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IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
28 FEBRUARY 2011
THE HONOURABLE MR JUSTICE NEWEY



NO. 10072 OF 2010



IN THE MATTER OF WELCOME FINANCIAL SERVICES LIMITED

AND

IN THE MATTER OF THE COMPANIES ACT 2006

ORDER

WEDNESDAY



RM "RQ71HS31" 02/03/2011 296
COMPANIES HOUSE

UPON THE APPLICATION by Part 8 Claim Form dated 13 December 2010 of Welcome Financial Services Limited whose registered office is situated at Kingston House, Centre 27 Business Park, Woodhead Road, Birstall, Batley WF17 9TD (the *Company*)

AND UPON HEARING Leading Counsel for the Company, Leading Counsel for the Coordinating Committee and the Noteholders (as such terms are defined in the WFSL Scheme) and Mr Ian Barry Dearing

AND UPON READING the said Claim Form and the written evidence filed

AND UPON READING the scheme of arrangement set forth in the Schedule hereto (the *WFSL Scheme*)

AND UPON each of Bovess Limited and Bovess Holding Limited by Counsel for the Company, being its Counsel for the purpose, consenting to, and undertaking to be

bound by, the WFSL Scheme hereinafter sanctioned and undertaking to execute and do, or procure to be executed and done, all such documents, acts or things, in each case to the extent reasonable, as the Company may consider necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to the said WFSL Scheme

AND UPON the Company by its Counsel undertaking that this Order sanctioning the WFSL Scheme will not be filed with the Registrar of Companies for England and Wales (the **Registrar**) for registration until the satisfaction of the following conditions

- (a) the satisfaction of all the conditions precedent to the Pension Compromise (save the conditions in that agreement that the WFSL Scheme becomes effective and the TLG Compromise becomes effective),
- (b) the satisfaction of all the conditions precedent to the PPI Settlement Agreement (save the condition that the WFSL Scheme becomes effective);
- (c) the only reason for the TLG Compromise not becoming effective is its execution by the Pension Creditor,
- (d) the making by the Court of orders sanctioning the Cattles Shareholder Scheme and confirming the proposed capital reduction and the directors of Cattles having confirmed that, subject to no “Insolvency Event” (as defined in the Cattles Shareholder Scheme) having occurred in relation to Cattles, such Court orders will be delivered to the Registrar for registration immediately upon the WFSL Scheme becoming effective, and
- (e) the FSA notifies in writing its approval under section 189(4) of FSMA of Bovess (and any other person who would acquire control as a result of Completion) acquiring control over the Company (in each case in respect of the level of control that would result from Completion), such approval being either unconditional in all respects (save as to the period within which the change in control must occur) or subject to conditions reasonably satisfactory to the parties (acting reasonably and in good faith) or the FSA being treated as

having approved the acquisition of control by each such person in accordance with section 189(6) of FSMA;

PROVIDED THAT if.

- (a) the conditions in (a) to (e) have not been satisfied, or
- (b) a Pre-Effective Date Insolvency Event has occurred in relation to the Company,

on or before 31 May 2011, the Company shall not deliver, or procure delivery of, the office copy of this Order to the Registrar and the WFSL Scheme shall not be made effective

(for which purpose capitalised terms shall have the meanings set out in the WFSL Scheme unless otherwise defined)

THE COURT HEREBY SANCTIONS the WFSL Scheme as set forth in the Schedule hereto

AND IT IS ORDERED that there be liberty to apply to the Companies Court in these proceedings in respect of a Disputed Scheme Claim (as defined in the WFSL Scheme) in accordance with the terms of clause 3.8 of the WFSL Scheme

AND IT IS ORDERED that the Company deliver the office copy of this Order sanctioning the WFSL Scheme to the Registrar for registration as soon as reasonably practicable after the date on which the conditions described in clause 1.5.2 of the WFSL Scheme and the undertaking described in this Order above are satisfied.

Dated the 28th day of February 2011

PART 2 – THE WFSL SCHEME

No 10072 of 2010

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT**

IN THE MATTER OF WELCOME FINANCIAL SERVICES LIMITED

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

between

WELCOME FINANCIAL SERVICES LIMITED

and

THE SCHEME CREDITORS

(as defined herein)

SECTION 1 PRELIMINARY

1.1 Definitions

In the Scheme, unless inconsistent with the subject or context, the following expressions have the following meanings

Act means the Companies Act 2006,

Adjourned Meeting means a meeting of Scheme Creditors adjourned in accordance with clause 7.2.2(b);

Adjusted Claim means in respect of a Scheme Creditor's claims under or in connection with the Finance Documents a sum equal to (for the avoidance of doubt, only (b) below shall apply to any Scheme Creditor's claim in respect of the Settlement Agreement)

- (a) the difference (positive or negative) between the estimated maximum distribution from the Escrow Account to a Scheme Creditor as set out in Schedule 11 and the actual distribution from the Escrow Account to that Scheme Creditor (provided that at a time when no such actual distribution has been made, the difference shall be deemed to be £0), plus
- (b) any interest accrued whether or not due or payable up to the Effective Date in accordance with the relevant Finance Document, plus
- (c) a sum (positive or negative) equal to the amount by which a Scheme Creditor's Ascertained Scheme Claim will have to be adjusted to take account of movements in foreign exchange rates for the period between 31 October 2010 and the Effective Date (where relevant); plus
- (d) a sum (positive or negative) equal to the amount by which a Scheme Creditor's Ascertained Scheme Claim will have to be adjusted to take account of the movement in make whole under clause 12.1 of the Note Agreements for the period between 31 October 2010 and the Effective Date, plus
- (e) any other contractual amount owed by the Company to the Scheme Creditor pursuant to a Finance Document incurred or falling due between 31 October 2010 and the Effective Date,

Affiliate means a subsidiary or a holding company of a person or any other subsidiary of that holding company,

Agency Arrangement means an arrangement whereby any of the Scheme Creditors referred to in clause 3.7.2 appoint an agent (being formerly an agent under a Finance Document) to act as agent for such Scheme Creditors and such arrangement is made between the agent and the relevant Scheme Creditors and may also be made with the Company and/or the Scheme Supervisors,

Alternate means any other senior executive, senior employee or professional adviser appointed by a Committee Member or Nominated Representative pursuant to clause 10.1.11,

Ascertained Scheme Claim means (i) a Submitted Scheme Claim which has been agreed by the Scheme Supervisors in accordance with clause 3.7.6 or 3.8.6 or the Court, in accordance with clause 3.8.2 or (ii) has been ascertained in accordance with clause 3.7.2 and Schedule 11 or (iii) the claim of the Pension Creditor which has been ascertained in accordance with clause 4.5.1,

Bar Date means the first Business Day falling three months after the Effective Date,

Base Rate means the Bank of England base rate from time to time,

Board means the board of directors of the Company, from time to time,

Bovess means Bovess Limited, a company incorporated and registered in England and Wales with company number 07366975 whose registered office is at 35 Great St Helen's, London EC3A 6AP,

Bovess Holding means Bovess Holding Limited, a company incorporated in England and Wales with company number 07366959 whose registered office is at 35 Great St Helen's, London EC3A 6AP,

Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business in London,

CDDA means the Company Directors Disqualification Act 1986,

Catch-up Payment means a payment made in accordance with clause 7 4.1,

Cattles means Cattles plc, a company incorporated under the laws of England and Wales, with registered number 00543610 whose registered office is at Kingston House, Centre 27 Business Park, Woodhead Road, Birstall, Batley, West Yorkshire, England, WF17 9TD,

Cattles Administrator Agreement means an agreement to be entered into under Plan B between Cattles, its administrators appointed to Cattles under Plan B and the Company, governing inter alia Cattles's support for the Scheme and the payment of the Cattles Plan B Payment,

Cattles Plan A Payment means a sum totalling £49 million to be paid by the Company to Cattles towards repayment of the principal of the inter-company debt owed by the Company to Cattles in accordance with the terms of the Scheme,

Cattles Plan B Payment means the payment(s) to be paid by the Company to Cattles towards repayment of the principal of the inter-company debt owed by the Company to Cattles in accordance with the Cattles Administrator Agreement or the balance of such sum, if any payment has previously been made by the Company since the date of that agreement in accordance with the terms of the Scheme or under the Cattles Administrator Agreement,

Cattles Shareholder Scheme means the scheme of arrangement proposed between Cattles and its members, the provisions of which include the acquisition of the entire issued share capital of Cattles by Bovess,

Cattles Trustee means Cattles Trustee Limited, a company incorporated in England and Wales with company number 02998215 whose registered office is at Kingston House, Centre 27 Business Park, Woodhead Road, Birstall, Batley, West Yorkshire WF17 9TD,

Claim Form means the claim form in substantially the same form as the example in Schedule 5, to be completed by Scheme Creditors (or their duly authorised agents) detailing Submitted Scheme Claims against the Company,

Claims Handling Agreement means the agreement between the FSCS and the Company for the handling of Protected PPI Liabilities and the determination and compensation in respect of such Protected PPI Liabilities,

Committee Confidential Information means

- (a) all information and documents provided to each Committee Member, the Pension Creditor and the FSCS as members of the Creditors' Committee or as observers of the Creditors' Committee (as the case may be), and
- (b) all discussions at and proceedings of the meetings of the Creditors' Committee,

save to the extent (i) such matters are already in the public domain or (ii) in relation to information known by such person (other than as a result of a breach of clause 10 1 6),

Committee Member means a member from time to time of the Creditors' Committee,

Company means Welcome Financial Services Limited, a company incorporated in England and Wales with company number 00133540 whose registered office is at Kingston House, Centre 27 Business Park, Woodhead Road, Birstall, Batley, West Yorkshire, England, WF17 9TD,

Compass means Compass Credit Limited, a company incorporated in England and Wales with company number 00235117 whose registered office is at Kingston House, Centre 27 Business Park, Woodhead Road, Birstall, Batley, West Yorkshire WF17 9TD,

COMP means the compensation rules and guidance applicable to the FSCS as made by the FSA and as contained in the compensation section of the FSA Handbook, as replaced, amended, varied or supplemented from time to time;

Completion means the earlier of the completion of the acquisition of (i) the shares in Cattles pursuant to the Cattles Shareholder Scheme under Plan A, and (ii) one ordinary share of one pound in Cattles Trustee, 5,138,350 ordinary shares of five pence each in Compass, 100,000,000 ordinary shares of one pound each in Holdings and one ordinary share of one pound in Welcome, pursuant to a share sale and purchase agreement between Bovess, Cattles and the administrators appointed to Cattles under Plan B,

Co-ordinating Committee means a committee comprising The Royal Bank of Scotland plc, HSBC Bank plc and Lloyds TSB Bank plc appointed pursuant to the co-ordination committee appointment letter dated 31 July 2009, to act as joint-co-ordinators of the lenders under the Facilities Agreements,

Court means the High Court of Justice of England and Wales,

Covenants means the covenants set out in Schedule 6 and referred to in clause 7 1,

Credit Support Agreement means the agreement to be entered into under Plan B between, *inter alios*, Cattles, the administrators appointed to Cattles under Plan B and the Company whereby the Company provides credit support to Cattles in certain circumstances,

Creditors' Committee means the committee of Scheme Creditors constituted in accordance with Section 10 of the Scheme,

Creditors' Resolution means any resolution passed by the Scheme Creditors at a meeting of Scheme Creditors convened and at which business is transacted,

Cumulative Net Free Cash means an amount equal to the cumulative Net Free Cash from the Effective Date to a Distribution Period End Date calculated in accordance with clause 6 1 1,

Deed of Release means the deed of release to be executed by any Scheme Supervisor on behalf of Scheme Creditors, in the form of Schedule 4 (subject to minor technical and administrative changes),

Disputed Scheme Claim means a Submitted Scheme Claim to which clause 3 7 8 applies,

Distribution Date means

- (a) the first "Distribution Date" specified in Schedule 2 which falls later than one calendar month after the Bar Date (and no earlier date), and
- (b) each subsequent "Distribution Date" specified in Schedule 2 until the earliest of
 - (i) Scheme Reversion,
 - (ii) Scheme Completion, and
 - (iii) all Ascertained Scheme Claims have been paid in full and the aggregate value of Unascertained Scheme Claims is nil,

Distribution Period End Date means each of the "Distribution Period End Dates" specified in Schedule 2,

Effective Date means the date on which the Scheme becomes effective, in accordance with clause 1 5 1,

Employee Retention Fund means an employee retention fund, established by the Company to secure the payment of specified employee benefits that the Company is contractually obliged to pay to its employees Pursuant to the terms of the Employee Retention Fund, the amount to be held in the Employee Retention Fund will be reviewed on a quarterly basis to reflect the amount of employee benefits required to be collateralised, subject to a maximum cap of £18,000,000,

End Date means the date upon which all the Liabilities of the Company (other than its subordinated liabilities to Cattles and other Group companies, if any), including without limitation, those in respect of Ascertained Scheme Claims (together with any amounts payable pursuant to clause 2 5 4), have been paid in full);

Escrow Account means the trust account in the name of the Company which is held on trust for certain of the Scheme Creditors set up under the SEA,

Excluded Liability means each of those liabilities set out in Schedule 3,

Excluded Trade Creditors means those persons listed at Schedule 9,

Explanatory Statement means the statement explaining the effect of the Scheme to Scheme Creditors in compliance with Section 897 of the Act,

Facilities Agreement means

- (a) the £800 million syndicated credit facility dated 10 July 2006 between, amongst others, Cattles as borrower, the Company as a guarantor and The Royal Bank of Scotland plc as facility agent and the lenders from time to time;
- (b) the £500 million syndicated credit facility dated 14 July 2004 between, amongst others, Cattles as borrower, the Company as a guarantor and The Royal Bank of Scotland plc as facility agent and the lenders from time to time;
- (c) the £215 million syndicated credit facility dated 17 April 2008 between, amongst others, Cattles as borrower, the Company as a guarantor and The Royal Bank of Scotland plc as facility agent and the lenders from time to time;

- (d) the £135 million bilateral credit facility dated 30 June 2008 between, amongst others, Cattles as borrower, the Company as a guarantor and The Royal Bank of Scotland plc as lender and facility agent, and
 - (e) the £75 million bilateral credit facility dated 12 August 2004 between, amongst others, Cattles as borrower, the Company as a guarantor and The Royal Bank of Scotland plc as lender;
- each as amended and/or supplemented prior to 31 October 2010,

Final Court Order means the order of the Court sanctioning the Scheme under section 899 of the Companies Act,

Finance Document means (a) one of the Facilities Agreements or (b) a Note Agreement or (c) a Guaranteed Hedge Agreements or the Settlement Agreement,

FSA means the Financial Services Authority,

FSA Handbook means the FSA's handbook of rules and guidance made under powers given to the FSA by FSMA,

FSCS means the body corporate established under section 212 of FSMA being Financial Services Compensation Scheme Limited, incorporated under the laws of England and Wales, with registered number 03943048,

FSMA means the Financial Services and Markets Act 2000,

Group means Cattles and all of its subsidiaries (within the meaning of section 1159 of the Act),

Guaranteed Hedge Agreements means each of the agreements listed at Schedule 14, each as amended, supplemented and/or replaced prior to 31 October 2010,

Holdings means Cattles Holdings Limited, a company incorporated in England and Wales with company number 05976786 whose registered office is at Kingston House, Centre 27 Business Park, Woodhead Road, Birstall, Batley, West Yorkshire WF17 9TD,

