Nov-02	Buy	50,490	3.43
HSBC Bank plc	03-Dec-02	Buy	100,000	3.40
HSBC Bank plc	03-Dec-02	Sell	100,000	3.40
HSBC Bank plc	03-Dec-02	Sell	138,000	3.42
HSBC Bank plc	04-Dec-02	Buy	50,000	3.3550
HSBC Bank plc	04-Dec-02	Buy	25,000	3.30
HSBC Bank plc	04-Dec-02	Sell	378,747	3.39
HSBC Bank plc	05-Dec-02	Sell	8,000	3.33
HSBC Bank plc	05-Dec-02	Sell	990	3.2850
HSBC Bank plc	05-Dec-02	Sell	440	3.2850
HSBC Bank plc	05-Dec-02	Sell	490	3.2850
HSBC Bank plc	06-Dec-02	Sell	1,546	3.29
HSBC Bank plc	11-Dec-02	Buy	37,500	3.15
HSBC Bank plc	11-Dec-02	Buy	37,500	3.15
HSBC Bank plc	12-Dec-02	Sell	4,350	3.0950
HSBC Bank plc	18-Dec-02	Buy	50,000	3.07
HSBC Bank plc	18-Dec-02	Sell	773	3.11
HSBC Bank plc	18-Dec-02	Sell	769	3.11
HSBC Bank plc	02-Jan-03	Buy	58,390	3.16
HSBC Bank plc	06-Jan-03	Buy	3,500	3.23
HSBC Bank plc	06-Jan-03	Buy	6,000	3.20
HSBC Bank plc	06-Jan-03	Buy	5,000	3.20
HSBC Asset Management (Europe) Limited	06-Jan-03	Sell	5,787	3.255

<i>Name</i>	<i>Date</i>	<i>Nature of transaction</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>Price per Collins Stewart Ordinary Share (GBP)</i>
HSBC Bank plc	08-Jan-03	Sell	6,600	3.16
HSBC Bank plc	10-Jan-03	Sell	50,000	3.28656
HSBC Bank plc	20-Jan-03	Sell	4,000	3.20
HSBC Bank plc	20-Jan-03	Sell	5,000	3.18
HSBC Bank plc	20-Jan-03	Sell	5,000	3.20

- (j) At close of business on the last day of the disclosure period, Amethyst did not hold Collins Stewart Shares as principal or on a discretionary basis.
- (k) Amethyst has not dealt for value in Collins Stewart Shares during the disclosure period.

3.2 *Interests and dealings in the share capital of Tullett*

- (a) As at close of business on the last day of the disclosure period, the interests, all of which are beneficial unless otherwise stated, of the directors of Tullett, of their immediate families and of their connected persons (within the meaning of section 346 of the Act) in the share capital of Tullett (as shown in the register required to be kept under section 325 of the Act or which have been notified to Tullett pursuant to sections 324 and 328 of the Act and the existence of which is known to or could with reasonable diligence become known by the director concerned) were as follows:

<i>Director</i>	<i>Number of Tullett Ordinary Shares</i>	<i>Number of Tullett A Preference Shares</i>	<i>Number of Tullett B Preference Shares</i>	<i>Nominal amount of Tullett Bonds</i>
Derek Tullett	2,068,818 ¹	860,727 ²	1,721,454 ³	£100,000
Bruce Collins	77,384	2,554	5,107	£100,000
Stephen Jack	44,500	—	—	£100,000
Tsugio Kambara	1,009	404	807	—
Koichi Yanagita	20,137	8,055	16,110	—

Notes:

- Derek Tullett is a trustee of a number of trusts holding in aggregate 365,250 Tullett Ordinary Shares. Derek Tullett is not a beneficiary of any of such trusts.
- Derek Tullett is a trustee of a number of trusts holding in aggregate 146,100 Tullett A Preference Shares. Derek Tullett is not a beneficiary of any of such trusts.
- Derek Tullett is a trustee of a number of trusts holding in aggregate 292,200 Tullett B Preference Shares. Derek Tullett is not a beneficiary of any of such trusts.

- (b) As at close of business on the last day of the disclosure period, the following options to subscribe for Tullett Ordinary Shares had been granted under the Tullett Share Option Scheme to the directors of Tullett:

Bruce Collins

<i>Date</i>	<i>Number of Tullett Ordinary Shares under option</i>	<i>Option price per Tullett Ordinary Share</i>	<i>Exercise period</i>
29-Nov-01	10,000	£3.33	28/11/04 – 28/11/11
22-Feb-02	9,000	£3.33	21/02/05 – 21/02/12
16-Sep-02	48,500	£3.75	15/09/05 – 15/09/12
16-Sep-02	8,000	£3.75	15/09/05 – 15/09/12

Stephen Jack

<i>Date</i>	<i>Number of Tullett Ordinary Shares under option</i>	<i>Option price per Tullett Ordinary Share</i>	<i>Exercise period</i>
22-Feb-02	9,000	£3.33	21/02/05 – 21/02/12
16-Sep-02	32,000	£3.75	15/09/05 – 15/09/12
16-Sep-02	8,000	£3.75	15/09/05 – 15/09/12

- (c) The following dealings for value in Tullett Ordinary Shares, Tullett Bonds and Tullett C Preference Shares have been carried out during the disclosure period by the Tullett Directors and (so far as the Tullett Directors are aware having made due and careful enquiries) their immediate families and connected persons (within the meaning of Section 346 of the Act) and by all other persons who have irrevocably undertaken to accept the Offers:

<i>Name</i>	<i>Date</i>	<i>Type of security</i>	<i>Nature of transaction</i>	<i>Number of securities</i>	<i>Price per security (GBP)</i>
Derek Tullett	18-Feb-02	Tullett Bonds	Issue	100,000	1
Derek Tullett	22-Feb-02	Tullett C Preference Shares	Redemption	130,425 ¹	0.08465176180
Bruce Collins	22-Dec-01	Tullett Ordinary Shares	Right to subscribe	10,000	0.1
Bruce Collins	31-Dec-01	Tullett Ordinary Shares	Issue	10,000	0.1
Bruce Collins	18-Feb-02	Tullett Bonds	Issue	100,000	1
Bruce Collins	22-Feb-02	Tullett C Preference Shares	Redemption	116	0.08465176180
Bruce Collins	22-Feb-02	Tullett Ordinary Shares	Right to subscribe	4,500	0.1
Bruce Collins	22-Apr-02	Tullett Ordinary Shares	Issue	4,500	0.1
Bruce Collins	02-Oct-02	Tullett Ordinary Shares	Right to subscribe	56,500	2.5
Bruce Collins	25-Oct-02	Tullett Ordinary Shares	Issue	56,500	2.5
Stephen Jack	18-Feb-02	Tullett Bonds	Issue	100,000	1
Stephen Jack	22-Feb-02	Tullett Ordinary Shares	Right to subscribe	4,500	0.1
Stephen Jack	22-Apr-02	Tullett Ordinary Shares	Issue	4,500	0.1
Stephen Jack	02-Oct-02	Tullett Ordinary Shares	Right to subscribe	40,000	2.5
Stephen Jack	25-Oct-02	Tullett Ordinary Shares	Issue	40,000	2.5
Koichi Yanagita	22-Feb-02	Tullett C Preference Shares	Redemption	366	0.08465176180
Tsugio Kambara	02-Feb-02	Tullett C Preference Shares	Redemption	18	0.08465176180

¹ Derek Tullett is a trustee of a number of trusts holding in aggregate 6,671 Tullett C Preference Shares. Derek Tullett was not a beneficiary on 22 February 2002 and is not, on the date of this document, a beneficiary of such trusts.

- (d) As at close of business on the last day of the disclosure period, the interests in Tullett Securities of the following pensions funds of Tullett were as follows:

<i>Name</i>	<i>Type of security</i>	<i>Number of securities</i>
Tullett & Tokyo Liberty Plc Pension Scheme	Tullett Ordinary Shares	89,214
Tullett & Tokyo Liberty Plc Pension Scheme	Tullett A Preference Shares	35,686
Tullett & Tokyo Liberty Plc Pension Scheme	Tullett B Preference Shares	71,371

- (e) The following dealings for value in Tullett Securities have been carried out during the disclosure period by the following pensions funds of Tullett:

<i>Name</i>	<i>Date</i>	<i>Type of security</i>	<i>Nature of transaction</i>	<i>Number of securities</i>	<i>Price per security (GBP)</i>
Tullett & Tokyo Liberty Plc Pension Scheme	22-Feb-02	Tullett C Preference Shares	Redemption	1,622	0.08465176180

- (f) As at close of business on the last day of the disclosure period, the interests in Tullett Securities of the Directors of Collins Stewart, those persons who have irrevocably undertaken to accept the Offers (other than the Tullett Directors whose interests are disclosed in paragraph (a) above and HSBC whose interests are disclosed in paragraph (h) below) (details of which are set out in paragraph 4 of this Appendix IV) and of persons acting or deemed to be acting in concert with Collins Stewart, were as follows:

<i>Name</i>	<i>Type of security</i>	<i>Number of securities</i>
The Totan Derivatives Co Ltd	Tullett Ordinary Shares	6,806,456
The Totan Derivatives Co. Ltd	Tullett A Preference Shares	2,722,582
The Totan Derivatives Co. Ltd	Tullett B Preference Shares	5,445,165
Sputz AG	Tullett Ordinary Shares	2,771,918
Britel Fund Nominees Limited	Tullett Ordinary Shares	1,405,469
Britel Fund Nominees Limited	Tullett A Preference Shares	562,188
Britel Fund Nominees Limited	Tullett B Preference Shares	1,124,375
Lehman Brothers Inc.	Tullett Ordinary Shares	1,252,093
The Goldman Sachs Group, Inc.	Tullett Ordinary Shares	1,252,093
Salomon Brothers Holding Company Inc.	Tullett Ordinary Shares	1,252,093
Possfund Nominees Limited	Tullett Ordinary Shares	1,186,038
Possfund Nominees Limited	Tullett A Preference Shares	474,415
Possfund Nominees Limited	Tullett B Preference Shares	948,830
Refco Group Ltd.	Tullett Ordinary Shares	854,812
Citicorp Banking Corp.	Tullett Ordinary Shares	495,189
The Tokyo Tanshi Co. Ltd	Tullett Ordinary Shares	440,729
The Tokyo Tanshi Co. Ltd	Tullett A Preference Shares	176,292
The Tokyo Tanshi Co. Ltd	Tullett B Preference Shares	352,583
Refco Capital Holdings LLC	Tullett Ordinary Shares	121,244

- (g) The following dealings for value in Tullett Securities have been carried out during the disclosure period by the Collins Stewart Directors, persons who have irrevocably undertaken to accept the Offers (other than the Tullett Directors whose interests are disclosed in paragraph (c) above) and of persons acting or deemed to be acting in concert with Collins Stewart:

<i>Name</i>	<i>Date</i>	<i>Type of security</i>	<i>Nature of transaction</i>	<i>Number of securities</i>	<i>Price per security (GBP)</i>
The Totan Derivatives Co. Ltd.	22-Feb-02	Tullett C Preference Shares	Redemption	123,754	0.08465176180
Britel Fund Nominees Limited	22-Feb-02	Tullett C Preference Shares	Redemption	25,554	0.08465176180
Possfund Nominees Limited	22-Feb-02	Tullett C Preference Shares	Redemption	21,564	0.08465176180
The Tokyo Tanshi Co. Ltd.	22-Feb-02	Tullett C Preference Shares	Redemption	8,013	0.08465176180

- (h) At close of business on the last day of the disclosure period, the interests in Tullett Securities of HSBC were as follows:

<i>Name</i>	<i>Type of Security</i>	<i>Number of securities</i>
HSBC Securities (USA) Inc.	Tullett Ordinary Shares	495,189

- (i) At close of business on the last day of the disclosure period, Amethyst, financial adviser to Tullett, did not hold any Tullett Securities as principal or on a discretionary basis.
- (j) Amethyst, financial adviser to Tullett, has not dealt for value in Tullett Securities during the disclosure period.

3.3 *General*

- (a) Save as disclosed above, none of Collins Stewart, the Collins Stewart Directors, their immediate families, related trusts and connected persons (within the meaning of Section 346 of the Act) or any person acting in concert with Collins Stewart or any person who prior to the posting of this document has given an undertaking to accept the Offers or any person with whom Collins Stewart or any person acting in concert with Collins Stewart has an arrangement, owns, controls, or (in the case of the directors of Collins Stewart and their immediate families) is interested, directly or indirectly, in any relevant securities nor has any such person dealt for value in any relevant securities during the disclosure period.
- (b) Save for the irrevocable undertakings to accept the Offers referred to in paragraph 4 of this Appendix IV, neither Collins Stewart nor any person acting in concert with Collins Stewart nor any associate of Collins Stewart has any arrangement in relation to relevant securities.
- (c) Save as disclosed above, none of Tullett, the directors of Tullett, any of their immediate families, related trusts and connected persons (within the meaning of Section 346 of the Act) or any subsidiary of Tullett, any pension fund of Tullett or of a subsidiary of Tullett or any person falling within paragraph (d)(B)(ii) below (other than exempt market markers) nor any person with whom Tullett or any associates of Tullett has an arrangement nor any person whose investments are managed on a discretionary basis by a fund manager (other than an exempt fund manager) connected with Tullett, owns, controls, or (in the case of the directors of Tullett and their immediate families) is interested, directly or indirectly, in any relevant securities nor has any such person dealt for value in any relevant securities during the disclosure period.
- (d) References in this paragraph 3 to:
 - (A) “arrangement” include an indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities of Collins Stewart or Tullett which may be an inducement to deal or refrain from dealing;
 - (B) an “associate” are to:
 - (i) subsidiaries and associated companies of Collins Stewart or, as the case may be, Tullett and companies of which any such companies are associated companies;
 - (ii) banks, financial and other professional advisers (including stockbrokers) to Collins Stewart, or as the case may be, Tullett or a company included within (i) above, including persons controlling, controlled by or under the same control as such banks or financial or other professional advisers;
 - (iii) the directors of Collins Stewart, the directors of Tullett and the directors of any company included within (i) above (together in each case with their close relatives and related trusts);
 - (iv) the pension funds of Collins Stewart or Tullett or of any company included within (i) above; and
 - (v) an investment company, unit trust or other person whose investments an associate (as otherwise defined in this paragraph (d)) manages on a discretionary basis in respect of the relevant investment account;
 - (C) a “bank” do not apply to a bank whose sole relationship with Collins Stewart or Tullett, as the case may be, or a company included within paragraph (d)(B)(i) above is in the provision of normal commercial banking services or such activities in connection with the Offers as handling acceptances and other registration work;
 - (D) “derivative” include any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying securities;
 - (E) “relevant securities” means Collins Stewart Shares, Tullett Securities and securities convertible into, or rights to subscribe for Collins Stewart Shares or Tullett Securities, options (including

traded options) in respect of Collins Stewart Shares or Tullett Securities and derivatives referenced to Collins Stewart Shares or Tullett Securities;

- (F) In this paragraph 3, “disclosure period” means
- (i) in respect of subsidiaries of Tullett, pension funds of Tullett, persons falling within paragraph (d)(B)(ii) above (other than exempt market makers), persons with whom Tullett or any person who is an associate of Tullett has an arrangement and persons whose investments are managed on a discretionary basis by fund managers (other than exempt fund managers) connected with Tullett, the period commencing on 17 September, 2002 (being the commencement of the Offer Period) and ending on 21 January, 2003 (the latest practicable date prior to the posting of this document); and
 - (ii) in respect of all other persons, the period commencing on 17 September 2001 (being the date 12 months prior to the commencement of the Offer Period) and ending on 21 January 2003 (the latest practicable date prior to the posting of this document).
- (e) For the purposes of this paragraph 3, ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status and “control” means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or holdings give *de facto* control.

