

## **Ai Claims Solutions plc (“Ai”)**

### **Board Changes, trading update and Directors’ share options**

#### **Retirement of Chairman and appointment of successor**

After twelve years on the board of Ai, ten as Chairman, coinciding with substantially increased demands on his time elsewhere, Charles Good has decided that the time has come to hand over the chairmanship to a new pair of hands and has announced his wish to retire from the Board at the end of the current financial year. The Board would like to thank Charles for his unstinting service to the company over many years.

The Board is delighted to announce that Steve Broughton, Deputy Chairman, has been appointed Chairman with effect from 1<sup>st</sup> July 2008. Steve will be able to deploy his considerable talent and experience of the UK General Insurance market for the benefit of Ai and its shareholders from the leadership position of Chairman. He is ideally placed to ensure that Ai’s profit growth continues, and the Company achieves sustainable growth in shareholder value.

#### **Chairman’s incentivisation and remuneration arrangements**

In order to align Steve Broughton’s interests with those of shareholders, the Board has agreed that Steve Broughton will receive no remuneration for his role, but will instead be granted phantom options over 2,500,000 shares in Ai, exercisable at 20p in October 2010, which will be increased to 3,250,000 provided the company meets targets for earnings per share in each of the financial years 2007-08 to 2009-10. These phantom options will be settled in a mixture of cash and shares in October, 2010. Principal terms of this incentivisation programme are given in the Appendix.

#### **Trading update**

The Directors are pleased to confirm that trading continues to be satisfactory and in line with market expectations.

#### **Directors’ share options**

In order to strengthen further the equity incentivisation available to the executive directors, the Board also announces that it intends to award options over 500,000 shares each to David Sandhu and Peter Harrison. These options will be granted under the company’s unapproved share option scheme, without performance conditions, and will be exercisable in three years from the date of grant at a price of 20p per share

#### **Charles Good commented**

“My time at Ai has been both rewarding and stimulating, I am sad to be leaving, but I know I leave Ai in robust condition, with a very promising outlook and in very capable hands. My departure will allow me more time to pursue my other activities and I look forward to continuing to support Ai’s progress from the outside, as a major shareholder.”

**Steve Broughton commented:**

“ We have an excellent team and I’m excited at working closely with our CEO David Sandhu and his colleagues to help drive the Company forward. By accepting a payment package driven solely by results I’m demonstrating my confidence in the Company’s future and I’m grateful to Charles for handing over a Company in such a solid financial state”

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## Appendix

### Principal terms of the Chairman's incentivisation programme

1. Steve Broughton ("SB") will be granted phantom options over 2,500,000 shares issued at 20p
2. On 1st October, 2010 ("the concluding date") the incentivisation programme will be concluded by the following payments:
  - a. A cash value for the whole of the phantom option will be calculated based on the difference between the issue price and the average share price (based on average mid market prices derived from the Stock Exchange Daily Official List) for the 60 days preceding 30<sup>th</sup> September, 2010;
  - b. The amount required to settle SB's personal tax and employee's NI on the value of the programme will be paid to him in cash;
  - c. The balance will be settled by the issue of shares in Ai, based on the mid market price at the close of business on 30<sup>th</sup> September, 2010.
3. In the event of an offer for the whole of the share capital of Ai which becomes unconditional in all respects prior to the concluding date, the phantom options will be settled in cash based on the difference in price between the issue price and the successful offer price:
- 4.

Subject to achievement of the following eps targets, SB will be granted an additional 250,000 phantom options on the same terms on the publication of the audited results for those years

Year ending 30 <sup>th</sup> June	2007-08	2008-09	2009-10
EPS before exceptional or non-recurring items and adjustment for the impact of the Chairman's Remuneration	2.2p	3.7p	5.5p

5. Following the concluding date, SB and the company will negotiate a salary package for a Non-Executive Chairman appropriate to a company with the size and status of Ai.