Insolvency Act means the Insolvency Act 1986;

Insolvency Event means each of

- (a) the taking of any formal step being preparatory to and/or the occurrence of (i) a winding up of the Company (by the presentation of a winding up petition to the court or a resolution of the directors or members of the Company), (ii) its dissolution or (iii) its administration pursuant to Schedule B1 of the Insolvency Act;
- (b) the appointment of a receiver, compulsory manager or other similar officer over the Company or any of its significant assets, and
- (c) any event which is analogous to those above,

but shall not include

- (d) any winding-up petition, administration application or application for the appointment of a receiver, compulsory manager or other similar officer which is frivolous, vexatious or contested in good faith and is discharged, permanently stayed or dismissed within 14 days of presentation, or
- (e) the Scheme Certified Liquidation,

Insolvency Rules means the Insolvency Rules 1986 (SI 1986/1925),

ISDA Master Agreement means a 1987 ISDA Master Agreement, a 1992 ISDA Master Agreement or a 2002 ISDA Master Agreement,

Liability means any liability of a person, whether it is present, future, prospective or contingent, whether its amount is fixed or undetermined, whether or not it involves the payment of money or performance of any act or obligation and whether it arises at common law, in equity or by statute, in England or in any other jurisdiction, or in any other manner whatsoever, including, without limitation, claims in respect of breach of contract, tort, restitution, breach of trust, financial indebtedness, guarantee or indemnity claims, claims arising by way of subrogation, contribution or counter-indemnity, claims for misrepresentation, negligence, wilful default or fraud, mis-selling claims, claims under FSMA, Consumer Credit Act 1974 or Pensions Act 1995 or 2004 and any other claims which may arise ancillary to any such financial liability, but in all cases excluding

- (a) any liability which is barred by statute or is otherwise unenforceable, or

(b) a liability under a contract that is void or, being voidable, has been avoided,

Multicurrency 2006 NPA means the multicurrency note purchase agreement dated 1 February 2006 (as amended from time to time) between Cattles and the purchasers named therein in respect of:

- (a) the US\$20,000,000 principal amount of 6.17% Series A Guaranteed Senior Unsecured Notes due on 1 February 2011,
- (b) the US\$55,000,000 principal amount of 6.25% Series B Guaranteed Senior Unsecured Notes due 1 February 2013,
- (c) the €6,000,000 principal amount of 4.62% Series C Guaranteed Senior Unsecured Notes due 1 February 2013,
- (d) the £1,000,000 principal amount of 5.89% Series D Guaranteed Senior Unsecured Notes due 1 February 2013; and
- (e) the £20,000,000 principal amount of 5.94% Series E Guaranteed Senior Unsecured Notes due 1 February 2021,

in each case, issued by Cattles,

Net Free Cash means the amount of cash available for Scheme Payments, as determined from time to time in accordance with the method prescribed in Schedule 1,

Nominated Representative means any senior executive, other senior employee or professional adviser appointed by a Committee Member pursuant to clause 10.1.10,

Non-Payment Notice has the meaning given to it in the PPI Settlement Agreement,

Note Agreements means the US Dollar 2001 NPA, the Sterling 2001 NPA or the Multicurrency 2006 NPA,

Notional Section 75 Debt has the meaning ascribed to it in the Pension Compromise,

Official Rate means the official rate of interest (as defined in section 251 of the Insolvency Act),

Outwards Claims Litigation means any demand or claim made or brought by the Company against any party pursuant to contract, tort or otherwise,

Outwards Claims Manager means the person appointed to conduct any Outwards Claims Litigation,

Outwards Claims Manager Agreement means any agreement between the Company and any Outwards Claims Manager regarding the Outwards Claims Manager's engagement by the Company to conduct the Outwards Claims Litigation,

Payment Percentage means the percentage, from time to time, of the aggregate value of Ascertained Scheme Claims (taking into account clause 6.1.3) that can be paid from Cumulative Net Free Cash calculated in accordance with clause 6.1.2,

Pension Claim means the amount owed to the Pension Creditor by the Company as the Notional Section 75 Debt under the terms of the Pension Compromise,

Pension Compromise means the compromise deed between the Pension Creditor, the Company and other certain Group companies dated 19 November 2010 as amended by the Deed of Variation in the form set out at Schedule 12,

Pension Creditor means Cattles Staff Pension Fund Limited, as trustee of the Cattles Staff Pension Fund, established by a trust deed dated 20 August 1952 or its successors as trustee thereof or the Board of the Pension Protection Fund as its successor pursuant to the Pensions Act 2004,

Plan A means the solvent restructuring of Cattles, the Company and other members of the Group as described in more detail in the Explanatory Statement,

Plan B means the administration of Cattles and the solvent restructuring of the Company and certain other members of the Group as described in more detail in the Explanatory Statement,

Plan B Agreements means the Cattles Administrator Agreement, the Plan B SPA, the Transitional Services Agreement and the Credit Support Agreement,

Plan B SPA means a sale and purchase agreement to be entered into under Plan B between Bovess, Cattles and the administrators appointed to Cattles under Plan B pursuant to which Bovess will acquire one ordinary share of one pound in Cattles Trustee, 5,138,350 ordinary shares of five pence each in Compass, 100,000,000 ordinary shares of one pound each in Holdings and one ordinary share of one pound in Welcome,

Post means delivery by pre-paid first class post or airmail,

Pre-Effective Date Insolvency Event means the occurrence of any of the following in relation to the Company

- (a) winding-up, dissolution or administration (whether out of court or otherwise),
- (b) the appointment of a liquidator, receiver, administrator or similar officer (in each case, whether out of court or otherwise),
- (c) a resolution of the Company or its directors being passed to petition or apply for the Company's winding-up or administration (whether out of court or otherwise), or
- (d) any person presenting a petition or an application for its winding-up or administration (whether out of court or otherwise) which has not been dismissed or struck out within 14 days

PPI Liability means a Protected PPI Liability or an Unprotected PPI Liability,

PPI Settlement Agreement means the agreement between the FSCS and the Company regarding the funding of Protected PPI Liabilities,

Proceedings means any process, action, step, or other legal (or quasi legal) or judicial (or quasi judicial) proceeding (including, without limitation, any demand, arbitration, alternative dispute resolution, expert determination process, judicial review, adjudication, execution, seizure, distraint, lien, enforcement of judgment, or enforcement of any security interest or right of set-off or any proceeding for the purpose of placing the Company into administration, liquidation or any insolvency, reconstruction, bankruptcy or analogous proceeding in any jurisdiction,

Protected PPI Liability means any Liability (i) to a retail customer of the Company (who, in addition, is an eligible claimant under COMP and satisfies all other relevant requirements of COMP) which is a protected claim, within the meaning of COMP 5.2 of the FSA Handbook (as may be replaced, varied, amended or supplemented from time to time) or (ii) to the FSCS, as an assignee of any such protected claim, under the PPI Settlement Agreement,

Record Date means the Effective Date,

Representative means a person determined to be a representative in accordance with clause 2.7,

Ruddington means Cattles Properties (Ruddington) Limited, a company incorporated under the laws of England and Wales with company number 04681891,

Scheme means this scheme of arrangement in its present form or with any modifications thereof or additions thereto approved or imposed by the Court in accordance with clause 13.2,

Scheme Certified Liquidation means any voluntary liquidation of the Company where the Board has certified to the Scheme Supervisors no more than 25 Business Days before the passing of the member's resolution to wind-up that they have made a full enquiry into the Company's affairs and that, having done so, they have formed the opinion that the Company will be able to pay any debts reasonably likely to be admitted to proof in the liquidation in full, together with interest at the Official Rate, within 12 months of the date of the commencement of the liquidation,

Scheme Completion shall have the meaning given to it in clause 12.2,

Scheme Creditor means

- (a) the Pension Creditor; and
- (b) any person who is, or claims to be, a creditor of the Company in respect of a Scheme Liability, at the Record Date;

Schemed Directors means those individuals listed in Schedule 7,

Schemed Lease means a lease described in Schedule 8(a)-(d) (inclusive) or of a property listed in Schedule 8(e),

Scheme Lease Liability means any liabilities specified in Schedule 8,

Scheme Liability means

- (a) any Liability of the Company (before the application of any set-off, as applicable), other than an Excluded Liability, which either:
 - (i) has arisen on or prior to the Record Date, or

- (ii) may (subject to clause 2.5.1) arise after the Record Date as a result of an obligation incurred or as a result of an event occurring or act done on or before the Record Date, or
- (b) the potential claims of the Pension Creditor against the Company under sections 75 or 75A of the Pensions Act 1995 (as applicable) or, to the extent these claims are compromised under the Pension Compromise, the Pension Claim,

Scheme Payment means any payment made to a Scheme Creditor in accordance with section 6,

Scheme Publications means The Financial Times (International Edition), The Daily Telegraph and the Daily Mail;

Scheme Reversion Decision Event means any of the events specified in clause 7.2.1,

Scheme Reversion means the occurrence of a Scheme Reversion Decision Event followed by either (i) a resolution of the Scheme Creditors pursuant to clause 7.2.2 or (ii) the happening of the events set out in clause 7.2.3;

Scheme Supervisor means any of the persons appointed under section 8,

Scheme Supervisors Agreement means the agreement to be entered into or on or prior to the Effective Date between the Scheme Supervisors and the Company,

Scheme Supervisors' Report means a written report delivered by the Scheme Supervisors to the Creditors' Committee pursuant to clause 8.3.3(b),

Scheme Website means the world wide web page or pages linked to universal resource locator <http://www.cattles.co.uk/schemes>,

SEA means the standstill and equalisation agreement dated 25 November 2009 between, amongst others, Cattles, the Company and The Royal Bank of Scotland plc;

Settlement Agreement means the agreement between the Noteholders and the Company, Cattles and other member of the Group as detailed in the letter from Clifford Chance LLP to Freshfields Bruckhaus Deringer LLP dated 3 December 2010,

Shareholder means a current or former holder of shares in Cattles,

Shareholder Observer means the observer permitted to attend meetings of the Creditors' Committee pursuant to clause 10.1.3(g),

Stage Three Trigger Event Report means the report produced in accordance with clause 6 of Schedule 6,

Sterling 2001 NPA means the Sterling note purchase agreement dated 12 December 2001 (as amended from time to time) between Cattles and the purchasers named therein in respect of

- (a) the £30,000,000 principal amount of 7.64% Series C Guaranteed Senior Unsecured Notes due 12 December 2011, and
- (b) the £40,000,000 principal amount of 7.80% Series D Guaranteed Senior unsecured notes due 12 December 2016,

in each case, issued by Cattles,

Submitted Scheme Claim means any purported Scheme Liability in respect of which a Scheme Creditor has submitted a Claim Form in accordance with clause 3.5.3 and 3.5.4,

Submitted Scheme Claimant means a person who has submitted a Submitted Scheme Claim, unless his Submitted Scheme Claim has been finally rejected in accordance with clause 3.8.2 or 3.8.3,

Subsidiary Deed of Release means any deed executed by any Scheme Supervisor on behalf of Cattles in respect of amounts owed to it by certain members of the Group, in the form set out in Schedule 10 (subject to minor administrative or technical changes),

TLG means the The Lewis Group Limited, a company incorporated in the UK with company number SC127043,

TLG Compromise means the agreement to be executed by TLG pursuant to which the Pension Creditor will receive payments from TLG pro rata to its guarantee creditors,

Transitional Services Agreement means the agreement to be entered into under Plan B between Cattles, the Company, TLG, Ruddington, CL Finance Limited and the administrators appointed to Cattles to govern the provision of services between, inter alios, Cattles and the Company under Plan B,

Unascertained Payments Trust Fund means the trust fund established and maintained by the Company under clause 6 3 1;

Unascertained Scheme Claim means (i) a Submitted Scheme Claim which has not become an Ascertained Scheme Claim nor been rejected in accordance with clause 3 8 2 or 3 8 3 and includes a prudent provision by the Scheme Supervisors for potential adverse cost awards which the Company may incur in determining such Submitted Scheme Claim or (ii), in relation to the Pension Creditor, the sum estimated in accordance with Clause 4 5 2,

Unprotected PPI Liability means any Liability to a retail customer of the Company arising from the sale by the Company of a payment protection insurance policy, before 14 January 2005,

US Dollar 2001 NPA means the US dollar note purchase agreements dated 12 December 2001 (as amended from time to time) between Cattles and the purchasers named therein in respect of

- (a) the US\$40,000,000 principal amount of 7 15% Series A Guaranteed Senior Unsecured Notes due 12 December 2008, and
 - (b) the US\$70,000,000 principal amount of 7 53% Series B Guaranteed Senior Unsecured Notes due 12 December 2011,
- in each case, issued by Cattles; and

Welcome means Welcome Finance Group Limited, a company incorporated in England and Wales with company number 06327124 whose registered office is at Kingston House, Centre 27 Business Park, Woodhead Road, Birstall, Batley, West Yorkshire WF17 9TD

1 2 References

In the Scheme, unless the context otherwise requires or otherwise expressly provides for

- (a) references to parts, clauses, subclauses and schedules are references to parts, clauses, subclauses and schedules of the Scheme,
- (b) references to a person include references to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency,
- (c) references to a statute, statutory provision or regulatory rule or guidance include references to the same as subsequently modified, amended or re-enacted from time to time,
- (d) the singular includes the plural and vice versa and words importing one gender shall include all genders,
- (e) headings to parts, clauses and schedules are for ease of reference only and shall not affect the interpretation of the Scheme,
- (f) references to a period of days shall include Saturdays, Sundays and public holidays. Where the date which is the final day of a period of days is not a Business Day, that date will be adjusted so that it is the first following day that is a Business Day,
- (g) references to "Sterling" or to "£" are references to the lawful currency of the United Kingdom of Great Britain and Northern Ireland from time to time; and
- (h) references to time shall be to London time (Greenwich Mean Time or British Summer Time as appropriate)

1 3 The Company

1 3 1 The Company was incorporated on 23 January 1914 in England and Wales as a private limited company with the name Refuge Supply Company Limited On 27 October 1987, its name was changed to Teleplan Rentals Limited and on 23 December 2002, its name was changed to Progressive Financial Services Limited Its name was changed to its current name on 1 December 2006 The authorised share capital of the Company is £101,855,000, of which £101,139,767 02 is issued, made up of

- (a) 100,000,000 ordinary shares of £1 held by Holdings,
- (b) 499,499 ordinary shares of £0 01 held by Holdings,
- (c) 1 ordinary share of £0 01 held by Cattles Provident Trust Limited,

- (d) 10,000,000 "A" preference shares of £0.01 held by Progressive Insurance Co Limited,
- (e) 25,000,000 "B" preference shares of £0.01 held by Progressive Insurance Co Limited, and
- (f) 78,477,202 irredeemable preference shares of £0.01 held by Compass

1.3.2 The Company (trading as Welcome Finance and Shopacheck) operates the Group's principal lending business, providing secured and unsecured personal loans to individuals who may not have access to mainstream facilities, usually due to shortcomings in their employment, residency or credit histories. Its interest rates are priced to reflect the credit risk exposure. The businesses serve approximately 600,000 customers in the United Kingdom.