4. Irrevocable Undertakings

- (a) The following persons have irrevocably undertaken to accept the Ordinary Offer in respect of the following number of Tullett Ordinary Shares:

<i>Tullett Ordinary Shareholder</i>	<i>Number of Tullett Ordinary Shares</i>	<i>% of total issued Tullett Ordinary Shares</i>
Derek Tullett	1,703,568	6.73
Bruce Collins	77,384	0.31
Stephen Jack	40,000	0.16
Tsugio Kambara	1,009	0.00
Koichi Yanagita	20,137	0.08
The Totan Derivatives Co Ltd.	6,806,456	26.89
Sputz AG	2,771,918	10.95
Britel Fund Nominees Limited	1,405,469	5.55
Lehman Brothers Inc.	1,252,093	4.95
The Goldman Sachs Group, Inc.	1,252,093	4.95
Salomon Brothers Holding Company Inc.	1,252,093	4.95
Possfund Nominees Limited	1,186,038	4.69
Refco Group Ltd	854,812	3.38
Citicorp Banking Corp.	495,189	1.96
The Tokyo Tanshi Co. Ltd.	440,729	1.74
Refco Capital Holdings LLC	121,244	0.48
HSBC Securities (USA) Inc.	495,189	1.96

- (b) Of the irrevocable undertakings referred to in paragraph (a) above, irrevocable undertakings have been given to elect for the Partial Cash Alternative in respect of, in aggregate, 17,403,503 Tullett Ordinary Shares.
- (c) The following persons have irrevocably undertaken to accept the Bond Offer in respect of the following nominal amount of Tullett Bonds:

<i>Tullett Bondholders</i>	<i>Nominal amount of Tullett Bonds</i>	<i>% of total issued nominal amount of Tullett Bonds</i>
Derek Tullett	£100,000	2.16
Bruce Collins	£100,000	2.16
Stephen Jack	£100,000	2.16

- (d) Pursuant to the irrevocable undertakings referred to in this paragraph 4, all of the Tullett Securityholders giving such irrevocable undertakings have also irrevocably undertaken to vote in favour of the resolutions to be proposed at the Tullett EGM.
- (e) The following existing ordinary shareholders of Collins Stewart have irrevocably undertaken to vote in favour of the resolutions to be proposed at the extraordinary general meeting of Collins Stewart convened for 17 February 2003 in respect of the following number of existing Collins Stewart Ordinary Shares:

<i>Collins Stewart Shareholders</i>	<i>Number of Collins Stewart Ordinary Shares</i>	<i>% of total issued Collins Stewart Ordinary Shares</i>
Keith Hamill	15,822	0.01
Terry Smith	8,800,000	8.3
Andy Stewart	4,400,000	4.1
Helen Smith	2,200,000	2.1
Terry Hitchcock	660,000	0.6
John Spencer	31,645	0.03

5. Market quotations

The following table shows the closing middle market quotations for Collins Stewart Shares (as derived from the Daily Official List) for the first dealing day in each of the six months immediately prior to the date of the Offers and for 16 September 2002 (the last business day prior to the commencement of the Offer Period) and for 22 January 2003 (the latest practicable date to obtain the relevant information prior to the posting of this document).

1 August 2002	291.0p
2 September 2002	287.5p
16 September 2002	315.0p
1 October 2002	301.0p
1 November 2002	281.0p
2 December 2002	339.5p
2 January 2003	317.0p
22 January 2003	333.5p

6. Material Contracts

Details of contracts entered into by Collins Stewart or its subsidiaries or Tullett or its subsidiaries during the period beginning two years prior to the commencement of the Offer Period and which are or may be material and which were not in the ordinary course of business are set out in paragraph 11 of Part IX of the Prospectus.

7. The Merger Agreement

- (a) Pursuant to a merger agreement dated 22 January 2003 and made between Collins Stewart and Tullett, certain agreements have been reached in relation to the conduct of the Offers including, *inter alia*, the following:
- (i) in the event that the Ordinary Offer lapses or is withdrawn as a result of a failure to satisfy the condition set out in paragraph 1(b) of Part A of Appendix I to this document, Collins Stewart will pay to Tullett a break fee of £2 million, such sum being payable within 2 business days of the Ordinary Offer lapsing or being withdrawn as a result of such failure;
 - (ii) in the event that the Ordinary Offer lapses or is withdrawn as a result of a failure to satisfy the condition set out in paragraph 1(c) of Part A of Appendix I to this document, Tullett will pay to Collins Stewart a break fee of £2 million, such sum being payable within 2 business days of the Ordinary Offer lapsing or being withdrawn as a result of such failure;
 - (iii) Collins Stewart has agreed that (in most circumstances) it will not permit the Ordinary Offer to lapse by invoking the condition set out in paragraph 1(a) of Part A of Appendix I to this document prior to the last date on which the City Code permits the Ordinary Offer to become unconditional as to acceptances, and that for so long as the Ordinary Offer has not become unconditional as to acceptances, it will extend the period for acceptance of the Ordinary Offer for the maximum period permitted under the City Code;

- (iv) Collins Stewart has agreed that it will keep the Preference Offers, the Bond Offer and the Option Proposals open for acceptance for as long as the Ordinary Offer is open for acceptance;
 - (v) Collins Stewart has agreed that it will keep the Additional Cash Facility and the Loan Note Alternative open for the period in respect of which it keeps the Partial Cash Alternative open;
 - (vi) Collins Stewart and Tullett have agreed a basis on which representations may be made by either of them to the Panel in the event that either wishes to seek to invoke any of the conditions to the Ordinary Offer set out in paragraphs 1(e) to (u) of Part A of Appendix I to this document.
- (b) Collins Stewart has also agreed that, in the event the Ordinary Offer becomes unconditional, it will procure that Tullett sells its entire remaining holdings in virt-x plc prior to 31 December 2004 and, on or prior to that date, procure the disclosure by Tullett of the special payment obligation referred to in paragraph 10(a) of this Appendix IV.

8. Service contracts of the Tullett Directors

Details of any service contracts between directors of Tullett and any member of the Tullett Group having more than 12 months to run are set out in paragraph 8 of Part IX of the Prospectus.