1.4 The Purpose of the Scheme

The purpose of the Scheme is to enable the Company to continue to collect amounts outstanding under its loan portfolio on a solvent basis, to preserve the Shopacheck business of the company as a going concern, to restructure the Group indebtedness and to maximise recoveries for the Scheme Creditors while meeting the Company's Liabilities to its other creditors in full in the ordinary course of business (subject to the terms of the Scheme, including its application following Scheme Reversion).

1.5 Effective Date

1.5.1 The Scheme shall become effective on the date on which an office copy of the Final Court Order is delivered to the Registrar of Companies of England and Wales for registration in accordance with clause 1.5.2.

1.5.2 The Company shall not deliver an office copy of the Final Court Order to the Registrar of Companies of England and Wales for registration until the satisfaction of the following conditions:

- (a) the satisfaction of all the conditions precedent to the Pension Compromise (save the conditions in that agreement that the Scheme becomes effective and the TLG Compromise become effective),
- (b) the satisfaction of all the conditions precedent to the PPI Settlement Agreement (save the condition that the Scheme becomes effective),
- (c) the only reason for the TLG Compromise not becoming effective is its execution by the Pension Creditor;
- (d) (i) under Plan A, the making by the Court of orders sanctioning the Cattles Shareholder Scheme and confirming the proposed capital reduction and the directors of Cattles having confirmed that, subject to no insolvency event (as defined in the Cattles Shareholder Scheme) having occurred in relation to Cattles, such Court orders will be delivered to the Registrar of Companies of England and Wales for registration immediately upon the Scheme becoming effective or (ii) under Plan B, the satisfaction of all the conditions precedent to the Plan B SPA, and
- (e) the FSA notifies in writing its approval under section 189(4) of FSMA of Bovess (and any other person who would acquire control as a result of Completion) acquiring control over the Company (in each case in respect of the level of control that would result from Completion), such approval being either unconditional in all respects (save as to the period within which the change in control must occur) or subject to conditions reasonably satisfactory to the parties (acting reasonably and in good faith) or the FSA being treated as having approved the acquisition of control by each such person in accordance with section 189(6) of FSMA,

provided that if

- (a) the conditions in 1.5.2(a) to 1.5.2(d) have not been satisfied; or
- (b) a Pre-Effective Date Insolvency Event has occurred in relation to the Company,

on or before 31 May 2011, the Company shall not deliver, or procure delivery of, the office copy of the Final Court Order to the Registrar of Companies of England and Wales and the Scheme shall not be made effective.

1.5.3 If an Insolvency Event occurs in relation to the Company before the Bar Date then save for the provisions in clauses 1.1, 1.5.3, 2.9, 8.6, 8.7, 9.4, 9.5, 10.7, 10.8, 10.9, 10.10, 13.1, 13.6 and 5.3 (to the extent only that a payment to the FSCS has occurred prior to the Insolvency Event) all provisions under the Scheme shall cease to apply.

SECTION 2

THE SCHEME

2.1 Application of the Scheme

The Scheme shall apply to all Scheme Liabilities and bind all Scheme Creditors and includes the releases given in Section 4 of the Scheme. The Scheme shall not affect the rights of creditors of the Company in respect of any Excluded Liabilities.

2.2 Stay of Proceedings

2.2.1 Subject to the provisions of clauses 2.2.2 and 2.2.4, no Scheme Creditor shall be permitted to commence or continue any Proceedings against the Company, in any jurisdiction.

2.2.2 A Scheme Creditor shall only be permitted to commence Proceedings against the Company

- (a) in accordance with the provisions of clauses 2.2.3 and 3.8.1,
- (b) following Scheme Reversion,
- (c) with the consent of the Scheme Supervisors,
- (d) in relation to Cattles only, upon or after the End Date, or
- (e) in response (by way of claim or counterclaim) to Proceedings commenced or continued by the Company against the Scheme Creditor and where the subject matter of the Proceedings commenced by the Scheme Creditor is the same transaction or occurrence as the subject of the Proceedings commenced or continued by the Company

2.2.3 A Scheme Creditor in respect of a Scheme Lease Liability shall, subject to the terms of the relevant Scheme Lease (and/or any associated documents), be permitted to bring a claim for forfeiture, re-entry or other action or legal proceedings brought solely with the purpose of determining such Scheme Lease

2.2.4 No order, judgment, decision or award obtained by a Scheme Creditor in breach of clause 2.2.2 shall give rise to an Ascertained Scheme Claim. The Scheme Creditor shall not be entitled to rely on such an order, judgment, decision or award to evidence a Submitted Scheme Claim and shall have no right to enforce the order, judgment, decision or award or to seek to place the Company into administration, liquidation or any insolvency, reconstruction, bankruptcy or analogous proceeding in any jurisdiction in reliance upon such an order

2.3 Enforcement of Scheme Liabilities

Scheme Creditors are not permitted to commence any Proceedings against the Company, any Scheme Supervisor, the Board or any member of the Board, any officer of the Company or any other person, in any jurisdiction, to enforce payment of an Ascertained Scheme Claim, Scheme Payment or any other Scheme Liability or any part of it, unless the Company or the Scheme Supervisors have acted or failed to act in either case in breach of the Scheme or any of them is reasonably anticipated to be about to act or fail to act in breach of a provision of the Scheme that is not minor or technical in nature. The moratorium described in the previous sentence shall cease to apply after a Scheme Reversion. For the avoidance of doubt, the moratorium in this clause shall not prevent any Scheme Creditor commencing any Proceedings against any current or former member of the Board or officer of the Company or any other person to enforce payment of any Liability which is not a Liability of the Company in respect of an Ascertained Scheme Claim, Scheme Payment or Scheme Liability

2.4 Effect of Proceedings prohibited by clauses 2.2 and 2.3

2.4.1 If a Scheme Creditor obtains any money, benefit, property or advantage at the expense of the Company in breach of clauses 2.2 or 2.3, he shall be treated as having received, on account of his entitlement to a Scheme Payment, an advance payment equal to the amount or gross value of such money, benefit, property or advantage, and the extent, if any, to which he is entitled to a Scheme Payment shall be reduced accordingly

2.4.2 For the purpose of clause 2.4.1, the value of any amount obtained shall be the gross value as conclusively determined by the Scheme Supervisor, acting in good faith, and may include, without limitation, such amount as it considers appropriate by way of interest, or costs, charges or expenses incurred by the Company as a consequence of the Proceedings

2.4.3 To the extent that the gross value exceeds the value of the Scheme Payment to which the Scheme Creditor would otherwise be entitled, the Scheme Creditor shall hold the excess on trust for the Company and shall immediately pay it to the Company without set-off, deduction, retention, abatement or counterclaim. Interest will accrue on the excess, from the date on which the value is obtained by the Scheme Creditor, at a rate of 2 per cent above Base Rate

2.4.4 The Company shall have the right to seek injunctive or other relief or remedy

- (a) in respect of the breach or anticipated breach of clause 2.2 or 2.3, and
- (b) in respect of any loss which the Company may suffer as a result of the breach of clause 2.2 or 2.3

2.5 Interest

2.5.1 Scheme Creditors shall be entitled to claim interest on Scheme Liabilities, only to the extent that interest is a Scheme Liability. Subject to clause 2.5.4, Scheme Liabilities shall not accrue interest following the Record Date, (except that with effect from Scheme Reversion, interest may be claimed on Ascertained Scheme Claims as though it had accrued from the Record Date at the Official Rate). For the avoidance of doubt, Scheme Creditors release all claims they would have had in respect of interest, but for the provisions of this clause.

2.5.2 To the maximum extent possible, all Scheme Payments shall be repayments of principal amounts owed in respect of Scheme Liabilities, rather than interest.

2.5.3 For the purposes of a Scheme Liability comprising interest, all necessary apportionments will be made to enable a claim in respect of such interest to be made for a period up to the Record Date.

2.5.4 If there is any surplus remaining under the Scheme after having paid all Ascertained Scheme Claims in full, such surplus shall be applied in paying interest at the Official Rate on those Ascertained Scheme Claims in respect of the periods during which, owing to the effect of clause 2.5.1, they have been outstanding since the Record Date.

2.6 Valuation of claims and set-off

All Scheme Liabilities (other than those in respect of the Pension Claim) shall be valued in accordance with Rules 2.85 to 2.89 of the Insolvency Rules, as though the Company had entered administration on the Record Date and the administrator had given notice under Rule 2.95 of the Insolvency Rules on that date that he intended to make a distribution to unsecured creditors.

2.7 Representatives

2.7.1 To the extent a Scheme Creditor does not take part in the Scheme on his own behalf, the Scheme Supervisors may, in their absolute discretion, determine any person purporting to represent that Scheme Creditor to be his Representative.

2.7.2 Unless notified to the contrary by the Scheme Creditor, the Scheme Supervisors may, in their absolute discretion, treat a Representative as fully authorised to represent the Scheme Creditor concerned for all purposes in connection with the Scheme.

2.7.3 The Company shall accept from the Representative any payment owed to the Company by the principal(s) of the Representative and may make any payment owed to the principal(s) under the Scheme to the Representative. Such payments by the Company shall discharge the Company from any further obligation in respect of the Scheme Liability as though it had been paid to the Scheme Creditor. Neither the Scheme Supervisors nor the Company shall have any liability to a Scheme Creditor arising from the operation of this clause.

2.7.4 Any action required to be taken under this Scheme by a Scheme Creditor may and shall be taken by any Representative of a Scheme Creditor, unless taken by the Scheme Creditor directly.

2.8 Scheme releases

Nothing in this Scheme, other than the releases set out at clauses 2.5, 2.9, and 4.1, shall be construed as resulting in any release, extinguishment, modification, compromise or waiver of any Liability owed by the Company until the earlier of

- (a) Scheme Reversion, pursuant to section 7, and
- (b) Scheme Completion, pursuant to clause 12.2

2.9 Deed of release

Each of the Scheme Creditors hereby irrevocably authorises any of the Scheme Supervisors from the Effective Date to enter into, execute and deliver as a deed the Deed of Release, on behalf of each of the Company, each Scheme Creditor and any person to whom a Scheme Creditor has transferred or assigned or purported to transfer or assign a Scheme Liability.

2.10 No admission of liability

Save as expressly set out in this Scheme or in the Explanatory Statement, nothing in the Scheme or the Explanatory Statement or the circulation thereof to any person evidences or constitutes any admission by the Company or the Scheme

Supervisors that the person is a Scheme Creditor or that a Liability is owed to any person in respect of any claim or right. The agreement by the Company or the Scheme Supervisors of a Submitted Scheme Claim is purely for the purposes of the Scheme and does not constitute any admission of Liability for any other purpose.

SECTION 3
DETERMINATION OF SUBMITTED SCHEME CLAIMS

3 1 Cattles' and the Pension Creditor's Scheme Liabilities

The provisions of this Section 3 shall not apply to Scheme Liabilities owed to Cattles and the Pension Creditor. Clauses 4 1 to 4 4 (inclusive) apply to the Scheme Liabilities owed to Cattles Clause 4 5 applies to the Scheme Liabilities owed to the Pension Creditor

3 2 Record Date

All Submitted Scheme Claims shall be valued as at the Record Date, except that Scheme Creditors and the Scheme Supervisors shall take into account

- (a) any information which has come to light since the Record Date that assists with the valuation of the Scheme Liability, and
- (b) the termination of any contract or arrangement since the Record Date

3 3 Assignment

3 3 1 Subject to clauses 3 3 2 to 3 3 5, the Scheme Supervisors shall be under no obligation to recognise any assignment or transfer (or purported assignment or transfer) of the whole or part of a Scheme Liability or Ascertained Scheme Claim (or the benefit thereof) after the Record Date for the purposes of determining entitlements under this Scheme and the Company shall have no obligations hereunder to any person other than a Scheme Creditor

3 3 2 Where the Scheme Supervisors have received from the relevant parties notice in writing, in the form of Schedule 13 duly completed, of an assignment or transfer, of the whole or part of a Scheme Creditor's Scheme Liability or Ascertained Scheme Claim, the Scheme Supervisors shall agree to recognise such assignment or transfer, for the purposes of the Company making Scheme Payments under this Scheme

3 3 3 Such assignment or transfer shall only take effect for the purposes of the Scheme when the Scheme Supervisors give notice to the Scheme Creditor and the assignee or transferee that they have recognised the assignment or transfer Such a notice shall be given promptly by the Scheme Supervisors in the case of an assignment or transfer falling within clause 3 3 2

3 3 4 Any assignee or transferee of a Scheme Liability or Ascertained Scheme Claim so recognised by the Scheme Supervisors shall be bound by the terms of the Scheme and shall be considered a Scheme Creditor for the purposes of the Scheme, in place of the assignor or transferor

3 3 5 Recognition of the assignment or transfer of a Scheme Liability by the Scheme Supervisors does not constitute acceptance by the Scheme Supervisors of the validity or amount of any Scheme Liability and shall have no such consequence under the Scheme

3 3 6 Scheme Creditors may disclose to any of their officers, directors, employees, professional advisers, auditors and Affiliates and their Affiliates may disclose to any of their officers, directors, employees, professional advisers and auditors any information which that Scheme Creditor has acquired under or in connection with the Scheme or otherwise in relation to the Company as such Scheme Creditor considers appropriate if any person to whom such information is given undertakes to keep such information confidential and agrees not to disclose to anyone (except that there shall be no requirement to obtain such undertaking if the recipient is subject to professional obligations to maintain the confidentiality of the information)

3 3 7 Scheme Creditors may disclose to (or through) any person with whom it may enter or has entered into, any kind of transfer, assignment, participation or other agreement relating to a Scheme Liability or Ascertained Scheme Claim any information which that Scheme Creditor has acquired under or in connection with the Scheme or otherwise in relation to the Company provided such person to whom the information is to be given undertakes to keep such information confidential and agrees not to disclose it to anyone except to the extent such disclosure is

- (a) to such professional advisers as the Scheme Creditor considers appropriate and who (save in the case of legal advisers and auditors provided that it is made clear to them that such matters are confidential) have agreed to be bound by clause 3 3 7,
- (b) to HM Revenue & Customs or any other governmental, public or official body for taxation purposes,
- (c) required to be disclosed by law, regulation or any court, governmental or competent regulatory authority,
- (d) in relation to matters that are already in the public domain, or

- (e) in relation to information known by such person (other than as a result of a breach of this provision)

3 4 Notice of Effective Date

Not more than two weeks after the Effective Date, the Company shall give notice that the Scheme has become effective and of the Bar Date, in the following ways:

- (a) by an appropriate posting on the Scheme Website,
- (b) by notice to each person who the Company believes may be a Scheme Creditor or, if they have previously been sent a letter by the Company inviting them to do so, has registered with the Company to receive correspondence in connection with the Scheme, and
- (c) by notice in the Scheme Publications, including an invitation to Scheme Creditors to request a Claim Form

3 5 Claim Forms

3 5 1 The Company shall make blank Claim Forms available for download from the Scheme Website and shall send a blank Claim Form to

- (a) the persons referred to in clause 3 4(b) (other than the Pension Creditor), within two weeks of the Effective Date, and
- (b) each person responding to the invitation referred to in clause 3 4(c), as soon as is reasonably practicable after receipt of the response

3 5 2 Each person notified shall be invited to complete a Claim Form with details of Scheme Liabilities

3 5 3 Claim Forms must be sent to the Scheme Supervisors to arrive on or before the Bar Date

3 5 4 The Claim Form should be completed in accordance with the instructions incorporated in it and should include

- (a) the identity of the Submitted Scheme Claimant,
- (b) a description of the nature of each Submitted Scheme Claim and how it arose,
- (c) the value of the Submitted Scheme Claim;
- (d) the legal basis of the Liability of the Company, and
- (e) any other facts which would assist the Scheme Supervisors in considering the Submitted Scheme Claim

3 5 5 Without prejudice to the power of the Scheme Supervisors to request further information, Scheme Creditors shall provide to the Scheme Supervisors such supporting evidence as they consider sufficient to justify their Submitted Scheme Claim

3 5 6 Submitted Scheme Claimants shall also submit to the Scheme Supervisors on request such additional information as is reasonably required for the Company to make claims against third parties

3 5 7 Submitted Scheme Claimants may submit to the Scheme Supervisors a revised Claim Form and/or revised information in respect of a Submitted Scheme Claim, together with any relevant supporting documentation, at any time up to and including the Bar Date

3 5 8 Subject to clause 3 7 4, after the Bar Date, Scheme Creditors are not entitled to make or revise a Submitted Scheme Claim or provide further information (unless required to do so in accordance with the Scheme)

3 6 Requirement to submit Claim Form

Subject to clause 3 7 2, in order to be entitled to any Scheme Payment, Scheme Creditors must, on or prior to the Bar Date, submit a Claim Form. No payments will be made in respect of Scheme Liabilities that are not submitted as Submitted Scheme Claims

3 7 Determination of Submitted Scheme Claims

3 7 1 The Scheme Supervisors shall examine each Claim Form returned to them in accordance with clause 3 5. Such examination shall include (without limitation) consideration of whether

- (a) details of Scheme Liabilities are adequately supported by any documentation submitted with the Claim Form;
- (b) details of the quantum of the Scheme Liabilities are sufficient, and the basis of calculation is reasonable and has been accurately applied, and
- (c) there is any set-off to which clause 2 6 does or may apply

3.7.2 Notwithstanding the other provisions of clause 3, with respect to Scheme Liabilities arising out of or in connection with a Finance Document, the amounts set out in Schedule 11 (if there is any amount set out against a Scheme Creditor's name) shall, as at the Effective Date, automatically comprise the relevant Scheme Creditors' Ascertained Scheme Claim. By no later than 25 Business Days after the Effective Date, the Scheme Supervisors shall advise each of the relevant Scheme Creditors (or any agent appointed by the relevant Scheme Creditor whether appointed pursuant to an Agency Arrangement or otherwise) of their proposed Adjusted Claim. On receipt of the proposed Adjusted Claim, the relevant Scheme Creditor (or such agent) shall have 25 Business Days to agree the value of the Adjusted Claim with the Scheme Supervisors. If no agreement can be reached within that 25 Business Day period, the part of the Adjusted Claim that is not agreed shall be deemed to be a Disputed Scheme Claim to be resolved in accordance with clause 3.8. On determination of an Adjusted Claim by agreement pursuant to this clause 3.7.2 and/or resolution pursuant to clause 3.8, such Adjusted Claim (as agreed or resolved as applicable) shall be added to the relevant Scheme Creditor's Ascertained Scheme Claim. Subject to the Settlement Agreement, nothing in this Scheme, in particular in this clause or Schedule 11, shall (i) prevent the relevant Scheme Creditors making any other Submitted Scheme Claims arising out of or in connection with either the Facilities Agreements, the Note Agreements, the Guaranteed Hedge Agreements or otherwise or (ii) constitute an admission as to the basis upon which an Ascertained Scheme Claim or any other claim has been or should be calculated.

3.7.3 Up to the Bar Date, the Scheme Supervisors may give notice to a Submitted Scheme Claimant specifying further information or evidence they reasonably require to assist them in agreeing its Submitted Scheme Claim.

3.7.4 After the Bar Date, if the Scheme Supervisors do not agree with the Submitted Scheme Claim, or do not consider the supporting information to be adequate, they shall notify the Submitted Scheme Claimant of that fact and the reasons, as soon as reasonably practicable (taking into account the volume of Submitted Scheme Claims received), and shall request any further information or evidence that would assist them in deciding upon the Submitted Scheme Claim.

3.7.5 The Submitted Scheme Claimant shall respond within such reasonable time limit as the Scheme Supervisors may specify and shall similarly respond to any subsequent requests for information from the Scheme Supervisors.

3.7.6 If the Scheme Supervisors agree with the Submitted Scheme Claim, or agree with the Scheme Creditor a value for which the Submitted Scheme Claim should be admitted as an Ascertained Scheme Claim, clause 3.7.7 shall apply. If the Scheme Supervisors do not agree with the Submitted Scheme Claim, clause 3.7.8 shall apply.

3.7.7 If the Scheme Supervisors agree with the Submitted Scheme Claim, they shall notify the Submitted Scheme Claimant of their agreement, in writing, as soon as reasonably practicable following that determination. The Submitted Scheme Claim, will become an Ascertained Scheme Claim on the date the notice is sent.

3.7.8 If the Submitted Scheme Claim is not agreed by the Scheme Supervisors within six months of the Bar Date, (or at such earlier time as the Scheme Supervisors shall determine or such later time to which the Scheme Supervisors and the Submitted Scheme Claimant shall both agree or acquiesce) such part (if any) of the Submitted Scheme Claim as is not agreed shall become a Disputed Scheme Claim. The part (if any) of the Submitted Scheme Claim that is agreed shall be added to that Scheme Creditor's Ascertained Scheme Claim if that Scheme Creditor already has such a claim otherwise it will constitute that Scheme Creditor's Ascertained Scheme Claim (without prejudice to the outcome of the dispute regarding the disputed portion).

3.7.9 Where a Submitted Scheme Claim (or part thereof) becomes a Disputed Scheme Claim, the Scheme Supervisors shall forthwith notify the Submitted Scheme Claimant, in writing, that the whole or part of its Submitted Scheme Claim has become a Disputed Scheme Claim including brief reasons as to why they have not agreed the whole or part of the Submitted Scheme Claimant's Submitted Scheme Claim.

3.8 Resolution of Disputed Scheme Claims

3.8.1 A Submitted Scheme Claimant who receives notice that the whole or part of his Submitted Scheme Claim has become a Disputed Scheme Claim, shall be entitled within 21 days of receipt of such notice to give notice to the Scheme Supervisors that it is appealing the rejection of its Disputed Scheme Claim and seek resolution of the existence or proper value of its Disputed Scheme Claim by means of proceedings issued in the Companies Court of the Chancery Division of the Court as if the Disputed Scheme Claim were an appeal of an administrator's decision under rule 2.78 of the Insolvency Rules.

3.8.2 If a final judgment is given against the Company in proceedings begun under clause 3.8.1 then, on the date such judgment becomes incapable of further appeal, the Disputed Scheme Claim will become an Ascertained Scheme Claim for the amount of the judgment.

3.8.3 If a final judgment is given against the Submitted Scheme Claimant in proceedings begun under clause 3.8.1 then, on the date such judgment becomes incapable of further appeal, (i) the Disputed Scheme Claim will become an Ascertained

Scheme Claim at the value determined by the final judgment and shall be added to that Scheme Creditor's Ascertained Scheme Claim if that Scheme Creditor already has such a claim otherwise it will constitute the Scheme Creditor's Ascertained Scheme Claim, or (ii) in the case of a judgment which values the Disputed Scheme Claim at zero, shall give no entitlement to a Scheme Payment under the Scheme in respect of the Disputed Scheme Claim

3 8 4 If any legal or other costs are awarded against the Company in respect of proceedings begun under clause 3.8.1, such amounts shall be payable by the Company to the relevant Scheme Creditor in full. If any legal or other costs are awarded in the Company's favour in respect of proceedings begun under clause 3 8 1, such amounts shall be payable to the Company in full

3 8 5 If the Submitted Scheme Creditor does not give notice under clause 3 8 1 and begin such proceedings within 21 days of receipt of the Scheme Supervisors' notice, then its Submitted Scheme Claim shall become an Ascertained Scheme Claim at the value accepted by the Scheme Supervisor or, if rejected entirely by the Scheme Supervisors, shall give no entitlement to a Scheme Payment under the Scheme.

3 8 6 Nothing in this clause 3 8 shall prevent the Scheme Supervisor from agreeing in writing with the Scheme Creditor the value of the Scheme Liability to which its Unascertained Scheme Claim relates, in which case the Unascertained Scheme Claim shall become an Ascertained Scheme Claim for the amount agreed

3 9 Variation of time limits

Where the Scheme Supervisors are satisfied that, due to exceptional circumstances outside the control of a Submitted Scheme Claimant, that Submitted Scheme Claimant has failed to comply with any time limit, other than the Bar Date, the Scheme Supervisors may, in their absolute discretion, extend that time limit for that Submitted Scheme Claimant by notice to the Submitted Scheme Claimant

SECTION 4
CATTLES COMPROMISE, PAYMENT AND THE PENSION CREDITOR

4 1 Compromise of Cattles claims

4 1 1 From the Effective Date, and apart from the Cattles Plan A Payment or the Cattles Plan B Payment, the recourse of Cattles to the Company in respect of any Liabilities of the Company to Cattles shall be limited to the amount of the net realisable value of the residual assets of the Company in a liquidation after all expenses of the liquidation and all other debts admitted to proof in the liquidation have been paid in full with statutory interest and all Scheme Liabilities owed to other Scheme Creditors have been paid in full or released, in accordance with the terms of the Scheme

4 1 2 Cattles hereby irrevocably authorises any of the Scheme Supervisors from the Effective Date to enter into, execute and deliver as a deed on its behalf a Subsidiary Deed of Release in respect of each member of the Group, apart from Cattles, the Company and Ruddington, that owes Liabilities to Cattles, to release that Group member's Liabilities to Cattles. The Scheme Supervisors shall enter into, execute and deliver such Subsidiary Deed of Release promptly after the Effective Date

4 2 Cattles Plan A Payment

Upon the Cattles Shareholder Scheme becoming effective and provided no Insolvency Event has occurred in respect of Cattles or the Company, the Company shall make the Cattles Plan A Payment

4 3 Cattles Plan B Payment and the Plan B Agreements

If at the Effective Date Cattles has been placed into administration pursuant to the Insolvency Act and the administrators appointed to Cattles have signed the Plan B Agreements, then the Company shall

- (a) enter into and comply with the terms of Plan B Agreements (unless the Company has already entered into any one or more of the Plan B Agreements, in which case it shall continue to comply with those Plan B Agreements), and
- (b) make the Cattles Plan B Payment

4 4 Payments to be made by the Company to enable the acquisition of the shares in Cattles

The payment by the Company of

- (a) up to £2,000,000 in respect of the fees, costs and expenses incurred or to be incurred by Structured Finance Management Limited and/or Bovess in connection with the acquisition of shares in the capital of Cattles under Plan A or shares in the capital of certain of its subsidiaries under Plan B that have been agreed to be paid by the Company pursuant to an engagement letter dated 6 September 2010 between Structured Finance Management Limited and the Company (as subsequently amended),
- (b) up to £5,300,000 in aggregate in respect of the amounts to be paid to the shareholders of Cattles pursuant to the Cattles Shareholder Scheme and, if applicable, participants in Cattles' share incentive schemes in connection with the Cattles Shareholder Scheme, and
- (c) up to £2,500,200 to Bovess pursuant to a corporate services deed dated 29 November 2010 between Bovess, Bovess Holding, Structured Finance Management Limited, SFM Corporate Services Limited, Holdings, Compass, Cattles Trustee, Welcome and the Company

is hereby authorised and approved and the consequent reduction in the sums available for distribution to Scheme Creditors is hereby authorised and approved

4 5 Pension Creditor's Scheme Liabilities

4 5 1 The Pension Creditor's Scheme Liabilities shall be determined in accordance with the terms of the Pension Compromise. On the final determination of the Pension Creditor's Scheme Liabilities in accordance with the terms of the Pension Compromise, the amount so determined shall be the Pension Creditor's Ascertained Scheme Claim

4 5 2 Until the Pension Creditor's Scheme Liabilities become an Ascertained Scheme Claim in accordance with clause 4 5 1, such Pension Creditor's Scheme Liabilities shall be estimated by the Scheme Supervisors as if they were the Pension Creditor's Unascertained Scheme Claim and such estimated amount shall be deemed to be the Pension Creditor's Unascertained Scheme Claim

4 5 3 The Scheme Supervisors shall exercise any powers they have under the Pension Compromise in consultation with the Creditors' Committee

SECTION 5

SCHEME ASSETS

5 1 Continuation of operations

5 1 1 Except insofar as specific functions are to be performed by the Scheme Supervisors and Outwards Claims Manager as set out in Section 8 and Section 9, the affairs, business and property of the Company shall continue to be managed by the Board. The Company, acting through the Board consistent with its regulatory and fiduciary responsibilities, shall remain solely responsible for the conduct of the future trading business of the Company.

5 1.2 Neither the Scheme Supervisors nor (for the avoidance of doubt) the members of the Creditors' Committee shall have any personal liability in respect of any ongoing trading activities by the Company or any debts incurred by the Company in respect of such trading.

5 2 Assets available to pay Liabilities

5 2 1 Subject to the terms of the Scheme, all assets of the Company shall be available to pay Scheme Liabilities.

5 2.2 Subject to the Scheme Reversion, the Company may use any of its assets to pay Excluded Liabilities in full.

5 2 3 Liabilities which are neither Scheme Liabilities nor Excluded Liabilities shall not be paid out of the assets of the Company without the consent of the Scheme Supervisors.

5 3 Protected PPI Liabilities

5 3 1 In respect of Protected PPI Liabilities, the Company shall make the payments to the FSCS that it is obliged to make under the PPI Settlement Agreement. The Company acknowledges that in making those payments, the Company is doing so for the purpose of carrying on its business and that the payments to the FSCS will benefit the Company and its creditors as a whole in achieving a better outcome for all creditors than would be achievable in a liquidation or administration of the Company.

5 3 2 Under the PPI Settlement Agreement, the Company is obliged to pay the Additional FSCS Payment (for the purposes of this clause 5 3 2 the Additional FSCS Payment shall be as defined in the PPI Settlement Agreement) to the FSCS prior to the Bar Date. The Scheme Creditors acknowledge that for the period up to when the Additional FSCS Payment is made such Additional FSCS Payment shall be paid in priority to any payment made to Scheme Creditors under the Scheme but excluding any payments to Scheme Creditors in respect of Excluded Liabilities. For the avoidance of doubt, the Company's obligation to pay the Additional FSCS Payment ranks equally with its obligations to pay all other Excluded Liabilities.

5 4 Unprotected PPI Liabilities

5 4 1 On the Effective Date, the Company shall establish a trust out of the assets of the Company in the amount of £20 million, with the Company as trustee, for the purpose of meeting all claims in respect of Unprotected PPI Liabilities.

5 4 2 Following the Effective Date, the Company must not use any of its assets to pay Unprotected PPI Liabilities, which shall be paid exclusively from the trust established under clause 5 4 1.

5 4 3 If at any time it appears to the Company that the trust established under 5 4 1 is likely to be insufficient to meet all claims in respect of Unprotected PPI Liabilities it is established to satisfy, the Company may, with the consent of the Scheme Supervisors, make one further payment into the trust of up to £2 5 million from the assets of the Company, if it appears to the Company and the Scheme Supervisor that such payment would be sufficient to enable it to pay all claims in respect of Unprotected PPI Liabilities.