The service contracts between Tullett and each of Bruce Collins and Stephen Jack have more than 12 months to run. Both of these service contracts were amended on 2 December, 2002 following receipt of the written approval of a majority of Tullett Ordinary Shareholders. The terms of the previous service contracts of Bruce Collins and Stephen Jack which were entered into in December 2001 were based upon an initial fixed term of 24 months expiring on 31 December, 2003.

Details of the notice periods, as amended are set out in paragraph 8 of Part IX of the Prospectus.

Both contracts were further amended on 20 January, 2003 following approval from Collins Stewart. These amendments related to the bonus arrangements of Bruce Collins and Stephen Jack. Under their former contracts of employment entered into in December 2001, Mr Collins was entitled to receive an annual bonus calculated by reference to the performance of the Tullett Group, provided that he received a minimum income of £1 million per annum and Mr Jack was entitled to receive an annual bonus calculated by reference to the performance of the Tullett Group, provided that he received a minimum annual income of not less than £550,000.

No other amendments to the contracts have been made.

Save as disclosed in this document, there are no other service contracts between any director of Tullett and any member of the Tullett Group having more than 12 months to run and no such contract has been entered into or amended within the six months preceding the date of this document.

9. Financing the Offers

- (a) The cash consideration payable under the Offers (including the Partial Cash Alternative) is being financed through the cash underpinning and cash placing arrangements described in paragraph 12.1.2 of Part IX of the Prospectus, the additional loan facility being made available by Bank of Scotland described in paragraph 11 of Part IX of the Prospectus and Collins Stewart's own cash reserves.
- (b) The payment of interest on, repayment of or security for any liabilities under the loan facility being made available by Bank of Scotland does not depend to any significant extent on the business of the Tullett Group.
- (c) HSBC is satisfied that sufficient financial resources are available to Collins Stewart to satisfy full acceptance of the Offers (including elections for the Partial Cash Alternative and the Further Payment under the A Preference Offer) to the maximum extent.

10. Other information

- (a) All persons who were ordinary shareholders on the register of members of Tullett at 21 October 1999 are entitled under the terms of an agreement between Tullett, Liberty Brokerage Investment Corporation and Cable House Limited dated 25 October 1999 to receive a special payment *pro rata* to their holding of Tullett Ordinary Shares on that date when Tullett has sold all of its shares in virt-x plc. Tullett has already substantially sold its shareholding in virt-x plc but retains an investment in that company with a book value of approximately £0.2 million. The amount that will fall due to be paid to those Tullett Ordinary Shareholders eligible to receive this special payment will be approximately £3.8 million adjusted by any profit or loss after taxation on the remaining investment in virt-x plc when realised. If such realisation had taken place on 22 January 2003 (the latest practicable date prior to the publication of this document), the special payment due would have been

£3.8 million. Pursuant to the Merger Agreement referred to in paragraph 7 of this Appendix IV, Collins Stewart has agreed that it will procure that Tullett sells the remaining virt-x plc shares held by Tullett and that this payment will be declared and paid by no later than 31 December 2004.

- (b) Save for the commitment of Collins Stewart under the Merger Agreement to procure that the payment referred to in paragraph 10(a) above is made, the agreement of the existing non-executive directors of Tullett to resign as directors of Tullett upon the Ordinary Offer becoming unconditional and save as otherwise disclosed in this document and the Prospectus, no agreement, arrangement or understanding (including any compensation arrangement) exists between Collins Stewart or any person acting in concert with Collins Stewart and any of the directors, recent directors, shareholders or recent shareholders of Tullett having any connection with or dependence on, or which is conditional upon the outcome of, the Offers.
- (c) Save as otherwise disclosed in this document or in the Prospectus, no proposal exists in connection with the Offers that any payment or other benefit be made or given to any director of Tullett as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- (d) There is no agreement, arrangement or understanding by which the beneficial ownership of any of the Tullett Securities to be acquired by Collins Stewart pursuant to the Offers will be transferred to any other person.
- (e) Save as disclosed in this document or in the Prospectus or in the unaudited interim financial statement for the six months ended 30 June 2002, the directors of Collins Stewart are not aware of any material change in the financial or trading position of Collins Stewart since 31 December 2001, being the last day of the financial period for which the most recent audited financial statements of Collins Stewart have been published.
- (f) Save as disclosed in this document or in the Prospectus, the directors of Tullett are not aware of any material change in the financial or trading position of Tullett since 30 June 2002, being the date to which the last audited financial statements of Tullett have been published.
- (g) HSBC, which is regulated in the United Kingdom by The Financial Services Authority, has given and not withdrawn its written consent to the issue of this document with the inclusion in it of the references to its name in the form and context in which they appear.
- (h) Amethyst, which is regulated in the United Kingdom by The Financial Services Authority, has given and not withdrawn its written consent to the issue of this document with the inclusion in it of the references to its name in the form and context in which they appear.
- (i) The total emoluments of the directors of Collins Stewart will not be varied as a result of the proposed acquisition of Tullett, or by any other associated transaction.

11. Documents available for inspection

The documents referred to in paragraph 20 of Part IX of the Prospectus and the letters of consent referred to in paragraphs 10(g) and (h) above will be available for inspection as described in the Prospectus.