5 4 4 If the Scheme Supervisors refuse such consent or the assets in the trust would still not be sufficient to meet the relevant Liabilities, the Company may, with the consent of the Creditors' Committee, pay such additional sums into the trust from the assets of the Company as it considers sufficient to meet the relevant Liabilities.

5 4 5 If the Creditors' Committee does not give consent in accordance with clause 5 4 4 within ten Business Days of a written request from the Company, and does not convene a meeting of Scheme Creditors to consider the request, the Scheme Supervisors shall convene a meeting of Scheme Creditors, in accordance with clause 11 1 2, explaining in the notice convening the meeting the consequences of the proposed meeting. The meeting so convened shall be asked whether it consents to the payment of additional sums referred to in clause 5 4.3 or to approve such other measures as the Scheme Supervisors may propose to enable Unprotected PPI Liabilities to be paid in full.

5.4.6 Within a reasonable time of the occurrence of a Scheme Reversion, the Company shall estimate the amount required, in the trust established under clause 5.4.1, to ensure that all remaining claims that are likely to be made in respect of Unprotected PPI Liabilities can be paid an amount equal to what such claims would have received under the Scheme prior to the Scheme Reversion had they been Ascertained Scheme Claims on the Effective Date. Any remaining sums shall be released from the trust to form part of the general assets of the Company.

5.4.7 On a Scheme Certified Liquidation, within a reasonable time of the passing of the applicable bar date in the liquidation, the liquidator appointed to the Company shall calculate the amount of funds in the trust created pursuant to clause 5.4.1 that are required to pay in full all claims in respect of Unprotected PPI Liabilities that have been received by the liquidator up to and including the applicable bar date. At that point, those funds in the trust that are not required to meet such claims in full shall be released from the trust to form part of the general assets of the Company.

5.4.8 If the circumstances described in clause 1.5.3 occur, the provisions of clause 5.4.6 shall apply as if Scheme Reversion had occurred.

SECTION 6

DISTRIBUTIONS

6.1 Calculation of Payment Percentage

6.1.1 By no later than five Business Days after each Distribution Period End Date the Company shall report to the Scheme Supervisors the Net Free Cash available for distribution at that Distribution Period End Date. The Scheme Supervisors shall aggregate the Net Free Cash available at the Distribution Period End Date with all amounts of Net Free Cash determined previously but avoiding any double-counting. This aggregated amount shall be the Cumulative Net Free Cash as at the latest Distribution Period End Date.

6.1.2 Following notification of the Net Free Cash amount by the Company the Scheme Supervisors shall determine the Payment Percentage, being the percentage of the total of the aggregate value of Ascertained Scheme Claims (taking in account clause 6.1.3), that could be paid from Cumulative Net Free Cash subject to a maximum of 100%.

6.1.3 For the purpose of calculating the Payment Percentage only, the Scheme Supervisors shall treat all Unascertained Scheme Claims as though they were Ascertained Scheme Claims.

6.2 Scheme Payments

6.2.1 The Scheme Supervisors are not obliged to determine a Payment Percentage following a Distribution Period End Date where the Net Free Cash reported by the Company to the Scheme Supervisors in accordance with clause 6.1.1 is an amount less than £1 million.

6.2.2 Subject to clause 6.2.1, following the calculation of the Payment Percentage, the Scheme Supervisors shall determine the Scheme Payment for each Scheme Creditor with an Ascertained Scheme Claim. Each Scheme Creditor with an Ascertained Scheme Claim shall be entitled to be paid a Scheme Payment (and the Company shall pay) an amount equal to the value of that Scheme Payment, calculated as

$$(A \times B) - (C + D)$$

where

- (a) A is the value of that Scheme Creditor's Ascertained Scheme Claim,
- (b) B is the Payment Percentage,
- (c) C is (i) the amount deemed to have been paid in respect of Proceedings, in accordance with clause 2.4.1 and not already paid directly to the Company by the Scheme Creditor outside of Scheme Payments and/or (ii) the amount of any legal or other costs awarded against the Scheme Creditor in respect of proceedings begun under clause 3.8.1 (to the extent they remain unpaid by the Scheme Creditor), and
- (d) D is the amount of any Scheme Payments previously paid to the Scheme Creditor.

6.2.3 Within ten Business Days of notification of the Net Free Cash amount by the Company, the Scheme Supervisors shall notify the Company of the Scheme Payments required to be paid and the amounts required to be paid into the Unascertained Scheme Trust Fund under clause 6.3.

6.2.4 Where Scheme Payments are due, the Company shall make those Scheme Payments from Net Free Cash, within five Business Days following notification from the Scheme Supervisors. However, the Company shall not be obliged to make a payment to a Scheme Creditor of less than £100, unless and until there is, in the reasonable opinion of the Scheme Supervisors, no prospect of any future Scheme Payments. Any such amounts shall be added to the Unascertained Payments Trust Fund earmarked for such Scheme Creditor and shall be paid to such Scheme Creditor when it receives its next Scheme Payment.

6.2.5 If there is an arithmetical error in respect of any Scheme Payment, such error may be taken into account and corrected by the Scheme Supervisors through the necessary reduction or increase in the amount of the relevant Scheme Creditor's subsequent Scheme Payment(s).

6.2.6 If an incorrect amount is paid to a Scheme Creditor under this clause then:

- (a) if the amount paid is lower than the amount that the Scheme Creditor is properly entitled to have received, the Scheme Supervisors shall direct the Company to pay the balance to the Scheme Creditor as soon as reasonably practicable after the error is noticed by the Company or the Company is notified of such error; or

- (b) if the amount paid is higher than the amount that the Scheme Creditor is properly entitled to have received, then the overpayment shall be deducted from the next Scheme Payment (and, if necessary subsequent Scheme Payments) to be made to that Scheme Creditor

6.3 Reserving for Unascertained Scheme Claims

6.3.1 Where, in calculating the Payment Percentage under clause 6.1.1, the Scheme Supervisors have taken account of the value of Unascertained Scheme Claims, the Company shall create the Unascertained Payments Trust Fund, of all amounts which would have been paid as Scheme Payments in respect of such Unascertained Scheme Claims, if they had been Ascertained Scheme Claims on the Distribution Date

6.3.2 The Unascertained Payment Trust Fund shall be held on trust by the Company for the benefit of Scheme Creditors in respect of their Unascertained Scheme Claims

6.3.3 If any Unascertained Scheme Claim subsequently becomes an Ascertained Scheme Claim, the Scheme Supervisors shall, as soon as reasonably practicable, calculate as a Scheme Payment for the relevant Scheme Creditor, such amount as if its Ascertained Scheme Claim had been an Ascertained Scheme Claim on the previous Distribution Period End Dates. The Scheme Supervisors shall notify the Company of the relevant Scheme Payment required to be paid to the Scheme Creditor from the Unascertained Payments Trust Fund. If the amount reserved in the Unascertained Payments Trust Fund in respect of an Unascertained Scheme Claim exceeds the amount of the relevant Ascertained Scheme Claim, the surplus shall be released from the Unascertained Payments Trust Fund into the general assets of the Company

6.3.4 If any Unascertained Scheme Claim is rejected under clause 3.7 and does not become a Disputed Scheme Claim, then any amount reserved in the Unascertained Payments Trust Fund in respect of that Unascertained Scheme Claim (including any amount reserved in respect of costs) shall be released from the Unascertained Payments Trust Fund into the general assets of the Company

6.4 Currency of Payment

If the Company is requested by a Scheme Creditor to make a Scheme Payment in a currency other than Sterling, it may do so, but the exchange rate risk shall be borne by the Scheme Creditor. The exchange rate to be used for any such conversion shall be at the Company's paying bank's spot rate. Any conversion fees shall be borne by the Company

6.5 Method of Payment

6.5.1 All Scheme Payments by the Company to a Scheme Creditor shall be made, at the option of the Company, either-

- (a) by cheque in favour of the Scheme Creditor, or such other person as the Scheme Creditor requests in writing, sent by Post to that person,
- (b) where the Scheme Creditor has designated a bank account in writing, by electronic transfer to that bank account,
- (c) to the Scheme Creditor's Representative, or
- (d) by any other appropriate method determined by the Scheme Supervisors or the Company and agreed by the Scheme Creditor

6.5.2 The Scheme Creditor shall bear all risk of payment under clause 6.5.1 and, at the discretion of the Company, may be required to bear any costs incurred. No Scheme Creditor shall be entitled to any interest on its Ascertained Scheme Claim due to a delay in payment or technical difficulties with payment

6.5.3 A Scheme Payment shall be deemed for all purposes to have been made on the date that the cheque is posted or electronic transfer instruction given

6.5.4 The Scheme Creditors acknowledge that the Scheme Supervisors and not the Board are responsible for determining the value of the Scheme Payments payable to Scheme Creditors in accordance with the terms of the Scheme

6.6 Unclaimed Payments

If a cheque sent under clauses 6.5.1(a) or (c) has not been presented for payment within four months of the date of issue, the Company shall notify the Scheme Supervisors and the Scheme Supervisors will make reasonable efforts to bring this to the attention of the Scheme Creditor, and may, at their discretion request that the Company cancel and reissue the cheque, but otherwise the Scheme Creditor will be deemed after six months from the date of issue to have been paid the amount represented by the un-presented cheque

6.7 Notice of Payment

The Scheme Supervisors shall agree with the Creditors' Committee the relevant form, terms and frequency of notification required by Scheme Creditors of Scheme Payments and Payment Percentages

SECTION 7

COVENANTS AND SCHEME REVERSION

7.1 Covenants

The Company gives to the Scheme Creditors the covenants set out in Schedule 6.

7.2 Scheme Reversion Decision Event

7.2.1 Each of the following shall be a Scheme Reversion Decision Event

- (a) the Scheme Supervisors circulating to the Scheme Creditors a Stage Three Trigger Event Report,
- (b) any breach of the covenants set out at clauses 7 and 8 of Schedule 6 (apart from any breach of the covenants set out at 8.15(a) and 8.15(b)),
- (c) a meeting of Scheme Creditors being convened under clause 5.4.5 and the resolution to approve the relevant payment or measures being defeated,
- (d) the FSCS issuing a Non-Payment Notice to the Company pursuant to the PPI Settlement Agreement,
- (e) the circumstances set out in paragraphs (a) and (b) of clause 18.1 (Scheme Reversion) of the PPI Settlement Agreement occur prior to the second anniversary of the Effective Date,
- (f) the circumstances set out in paragraphs (a) and (b) of clause 18.2 (Scheme Reversion) of the PPI Settlement Agreement occur prior to the second anniversary of the Effective Date,
- (g) at any time, the aggregate amount of the Company's liability to the FSCS under the PPI Settlement Agreement and the Claims Handling Agreement exceeds (1) the aggregate of the Initial FSCS Payment (as defined in the PPI Settlement Agreement), the Additional FSCS Payment (as defined in the PPI Settlement Agreement) and any BAU Payments (as defined in the PPI Settlement Agreement) that the Company makes to the FSCS and (2) any Top-Up Payments (as defined in the PPI Settlement Agreement) paid by the Company at that time, and
- (h) an Insolvency Event occurring in respect of the Company on or after the Bar Date

7.2.2 On the occurrence of a Scheme Reversion Decision Event, the Scheme Supervisors shall, except where a meeting of Scheme Creditors has already been convened or is underway in accordance with clause 5.4.5, forthwith convene a meeting of Scheme Creditors in accordance with clause 11.1.2. Such meeting or any adjournment of that meeting may then resolve either

- (a) to take no action in respect of the Scheme Reversion Decision Event,
- (b) to agree a proposal by the Company or recommend to the Company such measures as the meeting considers appropriate for the Scheme Reversion Decision Event to be remedied and, if a recommendation is made, for the meeting to be adjourned for up to ten Business Days to allow the Company to decide whether to take the recommended measures and the Company shall report its decision to the Adjourned Meeting, or
- (c) that Scheme Reversion shall occur on the date of the resolution

7.2.3 If at a meeting of Scheme Creditors convened in accordance with clause 7.2.2, a resolution in accordance with clauses 7.2.2(a) or 7.2.2(b) is not passed in accordance with clause 11.3.2 and the meeting is not adjourned, a Scheme Reversion shall occur

7.2.4 On a Scheme Reversion, the Company shall notify the FSCS of such Scheme Reversion forthwith

7.3 Scheme Reversion

With effect from Scheme Reversion

- (a) Scheme Liabilities shall be released, other than
 - (i) Cattles's claim against the Company pursuant to clause 4.1, and
 - (ii) Scheme Liabilities which have become Ascertained Scheme Claims or remain Unascertained Scheme Claims,
- (b) the unpaid part of any Ascertained Scheme Claims shall become enforceable debts of the Company, free of the restrictions in clauses 2.2, 2.3 and 2.5,
- (c) the Unascertained Payment Trust Fund shall remain available to pay Unascertained Scheme Claims in accordance with clause 7.4,
- (d) the PPI Settlement Agreement shall continue unless terminated on its terms,

- (e) the trust created for Unprotected PPI Liabilities under clause 5 4 shall remain available to pay Unprotected PPI Liabilities in accordance with clause 5 4 6, and
- (f) save for the provisions in clauses 1 1, 2 9, 5 4, 7 3, 7 4, 8 6, 8 7, 9 4, 9 5, 10.7, 10 8, 10 9, 10 10, 13 1 and 13 6 all terms and conditions under the Scheme shall cease to apply.

7 4 Determination and payment of Unascertained Scheme Claims on Scheme Reversion

7 4 1 With effect from Scheme Reversion, on the determination of the value of a Scheme Creditor's Unascertained Scheme Claim (the *Determined Value*) by judgment, agreement or otherwise, the Scheme Creditor shall (subject to any rights of set off) be entitled to be paid a Catch-up Payment from the Unascertained Payment Trust Fund calculated in accordance with clause 7 4 2

7 4 2 A Catch-Up Payment is an amount equal to the aggregate value of all Scheme Payments that a Scheme Creditor would have been entitled to receive and would have received prior to the Scheme Reversion if it had had an Ascertained Scheme Claim of an amount equal to its Determined Value at each Distribution Period End Date prior to the Scheme Reversion

7 4 3 A Scheme Creditor whose Unascertained Scheme Claim has been determined in accordance with clause 7 4 1 and has received a Catch-Up Payment, shall have an enforceable debt of the Company in respect of the unpaid part of the Determined Value of its claim free from the restrictions in clauses 2 2, 2 3 and 2 5

7 4 4 If the amount reserved in the Unascertained Payments Trust Fund in respect of an Unascertained Scheme Claim exceeds the Catch-Up Payment paid in respect of that Unascertained Scheme Claim in accordance with clause 7 4 2, the surplus shall be released from the Unascertained Payments Trust Fund into the general assets of the Company

SECTION 8

THE SCHEME SUPERVISORS

8 1 The Scheme Supervisors

8 1 1 Any Scheme Supervisor must be a licensed insolvency practitioner within the meaning of section 390 of the Insolvency Act and duly qualified in the reasonable opinion of the Company to discharge the function of a Scheme Supervisor under the Scheme. Where more than one person has been appointed as a Scheme Supervisor, they may exercise and perform the powers, rights, duties and functions of the Scheme Supervisors under the Scheme jointly or severally.

8 1 2 A Scheme Supervisor shall not take office until he or his firm has entered into the Scheme Supervisors Agreement, which shall include provisions as to his remuneration and expenses, and has contracted to be bound by the terms of the Scheme to the extent that they apply to him as Scheme Supervisor. The Company acknowledges and agrees that the Scheme Supervisors are permitted to exercise all the powers given to them and rely upon all the provisions relevant to them under the Scheme.

8 1 3 The Scheme Supervisors shall initially be Christine Mary Lavery, Richard Dixon Fleming and Edward George Boyle of KPMG LLP, 8 Salisbury Square, London, EC4Y 8BB. They have given, and not withdrawn their consent to the Company to act as Scheme Supervisors from the Effective Date and have contracted with the Company pursuant to the Scheme Supervisors Agreement to be bound by the terms of the Scheme to the extent such terms apply to the Scheme Supervisors. The Company with the agreement of the Creditors' Committee shall have the power to appoint any successors.

8 1 4 In exercising their powers and carrying out their duties under the Scheme, the Scheme Supervisors shall act as agents of the Company.

8 1 5 Any function or power conferred on the Company or its officers, whether by statute or by its memorandum or articles of association, which could be exercised in such a way as to interfere with the exercise by the Scheme Supervisors of their functions and powers in relation to the Company or the Scheme, shall not be so exercised except with the consent of the Scheme Supervisors, which may be given either generally or in relation to particular cases. Any such consent given by the Scheme Supervisors may be withdrawn. Provided that nothing in this clause shall relieve the Board from its duties in accordance with the Companies Act or otherwise.

8 2 Vacation of office

A Scheme Supervisor shall vacate office if he

- (a) becomes bankrupt,
- (b) is disqualified from acting as a director under CDDA,
- (c) is admitted to hospital because of mental disorder or is the subject of an order concerning his mental disorder made by a court having jurisdiction in England or elsewhere in such matters,
- (d) is convicted of an indictable offence or be convicted of any offence by a court having jurisdiction in any other country where that offence, if committed in England and Wales, would have been an indictable offence under English law,
- (e) resigns his office by giving 60 days' notice in writing to the Company and the Creditors' Committee or such shorter period of notice as may be agreed by the Company and the Creditors' Committee or resigns his office with immediate effect by giving notice in writing to the Company and the Creditors' Committee if he considers that he should for professional regulatory reasons or in the event of non-payment of his fees when due and such fees have been approved by the Creditors' Committee, a meeting of Scheme Creditors or pursuant to a final order of the Court in each case pursuant to clause 8 9, or
- (f) is removed by the Creditors' Committee in accordance with clause 10 4 4(b).

8 3 Role of the Scheme Supervisors

8 3 1 The Scheme Supervisors shall discharge the duties and responsibilities imposed upon them by the Scheme.

8 3 2 The Scheme Supervisors shall act in good faith with reasonable skill and care in the interests of the Scheme Creditors as a whole and shall exercise their powers, duties and functions under the Scheme with a view to ensuring that the Scheme is implemented in accordance with its terms.

8 3 3 Without prejudice to the generality of clause 8 3 1, the Scheme Supervisors shall in addition

- (a) monitor on a basis agreed with the Creditors' Committee the Company's compliance with the terms of the Scheme,

- (b) provide a Scheme Supervisors' Report to the Creditors' Committee on the conduct of the affairs of the Company in relation to the Scheme and the operation of the Scheme at the end of each period of every three months from the Effective Date or as otherwise agreed with the Creditors' Committee,
- (c) attend meetings of the Creditors' Committee and meetings of the Scheme Creditors convened in accordance with the Scheme for any purpose in relation to the operation of the Scheme (and subject always to clauses 10.3.5 and 11.1.4), and
- (d) so far as they are able, provide the Creditors' Committee with such information as it may from time to time reasonably require in relation to matters of relevance to the Creditors' Committee

8.4 Powers of the Scheme Supervisors

8.4.1 The Scheme Supervisors shall have all of the powers necessary or desirable to enable them to discharge their duties and responsibilities under the Scheme (although it is acknowledged that the Scheme Supervisors cannot exercise any power that would result in their assuming control of the Company's affairs so as to supplant the Board)

8.4.2 Without prejudice to the generality of clause 8.4, the Scheme Supervisors shall be entitled

- (a) to have access to such Company information or personnel as they may from time to time require on the affairs of the Company that relate to the operation of the Scheme,
- (b) to delegate to or employ any person as they see fit for the carrying out of their powers, rights, duties and functions under the Scheme,
- (c) on behalf of the Company, to negotiate and/or compromise Submitted Scheme Claims, in accordance with the provisions of the Scheme,
- (d) to do all acts and to execute in the name and on behalf of the Company any deed, receipt or other document necessary for or incidental to their role under the Scheme,
- (e) to request the Company to make any payment that is necessary for or incidental to the performance of the Scheme Supervisors' or the Company's functions;
- (f) to apply to Court for directions in relation to any particular matter arising in the course of the Scheme,
- (g) to liaise with the Creditors' Committee and to attend Creditors' Committee meetings if invited,
- (h) to engage (or require the Company to engage) legal advisers (including counsel) and financial advisers from time to time (provided that at any particular time, the Scheme Supervisors may only engage one legal adviser in any jurisdiction and one financial adviser) as reasonably required in order to advise and assist the Scheme Supervisors in connection with the conduct of their functions and powers under the Scheme,
- (i) to receive Board papers, to attend meetings of the Board at their discretion and to address the Board (it is however acknowledged by the Company, the Creditors' Committee and the Scheme Creditors that the Scheme Supervisors are not expected to attend meetings of the Company's executive committee),
- (j) to instruct the Company to make payments pursuant to the terms of the Scheme, and
- (k) to convene a meeting of Scheme Creditors in accordance with clause 11.1.2, if appropriate

8.5 Vacancy

If there is no Scheme Supervisor in office, the Company with the agreement of the Creditors' Committee shall forthwith fill the vacancy

8.6 Liability of Scheme Supervisors

8.6.1 Except to the extent required by law, no Scheme Creditor shall be entitled to challenge the validity of any act done or omitted to be done in good faith and with due care by the Scheme Supervisors in accordance with and to implement the provisions of the Scheme or the exercise by the Scheme Supervisors in good faith and with due care of any power conferred upon them for the purposes of the Scheme if exercised in accordance with and to implement the provisions of the Scheme

8.6.2 A Scheme Supervisor shall not be liable for any loss resulting from any act he does or omits to do, unless any such loss is attributable to his own negligence, breach of statutory duty, breach of trust, fraud or dishonesty

8 7 Indemnity

8 7 1 The Scheme Supervisors shall be entitled to an indemnity out of the property of the Company against

- (a) all Proceedings brought or made against them in respect of any act done or omitted to be done in relation to the Company by them in good faith, without negligence, breach of duty, breach of trust, fraud or dishonesty in the course of performing their duties and functions under the Scheme, and
- (b) all costs, charges, expenses and liabilities properly incurred by each of them in the course of performing their duties and functions under the Scheme

8 7 2 In addition to the general provisions of clause 8 7 1, the Scheme Supervisors shall be entitled to an indemnity out of the property of the Company

- (a) against any liability incurred by them in defending any Proceedings, whether civil or criminal, in respect of any negligence, breach of statutory duty, breach of trust, fraud or dishonesty relating to the operation of the Scheme, where
 - (i) judgment is given in their favour; or
 - (ii) where they are acquitted, and
- (b) in connection with any application in any such Proceedings where relief is granted to them by a court from liability for negligence, breach of statutory duty, breach of trust, fraud or dishonesty relating to the operation of the Scheme

8 8 Insurance

The Company will, in consultation and as agreed with the Scheme Supervisors

- (a) use its reasonable endeavours to purchase and maintain for the Scheme Supervisors insurance from the date of their appointment against any liability for which the Company would be obliged to indemnify them in accordance with clause 8 7, and
- (b) subject to clause 8 8(a) within seven Business Days of the first demand by the Scheme Supervisors, pay the costs incurred by a Scheme Supervisor in defending proceedings of the nature described in clause 8 7 1(a), provided that such Scheme Supervisor gives the Company an undertaking to reimburse it (with interest) at the conclusion of those Proceedings, where such Scheme Supervisor is not entitled to an indemnity under clause 8 7

8 9 Remuneration and expenses of Scheme Supervisors

The Scheme Supervisors shall be remunerated by the Company in respect of their role in the Scheme and all acts reasonably incidental thereto and in accordance with the agreement referred to in clause 8 1 2 Such remuneration is to be approved by the Creditors' Committee and such approval shall not be unreasonably withheld If approval cannot be obtained within a reasonable period, the Scheme Supervisors may convene a meeting of the Scheme Creditors in accordance with clause 1 1 2 to determine the level of the Scheme Supervisors' costs, charges, expenses and liabilities If approval cannot be obtained at a meeting of the Scheme Creditors, the Scheme Supervisors shall be permitted to apply, or cause the Company to apply, to the Court for directions as if Rules 2 106 to 2 108 of the Insolvency Rules applied, *mutatis mutandis*, to the Scheme Supervisors

SECTION 9

THE OUTWARDS CLAIMS MANAGER

9 1 The Outwards Claims Manager

9 1 1 The initial Outwards Claims Manager shall be Michael Rollings of Rollings and Co LLP, 6 Snow Hill, London, EC1A 2AY. He has given to the Company and not withdrawn his consent to act as Outwards Claims Manager from the Effective Date and has contracted with the Company pursuant to an Outwards Claims Manager Agreement. The Company, with the agreement of the Creditors' Committee, shall have the power to appoint any successors of the initial Outwards Claims Manager and any successors of any Outwards Claims Manager.

9 1 2 An Outwards Claims Manager shall not take office until he or his firm has entered into an Outwards Claims Manager Agreement (the terms of which are to be agreed with the Creditors' Committee and the Company), which shall include provisions as to his remuneration and expenses, and has contracted to be bound by the terms of the Scheme to the extent that they apply to him as Outwards Claims Manager. The Company acknowledges and agrees that the Outwards Claims Manager is permitted to exercise all the powers given to him and rely upon all the provisions relevant to him under the Scheme.

9 1 3 The Outwards Claims Manager will manage and as appropriate conduct the Outward Claims Litigation on behalf of the Company, consulting with the Creditors' Committee in such manner as the Creditors' Committee shall reasonably require and as shall not prejudice the Outwards Claims Litigation. The Outwards Claims Manager shall not incur any costs or expenses in connection with the Outwards Claims Litigation without the prior consent of the Creditors' Committee (not to be unreasonably withheld) provided that this consent arrangement may be replaced by a litigation protocol agreed between the Outwards Claims Manager and the Creditors' Committee (in consultation with the Company).

9 1 4 In exercising his powers and carrying out his duties under the Scheme, the Outwards Claims Manager shall act as agent of the Company.

9 1 5 The Outwards Claims Manager shall act in good faith with reasonable skill and care in the interests of the Scheme Creditors as a whole and shall exercise his powers, duties and functions under the Scheme with a view to ensuring that the Scheme is implemented in accordance with its terms.

9 2 Vacation of office

An Outwards Claims Manager shall vacate office if he

- (a) becomes bankrupt,
- (b) is disqualified from acting as a director under CDDA,
- (c) is incapacitated, such that he is, in the opinion of the Creditors' Committee, unable to carry out his duties as Outwards Claims Manager;
- (d) is convicted of an indictable offence or be convicted of any offence by a court having jurisdiction in any other country where that offence, if committed in England and Wales, would have been an indictable offence under English law, or
- (e) resigns his office by giving 60 days' notice in writing to the Company and the Creditors' Committee or such shorter period of notice as may be agreed by the Company and the Creditors' Committee.

9 3 Powers of the Outwards Claims Manager

The Outwards Claims Manager shall have all of the powers necessary or desirable to enable him to discharge his duties and responsibilities under the Scheme subject to the provisions of the Scheme.

9 4 Liability of the Outwards Claims Manager

9 4 1 Except to the extent required by law, no Scheme Creditor shall be entitled to challenge the validity of any act done or omitted to be done in good faith and with due care by the Outwards Claims Manager in accordance with and to implement the provisions of the Scheme relating to this or the exercise by the Outwards Claims Manager in good faith and with due care of any power conferred upon him for the purposes of the Scheme if exercised in accordance with and to implement the provisions of the Scheme.

9 4 2 The Outwards Claims Manager shall not be liable for any loss resulting from any act he does or omits to do, unless any such loss is attributable to his own negligence, breach of statutory duty, breach of trust, fraud or dishonesty.

9 5 Indemnity

9 5 1 The Outwards Claims Manager shall be entitled to an indemnity out of the property of the Company against

- (a) all Proceedings brought or made against him in respect of any act done or omitted to be done in relation to the Company by him in good faith, without negligence, breach of duty, breach of trust, fraud or dishonesty in the course of performing his duties and functions under the Scheme, and
- (b) all costs, charges, expenses and liabilities properly incurred by him in the course of performing his duties and functions under the Scheme

9 5 2 In addition to the general provisions of clause 9 5 1 the Outwards Claims Manager shall be entitled to an indemnity out of the property of the Company

- (a) against any liability incurred by him in defending any Proceedings, whether civil or criminal, in respect of any negligence, breach of statutory duty, breach of trust, fraud or dishonesty relating to the operation of the Scheme, where
 - (i) judgment is given in his favour; or
 - (ii) where he is acquitted, and
- (b) in connection with any application in any such Proceedings where relief is granted to him by a court from liability for negligence, breach of statutory duty, breach of trust, fraud or dishonesty relating to the operation of the Scheme

9 5 3 The Company will, in consultation and agreed with the Outwards Claims Manager

- (a) use its reasonable endeavours to purchase and maintain for the Outwards Claims Manager insurance against any liability for which the Company would be obliged to indemnify him in accordance with clause 9 5, and
- (b) subject to clause 9 5 2(a), pay the costs incurred by the Outwards Claims Manager in defending proceedings of the nature described in clause 9 5 2(a), provided that the Outwards Claims Manager gives the Company an undertaking to reimburse it (with interest) at the conclusion of those Proceedings, where the Outwards Claims Manager is not entitled to an indemnity under clause 9 5

9 5 4 The Scheme Creditors acknowledge that the Outwards Claims Manager (in consultation with the Creditors' Committee) and not the Board is responsible for the conduct of the Outwards Litigation Claim

9 5 5 The Company and the Board shall cooperate fully with the Outwards Claims Manager.