APPENDIX V

DEFINITIONS

The following definitions apply throughout this document and in the accompanying Forms of Acceptance and Option Proposals Form of Election, unless the context otherwise requires:

“A Preference Offer”	the offer made by HSBC on behalf of Collins Stewart to acquire the Tullett A Preference Shares, subject to the terms and conditions set out in this document and in the blue Form of Acceptance and, where the context so requires, any subsequent revision, variation, extension or renewal thereof
“Accredited Investor”	an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the US Securities Act. The definition of “accredited investor” is set forth in paragraph 8.2(a) of Part B of Appendix I to this document
“Act”	the Companies Act 1985
“Additional Cash Facility”	the facility described in this document under which eligible Tullett Ordinary Shareholders who validly accept the Ordinary Offer and validly elect for the Partial Cash Alternative in respect of all of their holding of Tullett Ordinary Shares assented to the Ordinary Offer may elect, subject to availability, to increase the amount of cash receivable and decrease the number of New Collins Stewart Shares receivable
“Admission”	the admission of New Collins Stewart Shares to the Official List becoming effective in accordance with the Listing Rules and dealings in them commencing on the London Stock Exchange’s market for listed securities
“Amethyst”	Amethyst Corporate Finance PLC, financial adviser to Tullett
“Approved Plan”	the Tullett & Tokyo Liberty plc Approved Share Option Plan
“Australia”	the Commonwealth of Australia, its states, territories and possessions
“Bank of Scotland”	the Governor and Company of the Bank of Scotland
“B Preference Offer”	the offer made by HSBC on behalf of Collins Stewart to acquire the Tullett B Preference Shares, subject to the terms and conditions set out in this document and in the green Form of Acceptance and, where the context so requires, any subsequent revision, variation, extension or renewal thereof
“Bond Offer”	the recommended offer being made by HSBC on behalf of Collins Stewart to acquire the Tullett Bonds, subject to the terms and conditions set out in this document and in the pink Form of Acceptance and, where the context so requires, any subsequent revision, variation, extension or renewal thereof
“Bond Offer Additional Share Facility”	the facility under which Tullett Bondholders (other than Tullett Bondholders who are Non-Eligible US Securityholders) who validly accept the Bond Offer may elect to receive New Collins Stewart Shares in lieu of all (but not part only) of the cash to which they would otherwise have been entitled under the Bond Offer on the terms set out in this document
“Business Day”	a day, other than a Saturday or a Sunday, on which clearing banks are generally open for business in the UK
“Canada”	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-division thereof
“Cash Placing”	the conditional placing of 1,506,501 new Collins Stewart Shares being made pursuant to the terms of the Cash Underpinning and Cash Placing Agreement

“Cash Underpinning and Cash Placing Agreement”	the conditional agreement dated 23 January 2003 in connection with the Partial Cash Alternative and the Cash Placing made between Collins Stewart and HSBC, the principal terms of which are summarised in paragraph 12 of Part IX of the Prospectus
“City Code”	the City Code on Takeovers and Mergers
“Closing Price”	the closing middle market price of a Collins Stewart Share as derived from the Daily Official List
“Collins Stewart Ordinary Shareholders”	the registered holders of Collins Stewart Ordinary Shares
“Collins Stewart”	Collins Stewart Holdings plc
“Collins Stewart A Preference Shares”	the existing A preference shares of 1 pence each in the capital of Collins Stewart
“Collins Stewart B Preference Shares”	the existing B preference shares of 1 pence each in the capital of Collins Stewart
“Collins Stewart Directors” or “Collins Stewart Board”	the existing directors of Collins Stewart whose names are set out in paragraph 2.1 of Appendix IV to this document
“Collins Stewart (CI)”	Collins Stewart (CI) Limited
“Collins Stewart Group”	Collins Stewart Holdings plc and its subsidiaries
“Collins Stewart Preference Shares”	together the Collins Stewart A Preference Shares and the Collins Stewart B Preference Shares
“Collins Stewart Qualifying Shareholders”	those holders of Collins Stewart Shares on the register of members of Collins Stewart at the close of business on 17 January 2003
“Collins Stewart Share Option Plans”	the Collins Stewart Holdings plc Company Share Option Plan, the Collins Stewart Holdings plc Unapproved Share Option Scheme, the Collins Stewart Holdings plc Unapproved Share Option Scheme no. 2 and the Collins Stewart Holdings plc Sharesave Scheme 2000
“Collins Stewart Shares” or “Collins Stewart Ordinary Shares”	ordinary shares of 25 pence each in the capital of Collins Stewart
“Collins Stewart Shareholders”	holders of Collins Stewart Shares, Collins Stewart A Preference Shares and Collins Stewart B Preference Shares
“Daily Official List”	the Daily Official List of the London Stock Exchange
“Delayed Trigger Date”	the 30th day after the Ordinary Offer becomes or is declared unconditional in all respects or (if such day is not a Business Day) the next Business Day thereafter
“Disclosed”	in relation to Collins Stewart, means as disclosed in Collins Stewart’s annual report and accounts for the year ended 31 December 2001 or interim report and accounts for the six months ended 30 June 2002, as publicly announced by Collins Stewart (by delivery of an announcement to an authorised Regulatory Information Service) prior to 23 January 2003, as disclosed in the Prospectus or this document or as otherwise disclosed in writing to Tullett or its advisors by or on behalf of Collins Stewart prior to 23 January 2003 and in relation to Tullett, means as disclosed in Tullett’s annual report and accounts for the year ended 31 December 2001 or interim report and accounts for the six months ended 30 June 2002, as publicly announced by Tullett prior to 23 January 2003 as disclosed in the Prospectus or this document or as otherwise disclosed in writing to Collins Stewart or its advisors by or on behalf of Tullett prior to 23 January 2003
“Eligible US Securityholder”	any Tullett Securityholder or Tullett Optionholder resident in, or with a registered address in, the United States that: (i) is an

	Accredited Investor; (ii) has returned an Investor Letter to Collins Stewart and (iii) in the event Collins Stewart so requests, has otherwise satisfied Collins Stewart that it is an Eligible US Securityholder
“Enlarged Group”	Collins Stewart or the Collins Stewart Group (as the context requires) as enlarged by the combination with Tullett
“First Closing Date”	21 February 2003
“Forms of Acceptance”	the forms of acceptance, authority and election for use in connection with the Offers
“FSA”	the Financial Services Authority
“Further Payment”	the further payment in cash or, subject to a valid election therefor, new Collins Stewart Shares, under the A Preference Offer, of 91.4 pence, with the right to receive all or part of this future payment being subject to certain contingent deductions (as described in further detail in paragraph 8 of Part I and paragraph 2 of Part III of this document)
“HSBC”	HSBC Bank plc
“IDB”	an inter-dealer broker
“Inland Revenue”	the Inland Revenue service of the United Kingdom
“Investor Letter”	the Investor Letter that is being sent with this document to Tullett Securityholders with registered addresses in the United States (or which can be obtained from the Receiving Agent, Capita IRG Plc, New Issues Department at PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TH) containing undertakings, representations, warranties and agreements required for Collins Stewart to determine whether any Tullett Securityholder who is resident in, or with a registered address in, the United States is an Eligible US Securityholder
“LIBOR”	London Inter-Bank Offer Rate
“Listing Rules”	the rules and regulations made by the UK Listing Authority under the Financial Services and Markets Act 2000 and contained in the UK Listing Authority’s publication of the same name
“Loan Note Alternative”	the alternative under which Tullett Securityholders who are residents in, or who have a registered address in, the United Kingdom and who validly accept the Ordinary Offer, the A Preference Offer or the B Preference Offer (and, in the case of the Ordinary Offer, validly elect for the Partial Cash Alternative and (if elected) for the Additional Cash Facility) may elect to receive Loan Notes in lieu of all or part of the cash to which they would otherwise become entitled (but only all the cash in relation to the Additional Cash Facility) but not the cash receivable under the Further Payment
“Loan Note Instrument”	the instrument constituting the Loan Notes, a summary of which is set out in Appendix II to this document
“Loan Notes”	the unsecured floating rate guaranteed loan notes of £1.00 each of Collins Stewart redeemable before or on 7 April 2008 to be issued by Collins Stewart pursuant to valid elections for the Loan Note Alternative, particulars of which are set out in Appendix II to this document
“London Stock Exchange”	London Stock Exchange plc
“MBO”	management buy-out
“Merger Agreement”	the agreement dated 22 January 2003 between Collins Stewart and Tullett the material terms of which are described in paragraph 7 of Appendix IV to this document

“New Collins Stewart Shares”	the ordinary shares of 25 pence each in the capital of Collins Stewart to be issued credited as fully paid pursuant to the Ordinary Offer, the Bond Offer, the A Preference Offer and the Option Proposals
“Non-Eligible US Securityholder”	any Tullett Securityholder resident in, or with a registered address in, the United States who is not an Eligible US Securityholder
“Noteholder”	a holder of any Loan Notes
“Notice of Extraordinary General Meeting” or “Notice of EGM”	the notice of the Extraordinary General Meeting
“Offer Document”	this document
“Offer Period”	the period commencing on 17 September 2002 and ending on whichever is the later of 3.00 p.m. on: (i) the First Closing Date, (ii) the time and date on which the Ordinary Offer lapses; and (iii) the time and date on which the Ordinary Offer becomes or is declared unconditional as to acceptances
“Offers”	together, the Ordinary Offer, the A Preference Offer, the B Preference Offer and the Bond Offer
“Official List”	the official list of the UK Listing Authority
“Open Offer”	the conditional invitation by HSBC on behalf of Collins Stewart to Collins Stewart Qualifying Shareholders to apply for new Collins Stewart Shares on the terms and conditions set out in the Prospectus and the accompanying application form
“Option Cancellation Proposal”	the proposal made by HSBC on behalf of Collins Stewart to Tullett Optionholders for the cancellation of options currently outstanding and held by them under the Tullett Share Option Plan
“Option Exercise Proposal”	the proposal made by HSBC on behalf of Collins Stewart to Tullett Optionholders pursuant to which they may in certain circumstances exercise options held by them under the Tullett Share Option Plan and then accept the Ordinary Offer
“Option Proposals”	together, the Option Exercise Proposal and the Option Cancellation Proposal
“Option Proposals Form of Election”	the form of election accompanying this document for use by Tullett Optionholders in connection with the Option Proposals
“Ordinary Offer”	the recommended offer made by HSBC on behalf of Collins Stewart to acquire the Tullett Ordinary Shares, subject to the terms and conditions set out in this document and the white Form of Acceptance and, where the context so requires, any subsequent revision, variation, extension or renewal thereof
“Overseas Securityholders”	Tullett Securityholders who are resident in countries other than the UK or who have a registered address in countries other than the UK
“Panel”	The Panel on Takeovers and Mergers
“Partial Cash Alternative”	the alternative under which Tullett Ordinary Shareholders who validly accept the Ordinary Offer may elect to receive cash in lieu of some of the New Collins Stewart Shares to which they would otherwise be entitled under the Ordinary Offer on the terms set out in this document
“PAYE”	the Pay As You Earn system under which certain UK income tax on income derived from employment is accounted for to the Inland Revenue by a tax payer’s employer
“Placing”	the conditional placing by HSBC of the new Collins Stewart Shares the subject of the Open Offer subject to recall to satisfy valid