9 6 Remuneration and expenses of Outwards Claims Manager

The Outwards Claims Manager shall be remunerated in respect of his role in the Scheme and all acts reasonably incidental thereto and in accordance with the agreement referred to in clause 9 1 1 Such remuneration is to be approved by the Creditors' Committee and such approval shall not be unreasonably withheld If approval cannot be obtained within a reasonable period, the Outwards Claims Manager may convene a meeting of the Scheme Creditors in accordance with clause 11 1 2 to determine the level of the Outwards Claims Manager's costs, charges, expenses and liabilities. If approval cannot be obtained at a meeting of the Scheme Creditors, the Outwards Claims Manager shall be permitted to apply, or cause the Company to apply, to the Court for directions as if Rules 2 106 to 2 108 of the Insolvency Rules applied, *mutatis mutandis*, to the Outwards Claims Manager

9 7 No release

Nothing in this Scheme is intended to or shall have the effect of releasing any claims the Company may have in respect of and in connection with the Outwards Claims Litigation

SECTION 10

CREDITORS' COMMITTEE

10 1 Constitution of the Creditors' Committee

10 1 1 There shall be a Creditors' Committee under the Scheme

10 1 2 The Creditors' Committee shall consist of not less than three nor more than six persons unless the Scheme Supervisors in consultation with the Creditors' Committee agree otherwise (but in any event any change cannot reduce the minimum number below three or increase the upper limit beyond seven)

10 1 3 The following creditors shall be the initial Committee Members

- (a) The Royal Bank of Scotland plc,**
- (b) Lloyds TSB Bank plc,**
- (c) a lender under a Facilities Agreement,**
- (d) a lender under a Facilities Agreement,**
- (e) a holder of a note issued under a Note Agreement, and**
- (f) a Shareholder who is a Scheme Creditor. And in addition this Committee Member shall be entitled to be accompanied to Creditors' Committee meetings by another Shareholder who is a Scheme Creditor. Such person to attend Creditors' Committee meetings as an observer**

10 1 4 The FSCS, the Pension Creditor and the Shareholder Observer are each appointed as a non-voting observer to the Creditors' Committee for as long as each wishes to remain so and are entitled both to attend all meetings of the Creditors' Committee and receive all papers produced for and by the Creditors' Committee. The FSCS, the Pension Creditor and the Shareholder Observer are each entitled to receive all information, documents and notices at the same time (and to the same extent) as each Committee Member is entitled to receive such information, documents or notices

10 1 5 Subject to clause 3 3 6 and 10 1 6, the Committee Members, the Pension Creditor, the Shareholder Observer and the FSCS each agrees to keep the Committee Confidential Information completely and absolutely confidential

10 1 6 Each of the Committee Members, the Pension Creditor, the Shareholder Observer and the FSCS agrees that it will not disclose or permit any of the Committee Confidential Information to be disclosed to any person except to the extent such disclosure is

- (a) to any of their any officers, directors, employees, auditors and Affiliates and their Affiliates may disclose to any of their officers, directors, employees and auditors as the Committee Member, the Pension Creditor, the Shareholder Observer or the FSCS, as the case may be, consider appropriate if any person to whom such information is given have agreed to be bound by clauses 10 1 5 and 10 1 6,**
- (b) to such professional advisers as the Committee Member, the Pension Creditor, the Shareholder Observer or the FSCS, as the case may be, consider appropriate and who (save in the case of legal advisers and auditors provided that it is made clear to them that such matters are confidential) have agreed to be bound by clauses 10 1 5 and 10 1 6,**
- (c) to HM Revenue & Customs or any other governmental, public or official body for taxation purposes, or**
- (d) required to be disclosed by law, regulation or any court, governmental or competent regulatory authority**

10 1 7 Each of the Committee Members, the FSCS, the Shareholder Observer and the Pension Creditor may not disclose to any person (apart from their respective legal advisers) any document (in any form) provided to them by or on behalf of the Outwards Claims Manager or by any of his advisers which the Outwards Claims Manager or any of his advisers has marked or has stated in writing to be legally privileged, without the prior written consent of the Outwards Claims Manager

10 1 8 If, from time to time, there is an even number of Committee Members on the Creditors' Committee, the Creditors' Committee may by majority vote choose a chairman or in the absence of a majority, the Scheme Supervisors shall choose a chairman. That chairman shall have the deciding vote at any meeting of the Creditors' Committee

10 1 9 The following shall be eligible for subsequent appointment as Committee Members:

- (a) any Scheme Creditor who has an Ascertained Scheme Claim (whether an individual, a body corporate or a partnership), and**

- (b) any other person with the written consent of the Scheme Supervisors, which consent may be revoked by the Scheme Supervisors at any time, if it becomes clear that person is not a Scheme Creditor.

10.1.10 Each Committee Member which is a body corporate or a partnership may, by notice in writing to the Creditors' Committee, appoint a senior executive, other senior employee or professional adviser as its Nominated Representative to represent that Committee Member at any meeting of the Creditors' Committee

10.1.11 Any Committee Member or Nominated Representative who is an individual may, by notice in writing to the Creditors' Committee, appoint a senior executive, other senior employee or professional adviser as an Alternate to attend and vote in his place at any meeting of the Creditors' Committee

10.1.12 Any Nominated Representative or Alternate shall have the same powers and shall be subject to the same duties and limitations as the Committee Member whom the Nominated Representative or Alternate represents

10.2 Membership of the Creditors' Committee

10.2.1 The Creditors' Committee may at any time appoint any person who is eligible to be so appointed to be a Committee Member, whether to fill a vacancy or as an additional Committee Member, so that the total number of Committee Members shall not exceed the maximum number specified in clause 10.1.2. In appointing additional Committee Members, the Creditors' Committee shall endeavour to ensure that the composition of the Creditors' Committee is such that

- (a) on or prior to the Bar Date it represents a proper balance of the interests of Submitted Scheme Claimants (but excluding for this purpose any Submitted Scheme Claimant's Disputed Scheme Claim) (and taking into account the Scheme Supervisors' views on the likely success or failure and the likely quantum of such Scheme Creditors' Submitted Scheme Claims) and the Scheme Creditors who have Ascertained Scheme Claims, but taking into account the quantum of different Scheme Creditors' Ascertained Scheme Claims, or
- (b) after the Bar Date it represents a proper balance of the interests of the Scheme Creditors who have Ascertained Scheme Claims, but taking into account the quantum of different Scheme Creditors' Ascertained Scheme Claims

10.2.2 The Scheme Creditors may, by a Creditors' Resolution passed at a meeting of Scheme Creditors convened, and at which business is transacted, pursuant to section 11 remove any Committee Member from office and without prejudice to the Creditors' Committee's powers under clause 10.2.1 may by Creditors' Resolution appoint any person who is eligible to be appointed under clause 10.1.9 to be a Committee Member either to fill a vacancy or in addition to the existing Committee Members, but so that the total number of Committee Members shall not exceed the maximum number specified in clause 10.1.2

10.2.3 The office of a Committee Member shall be vacated if any of the situations set out in clauses 10.2.4 to 10.2.5 applies or if that Committee Member

- (a) resigns by notice in writing addressed to the Creditors' Committee,
- (b) is removed from office by a Creditors' Resolution,
- (c) if the Committee Member ceases to become a Scheme Creditor (or is found never to have been one), or
- (d) fails to attend three consecutive meetings of the Creditors' Committee, unless the Creditors' Committee (excluding that Committee Member) resolves by a majority of two-thirds of the Committee Members present at a meeting of the Creditors' Committee that he should continue as a Committee Member

10.2.4 In the case of an individual, the office of a Committee Member shall be vacated if that individual

- (a) transfers or assigns a Scheme Liability or Ascertained Scheme Claim in accordance with clause 3.3 such that he is no longer a Scheme Creditor;
- (b) dies,
- (c) is admitted to hospital because of mental disorder or is the subject of an order concerning his mental disorder made by a court having jurisdiction in England or elsewhere in such matters,
- (d) becomes bankrupt or is subject to an individual voluntary arrangement or analogous process under the law of any jurisdiction to which he is subject,
- (e) becomes disqualified from acting as a director under the law of any jurisdiction to which he is subject, or
- (f) is convicted of an indictable offence, other than a road traffic offence

10 2 5 In the case of a body corporate or partnership, the office of a Committee Member shall be vacated if that body corporate or partnership is dissolved or has transferred or assigned its Scheme Liabilities or Ascertained Scheme Claims in accordance with clause 3 3 such that the relevant body corporate or partnership is no longer a Scheme Creditor

10 2 6 In the case of a person appointed with the consent of the Scheme Supervisors under clause 10 1 9(b), the office of that Committee Member shall be vacated if that person has his written consent under that clause revoked by the Scheme Supervisors

10 2 7 Any person entitled to appoint a Nominated Representative or an Alternate may from time to time revoke that appointment and appoint another Nominated Representative or Alternate by notice in writing to the Creditors' Committee, the Scheme Supervisors and the Company

10 2 8 The appointment of a Nominated Representative or an Alternate (as the case may be) shall terminate automatically if

- (a) his appointment is revoked by his appointor; or
- (b) the person whom that Nominated Representative or Alternate represents ceases to be a Committee Member; or
- (c) the Nominated Representative or Alternate ceases to be a senior executive, senior employee or professional adviser of the Committee Member whom he represents, or
- (d) the Nominated Representative or Alternate dies, becomes bankrupt or is disqualified from acting as a director in each case under the law of any jurisdiction to which he is subject or is convicted of an indictable offence

10 3 Proceedings of the Creditors' Committee

10 3 1 The Company may appoint a representative or representatives to attend any meeting of the Creditors' Committee for the purposes of observing the meeting only The Creditors' Committee may resolve to remove the Company representative from any meeting or part of any meeting, following which resolution, the representative shall withdraw, as resolved

10 3 2 Where a majority of the Creditors' Committee considers it appropriate, the meeting of the Creditors' Committee may be conducted and held in such a way that persons who are not present together at the same place may attend it Where a meeting is conducted and held in this manner, a Committee Member attends the meeting if that Committee Member is able to exercise any rights which that Committee Member may have to speak and vote at the meeting Such meetings shall be conducted in accordance with the regime set out in rule 12A 26 of the Insolvency Rules

10 3 3 Save as otherwise specifically provided in the Scheme, the Creditors' Committee may convene, adjourn and otherwise regulate its meetings in such manner as it considers appropriate The quorum at any meeting of the Creditors' Committee shall be at least 50% of the Committee Members, attending in person or by conference call, provided that if a quorum is not present within 15 minutes from the time appointed for a meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be determined by the majority of the Committee Members present and the Committee Members present at any such meeting reconvened following an adjournment shall constitute a quorum Each Committee Member shall have one vote and, except as otherwise provided in the Scheme, matters arising at a meeting shall be decided by a majority of votes cast at the meeting.

10 3 4 The Creditors' Committee shall meet with the Scheme Supervisors as often as necessary and in any event and unless otherwise agreed with the Creditors' Committee at least once every three months for the purpose of receiving the Scheme Supervisors' Report The Creditors' Committee shall hold such further meetings as it considers desirable for the purpose of performing its functions under the Scheme A meeting of the Creditors' Committee shall be called as soon as reasonably practicable if so requested by at least two Committee Members or if the Scheme Supervisors otherwise consider it appropriate Except with the consent of all Committee Members, no meeting of the Creditors' Committee may be called on less than five Business Days' notice and, except with the consent of all Committee Members, no business may be transacted at any such meeting other than that set out in the notice of that meeting.

10 3 5 Each Committee Member (including any Nominated Representative or Alternate) and the Scheme Supervisors (or their representatives) shall be entitled to attend and receive notice of all meetings of the Creditors' Committee The Scheme Supervisors shall be entitled to attend and speak, but not to vote, at all meetings of the Creditors' Committee Notwithstanding the previous provisions of this sub-clause 10 3 5, if so requested by the Creditors' Committee, the Scheme Supervisors (or their representative(s)) shall absent themselves from all or such part of a meeting of the Creditors' Committee as the Creditors' Committee may specify

10 3 6 The Creditors' Committee shall ensure that proper minutes shall be kept of all proceedings of the Creditors' Committee and such minutes shall at all reasonable times be open to inspection by any Committee Member Copies of such minutes shall be sent as soon as practicable after each meeting to the Scheme Supervisors and each Committee Member A

resolution in writing agreed to by all Committee Members for the time being shall be valid and effective as if passed at a meeting of the Creditors' Committee duly convened and held. Each Committee Member may signify his agreement to a proposed written resolution when the Creditors' Committee receives from him a document identifying the resolution to which it relates and indicating his agreement to the resolution. The document may be sent to the members of the Creditors' Committee in hard copy form or in electronic form.

10.3.7 Apart from in consultation with and with the agreement of the Creditors' Committee, the Outwards Claims Manager will not share any information regarding the Outwards Claims Litigation with the Scheme Supervisors. The Scheme Supervisors shall not, without the express consent of the Creditors' Committee, be permitted to attend those parts of any Creditors' Committee meetings that relate to the Outwards Claims Litigation. The Outwards Claims Manager shall attend meetings of the Creditors' Committee only if invited to do so by the Creditors' Committee.

10.4 Powers

10.4.1 The Creditors' Committee shall have all the powers necessary or desirable to enable them to discharge their duties and responsibilities under the Scheme including without limitation in connection with their taking decisions and/or exercising discretion.

10.4.2 Before each regular three-monthly meeting of the Creditors' Committee convened pursuant to clause 10.3.4 the Scheme Supervisors shall submit to the Creditors' Committee their Scheme Supervisors' Report for the period since the last such Scheme Supervisors' Report was prepared (or, with the consent of the Creditors' Committee in the case of the first such meeting, since the Effective Date) and, unless the Creditors' Committee agrees otherwise, at least one of them shall attend (or with the consent of the Creditors' Committee appoint a representative to attend) at any meeting of the Creditors' Committee at which that Scheme Supervisors' Report is considered for the purpose of giving such explanations and information as the Creditors' Committee may require.

10.4.3 The Scheme Supervisors' Report, incorporating such amendments and redactions (if any) as may be agreed by the Scheme Supervisors and the Creditors' Committee, shall be made available to the Scheme Creditors in accordance with clause 11.1.7.

10.4.4 The Creditors' Committee shall be entitled

- (a) to require at least one of the Scheme Supervisors to attend any meeting of the Creditors' Committee,
- (b) by a resolution passed by at least three-fourths by number (rounded up to the nearest whole number) of all the Committee Members to call upon a Scheme Supervisor or the Outwards Claims Manager to resign, provided that each such Scheme Supervisor or Outwards Claims Manager and each Committee Member have been given at least 20 Business Days' notice of the proposed resolution and of the reasons why the resolution is to be put to the Creditors' Committee and have been given a reasonable opportunity to make representations at the meeting at which the resolution is proposed. If the Scheme Supervisor or Outwards Claims Manager declines to resign within 5 Business Days of a resolution of the Creditors' Committee calling for his resignation a resolution requiring his removal shall be put before the next meeting of the Scheme Creditors and, if passed, the Scheme Supervisor or Outwards Claims Manager shall vacate their respective positions, and
- (c) upon removal of a Scheme Supervisor or if a Scheme Supervisor ceases to hold office for any other reason, to appoint any person qualified to act under clause 8.1.1 to be a Scheme Supervisor in their place (and a resolution requiring ratification of such appointment shall be put before the next meeting of Scheme Creditors pending which the appointee shall have full power to act as a Scheme Supervisor) save that if a resolution is passed at a meeting of Scheme Creditors requiring the removal of any of the Scheme Supervisors pursuant to clause 10.4.4(b) such appointment may be made by the Scheme Creditors at such meeting.

10.4.5 The Creditors' Committee shall be entitled to engage legal and financial advisers from time to time as reasonable in order to assist them in carrying out their functions as the Creditors' Committee. At any particular time, the Creditors' Committee may only engage one legal adviser in any jurisdiction and one financial adviser. Reasonable costs of such advisers will be paid by the Company from the assets of the Company within 10 Business Days of demand.

10.4.6 The Creditors' Committee and the Company shall use reasonable endeavours to ensure that there are at least two duly qualified Scheme Supervisors in office at all times.