	applications by Collins Stewart Qualifying Shareholders under the Open Offer
“Placing and Open Offer Agreement”	the conditional agreement dated 22 January 2003 in connection with the Placing and Open Offer made between Collins Stewart and HSBC, the principal terms of which are summarised in paragraph 12 of Part IX of the Prospectus
“Proposed Directors”	Bruce Collins, Stephen Jack and David Clark, who have been proposed as new members of the Collins Stewart Board upon the Ordinary Offer becoming or being declared unconditional in all respects
“Prospectus”	the prospectus accompanying this document issued by or on behalf of Collins Stewart in connection with, <i>inter alia</i> , the Offers, the Open Offer and the Placing
“Receiving Agent”	Capita IRG Plc
“Recommending Directors”	the Tullett Directors other than Michael Whitaker
“Regulatory Information Service”	a service set out in Schedule 12 of the Listing Rules
“Relevant Tax Liabilities”	means in relation to any person accepting the Bond Offer or the Option Proposals (the “Employee”), any UK income tax and primary and secondary class 1 National Insurance contributions (and similar taxes in jurisdictions outside the United Kingdom) which a person other than the Employee is required to withhold pay or account for as a result of the acceptance by the Employee of the Bond Offer or the Option Proposals and which such person is entitled (whether by law or as a result of an agreement with the Employee) to recover from the Employee
“SPB Instrument”	the instrument of Tullett dated 18 February 2002 constituting the Tullett Bonds
“subsidiary” or “subsidiary undertaking”	have the meanings given to them by the Act
“Tullett” or the “Company”	Tullett plc
“Tullett A Preference Shares”	the existing unconditionally allotted and issued fully paid preference shares of £1 each in the capital of Tullett
“Tullett A Preference Shareholders”	holders of Tullett A Preference Shares
“Tullett Articles”	the articles of association of Tullett
“Tullett B Preference Shares”	the existing unconditionally allotted and issued fully paid B preference shares of 10 pence each in the capital of Tullett
“Tullett B Preference Shareholders”	holders of Tullett B Preference Shares
“Tullett C Preference Shares”	the C preference shares of 1 pence each in the capital of Tullett (which were redeemed in full on 22 February 2002)
“Tullett Bondholders”	holders of Tullett Bonds
“Tullett Bonds”	the existing unconditionally allotted and issued fully paid variable rate unsecured convertible loan notes of Tullett constituted under the SPB Instrument
“Tullett Circular”	the circular to shareholders of Tullett of the same date as this document comprising, <i>inter alia</i> , a notice for the purpose of convening the Tullett EGM
“Tullett Directors” or “Tullett Board”	the existing directors of Tullett whose names are set out in paragraph 2.3 of Appendix IV to this document

“Tullett EGM”	the extraordinary general meeting of Tullett convened for 21 February 2003, to approve, <i>inter alia</i> , a dis-application of the pre-emption provisions in the Tullett Articles in connection with the Offers
“Tullett Group”	Tullett and its subsidiary undertakings
“Tullett Optionholders”	holders of options under the Tullett Share Option Plan
“Tullett Options”	existing options over Tullett Ordinary Shares granted under the Tullett Share Option Plan
“Tullett Ordinary Shares”	the unconditionally allotted and issued fully paid ordinary shares of 10 pence each in the capital of Tullett and any further such ordinary shares which are unconditionally allotted or issued at or before the time at which the Ordinary Offer ceases to be open for acceptance (or such earlier date or time not being earlier than the date on which the Ordinary Offer becomes or is declared unconditional as to acceptances or, if later, the first closing date of the Ordinary Offer, as Collins Stewart may, subject to the City Code, decide) including such further ordinary shares of Tullett as may be unconditionally allotted or issued pursuant to the exercise of any options under the Tullett Share Option Plan or conversion of Tullett Bonds
“Tullett Ordinary Shareholders”	holders of Tullett Ordinary Shares
“Tullett Preference Shareholders”	holders of Tullett A Preference Shares and/or holders of Tullett B Preference Shares
“Tullett Securities”	Tullett Ordinary Shares, Tullett Bonds, Tullett A Preference Shares and Tullett B Preference Shares
“Tullett Securityholders”	together, Tullett Ordinary Shareholders, Tullett Preference Shareholders and Tullett Bondholders, including, where the context so requires, Tullett Optionholders
“Tullett Share Option Plan”	The Tullett & Tokyo Liberty plc Share Option Plan consisting of the Approved Plan and the Unapproved Plan
“Unapproved Plan”	The Tullett & Tokyo Liberty plc Unapproved Share Option Plan
“United Kingdom” or “UK”	the United Kingdom of Great Britain and the province of Northern Ireland and its territories and crown dependencies
“UK Listing Authority”	the Financial Services Authority acting in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“US Exchange Act”	United States Securities Exchange Act of 1934 (as amended)
“US Investment Company Act”	United States Investment Company Act of 1940 (as amended)
“US”, “USA” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia and all other areas subject to its jurisdiction
“US Person”	as defined in Regulation S of the US Securities Act
“US Securities Act”	United States Securities Act of 1933 (as amended)
“US Securityholders”	Eligible US Securityholders and Non-Eligible US Securityholders
“Wider Tullett Group”	any member of the Tullett Group or any company, partnership, joint venture, firm or body corporate in which any member of the Tullett Group may be interested but excluding any interest of the Tullett Group in Totan Derivatives Co. Limited and Natsource Inc.
“Wider Collins Stewart Group”	any member of the Collins Stewart Group or any company, partnership, joint venture, firm or body corporate in which any member of the Collins Stewart Group may be interested.