10.4.7 For the avoidance of doubt and subject to clauses 10.2.4(a) and 10.2.5, a Committee Member may transfer, assign or sub-participate the whole or part of a Scheme Liability and/or Ascertained Scheme Claim in accordance with clause 3.3.

10.5 Majority Scheme Creditors' instructions

10 5 1 The Creditors' Committee shall, subject to clause 10 6 1, (i) be entitled to exercise or refrain from exercising any right, power, authority or discretion vested in it as the Creditors' Committee as it thinks fit and in any event to act in accordance with any instructions given to it by a majority of the Scheme Creditors and (ii) not be liable (nor shall any of its members) for any act (or omission) if it acts (or refrains from taking any action)

- (a) in accordance with an instruction of a majority of the Scheme Creditors, or
- (b) in good faith

10 5.2 For the purposes of clause 10 5, a majority means a simple majority by value of (i) the Ascertained Scheme Claims, or (ii) if on or prior to the Bar Date the Ascertained Scheme Claims and Submitted Scheme Claims (but excluding for this purpose any Disputed Scheme Claims) of the Scheme Creditors entitled to vote and voting at a meeting of Scheme Creditors in accordance with sub-clause 11 1 5

10 5 3 For the purposes of clause 10 5, the value for which a Submitted Scheme Creditor votes shall be such sum as the Scheme Supervisor values in good faith such Submitted Scheme Claim (taking into account the Scheme Supervisors' view on the likely success or failure and the likely quantum of such Scheme Creditors' Submitted Scheme Claims)

10 6 Duties

10 6 1 Each Committee Member, each Nominated Representative, and each Alternate shall (and each Committee Member shall procure that any Nominated Representative or Alternate appointed by it or any Alternate appointed by its Nominated Representative shall), in performing their functions as such in relation to the Scheme, act bona fide in what such person considers to be the interests of the Scheme Creditors as a whole. For the avoidance of doubt (but without prejudice to its specific powers as set out by the Scheme) it shall not be the duty of the Creditors' Committee to monitor the carrying out of the Scheme or the activities of the Scheme Supervisors

10 6.2 It shall be the duty of each Committee Member who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company (other than any which arises as a result of the provisions of the Scheme) to declare (or procure that its Nominated Representative or Alternate or its Nominated Representative's Alternate shall declare) the nature of his or its interest at a meeting of the Creditors' Committee where that contract or arrangement is under consideration. For this purpose a general notice given to the Creditors' Committee to the effect that a Committee Member is an associate (within the meaning of section 435 of the Insolvency Act) of a specified company or firm and is to be regarded as interested in any such contract or arrangement with that company or firm shall be deemed a sufficient declaration of interest in relation to any such contract or arrangement. Such a Committee Member shall not be counted in the quorum, shall not be entitled to vote in relation to any matter relating specifically to any such contract, shall retire from the meeting for so long as the matter is discussed and voted upon and shall not receive any information, nor be entitled to inspect any part of the minutes of a meeting or the Creditors' Committee, relating thereto

10 6 3 Each Nominated Representative or Alternate shall be entitled to report to the Committee Member appointing him on the proceedings of the Creditors' Committee and, so far as necessary for that purpose, to disclose confidential information of the Company to those officers, employees and professional advisers of that member or appointer who need to know it in connection with (where a Nominated Representative or Alternate is disclosing information) the performance of his or its responsibilities as a Committee Member, provided that such information does not to his or its knowledge (after due enquiry) relate to any matter where any such appointer has an interest in conflict with the Company (other than a general conflict arising as the result of the status of Committee Member or the appointers of a Nominated Representative or Alternate as Scheme Creditors). Each Committee Member shall, and shall procure that its Nominated Representative or Alternate or its Nominated Representative's Alternate and its officers, employees and professional advisers shall preserve the confidentiality of such information and shall use such information only for the purposes of their performing their responsibilities and functions (or their Nominated Representative's or Alternate's or their Nominated Representative Alternate's responsibilities and functions) in relation to the Creditors' Committee

10 7 Responsibility

10 7 1 No Scheme Creditor, Scheme Supervisor, Outwards Claims Manager or the Company shall be entitled to challenge the validity of any act done or omitted to be done in good faith by any Committee Member (or Nominated Representative or Alternate) (aside in respect of the Scheme Supervisors pursuant to clause 8 9 and the Outwards Claims Manager pursuant to clause 9 6) in accordance with and to implement the provisions of the Scheme or the exercise by any such Committee Member (or Nominated Representative or Alternate) in good faith of any power conferred upon it or him by or for the purposes of the Scheme if exercised in accordance with and to implement the provisions of the Scheme and no such Committee Member (or Nominated Representative or Alternate) shall be liable for any loss or damage unless such loss or damage is attributable to its or his fraud

10.7.2 No Committee Member (or Nominated Representative or Alternate) will be liable for any action taken by it (or any inaction) under or in connection with the Scheme, unless directly caused by its bad faith or wilful misconduct

10.7.3 For the avoidance of doubt, the Creditors' Committee will have no fiduciary duties and will owe no duty of care to the Company or to any of the Scheme Creditors

10.7.4 For the avoidance of doubt, none of the FSCS, the Shareholder Observer or the Pension Creditor shall owe any fiduciary duty or duty of care towards any Scheme Creditor in their capacity as a non-voting observer to the Creditors' Committee

10.7.5 No Scheme Creditor, Scheme Supervisor, Outwards Claim Manager, the Company or Committee Member shall be entitled to challenge the validity of any observing act done or omitted to be done in good faith by the FSCS, the Shareholder Observer or the Pension Creditor as a non-voting observer to the Creditors' Committee.

10.8 Validation of acts

All acts done by the Creditors' Committee or any member of the Creditors' Committee or any person acting as a Committee Member or as a Nominated Representative or Alternate shall, notwithstanding that it is afterwards discovered there was some defect in the appointment of a Committee Member or person acting as aforesaid, or that any of them were disqualified, be valid if every such person had been duly appointed and qualified

10.9 Fees

The Company agrees to pay each Committee Member a fee of £5,000 plus VAT which shall be paid quarterly in arrears to each Committee Member until the date of which the appointment of that Committee Member is terminated in accordance with the terms of the Scheme. The first payment shall be due on the last Business Day of the first whole calendar month falling three months after the Effective Date. Each subsequent payment is due on the last Business Day of each calendar month at three monthly intervals. No part of any fee will be refunded if an appointment does not continue for the whole month concerned

10.10 Expenses

Each member of the Creditors' Committee, each Nominated Representative and each Alternate shall be entitled to be reimbursed by the Company from the assets of the Company upon written demand to the Company for their reasonable out of pocket expenses incurred in attending meetings of the Creditors' Committee, or otherwise engaged on Creditors' Committee business, provided that such meetings are held in London or in such other place as the Scheme Supervisors may from time to time agree. Where a Committee Member, its Nominated Representative or any Alternate appointed by the Committee Member, its Nominated Representative must travel to attend a Creditors' Committee meeting in London (or such other place as the Scheme Supervisors have agreed), that Committee Member, Nominated Representative or Alternate shall (any such Committee Member shall procure that such Nominated Representative or Alternate shall) use all reasonable endeavours to appoint as its Nominated Representative or Alternate (as the case may be) for that meeting an individual who is based in the locality of the venue of that Creditors' Committee meeting (although there is no obligation for a Shareholder who is a Committee Member to reside in London). Where the cost of an air fare is so permitted, it shall be the cost of an economy class fare only.

10.11 Creditors' Committee – Vacancies

10.11.1 If at any time there are less than three members of the Creditors' Committee or such lesser number as permitted by clause 10.1.2, the Creditors' Committee may continue to exercise all its functions under the Scheme (other than those provided for in clauses 10.4.4) for a period of 28 days, during which time the remaining Committee Members shall endeavour to fill the vacancies on the Creditors' Committee

10.11.2 If the Creditors' Committee fails to fill vacancies on the Creditors' Committee within such period of 28 days, the Scheme Supervisors shall use all reasonable endeavours to appoint, within a further 14 days, such additional Scheme Creditors to the Creditors' Committee as are required to fill such vacancies

SECTION 11

MEETINGS OF SCHEME CREDITORS

11.1 Convening of Meetings

11.1.1 Meetings of Scheme Creditors are to be convened as follows

- (a) the Scheme Supervisors shall, unless the Scheme Supervisors and the Creditors' Committee agree otherwise, convene a meeting of the Scheme Creditors at least once every 12 months; and
 - (b) the Creditors' Committee may at any time require the Company to convene a meeting of the Scheme Creditors to consider a resolution
 - (i) for the removal of a Scheme Supervisor pursuant to clause 10.4.4(b),
 - (ii) for the appointment of a Scheme Supervisor pursuant to clause 10.4.4(c), or
 - (iii) for such other purpose as it thinks fit
- and any such resolution shall be passed or rejected in accordance with the remainder of section 11

11.1.2 The Scheme Supervisors may at any time convene a meeting of the Scheme Creditors for such purpose as they think fit. The Outwards Claims Manager (for the purposes of clause 9.6 only and with the assistance of the Scheme Supervisors) may at any time convene a meeting of the Scheme Creditors.

11.1.3 Any five or more Scheme Creditors who have Ascertained Scheme Claims of an aggregate value in excess of 15 per cent of all Ascertained Scheme Claims or any 20 Scheme Creditors with Ascertained Scheme Claims may by notice in writing to the Scheme Supervisors require them to convene a meeting of Scheme Creditors for such purpose as they think fit. The relevant Scheme Creditors must specify the purpose for which the meeting is required and it shall be the duty of the Scheme Supervisors to summon a meeting of Scheme Creditors as soon as reasonably practicable for that purpose and to give such notice of the meeting as is necessary to enable such purpose to be carried out effectively in accordance with the provisions of the Scheme. At least one of the Scheme Supervisors shall be required to attend such meetings.

11.1.4 A majority in excess of two-thirds in value of the Scheme Creditors attending a meeting of the Scheme Creditors may resolve to remove the Scheme Supervisors from any meeting or part of any meeting, following which resolution the Scheme Supervisors shall withdraw, as resolved.

11.1.5 The following shall be entitled to attend a meeting of Scheme Creditors and to vote at that meeting:

- (a) on or before the Bar Date, any Submitted Scheme Claimant, and
- (b) at any time any Scheme Creditor with an Ascertained Scheme Claim.

11.1.6 The Company may appoint a representative or representatives to attend any meeting of Scheme Creditors for the purposes of observing the meeting only. A majority of the Scheme Creditors by value attending such meeting may resolve to remove the Company representative from any meeting or part of any meeting, following which resolution any such representatives shall withdraw, as resolved.

11.1.7 The most recent Scheme Supervisors' Report referred to in clause 10.4.3 (as amended and/or redacted in accordance with clause 10.4.3) shall be laid before each meeting of Scheme Creditors convened pursuant to clause 11.1.1(a) or 11.1.1(b) as the Creditors' Committee or the Scheme Supervisors (as the case may be) deem desirable or necessary and copies of all previous Scheme Supervisors' Reports shall be made available at such meeting. If the Scheme Supervisors or the Creditors' Committee (as the case may be) agree that such a meeting is not required, the Scheme Supervisors shall make such Scheme Supervisors' Report (as amended and/or redacted in accordance with clause 10.4.3) available to Scheme Creditors and send a copy of the Scheme Supervisors' Report (as amended and/or redacted in accordance with clause 10.4.3) to any Scheme Creditor who requests a copy.

11.1.8 At least 10 Business Days' notice shall be given of a meeting of Scheme Creditors to:

- (a) each Submitted Scheme Claimant,
- (b) where called by the Creditors' Committee, to the Scheme Supervisors,
- (c) where called by the Scheme Supervisors, to each Committee Member, and
- (d) the Company.

11.1.9 The accidental omission to give notice of a meeting of Scheme Creditors to, or the non-receipt of a notice of such a meeting by, any person entitled to receive notice (other than the Scheme Supervisors) shall not invalidate the proceedings at that meeting.

11.2 Resolution

If a meeting of Scheme Creditors is convened at a time when a resolution is to be put to remove a Scheme Supervisor which, if passed, would result in there being fewer than two Scheme Supervisors in office, the notice of meeting shall also include a resolution that a named person qualified to act under clause 8.1.1 and willing to be appointed, be appointed as a Scheme Supervisor in their place.

11.3 Voting

11.3.1 Subject to clause 11.3.2, a resolution put to a meeting of Scheme Creditors shall be effective only if it is approved by a majority in value of the Ascertained Scheme Claims (or, if on or prior to the Bar Date, Ascertained Scheme Claims and Submitted Scheme Claims (not being Disputed Scheme Claims)) of Scheme Creditors which are present and voting either in person or by proxy at the meeting.

11.3.2 A resolution to consider the matters set out at clause 7.2.2 shall only be passed provided a majority in excess of two-thirds in value of the Scheme Creditors attending the meeting of the Scheme Creditors either in person or by proxy votes in favour of that resolution.

11.3.3 For the purposes of this section 11, Cattles shall be deemed not to be a Scheme Creditor.

11.3.4 Every Scheme Creditor entitled to vote shall have the right to appoint any person as his proxy to attend and vote instead of him. The instrument appointing a proxy may be in any form which the Scheme Supervisors may approve and must be lodged at the place specified in the notice of the meeting for the lodging of proxies not less than 48 hours before the meeting (or adjourned meeting) at which it is to be used.

11.3.5 No business shall be transacted at any meeting of Scheme Creditors unless a quorum is present when the meeting proceeds to business, four Scheme Creditors present in person or by proxy and having the right to vote at the meeting shall be a quorum, unless the Scheme Supervisors and the Creditors' Committee agree a smaller number. If a quorum is not present within 15 minutes from the time appointed for a meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be determined by the majority of the Scheme Creditors present and the Scheme Creditors present at any such meeting reconvened following an adjournment shall constitute a quorum. All resolutions put to the vote of any meeting shall be decided on a poll (rather than on a show of hands).

11.3.6 One of the Scheme Supervisors shall preside (or shall nominate a representative to preside) at each meeting of the Scheme Creditors (unless the Creditors' Committee resolves otherwise and other than at a meeting at which a resolution to remove a Scheme Supervisor is proposed, when the Creditors' Committee shall select the individual to preside over such meeting) but if the Scheme Supervisor (or his nominated representative) or, if relevant, the individual selected by the Creditors' Committee, is not present within 15 minutes after the time appointed for opening the meeting or is unwilling to preside, the Scheme Creditors present in person or by proxy shall choose some member of the Creditors' Committee or, if no such member is present or if all such members present decline to preside, one of themselves, to be chairman of the meeting. If no person is willing to preside as chairman of the meeting, the meeting shall be adjourned for seven days, and, if no person is willing to preside as chairman of such meeting reconvened following an adjournment, the meeting shall be dissolved.

11.3.7 On or prior to the Bar Date and for the purposes of clause 11.3, the value for which a Submitted Scheme Claimant votes shall be such sum as the Scheme Supervisors value in good faith such Submitted Scheme Claim (but excluding for this purpose any Submitted Scheme Claimant's Disputed Scheme Claim) and taking into account the Scheme Supervisors' views on the likely success or failure and the likely quantum of such Scheme Creditors' Submitted Scheme Claims.

SECTION 12
LIQUIDATION AND COMPLETION OF THE SCHEME

12 1 Scheme Certified Liquidation

12 1 1 Bovess and Bovess Holding each undertake not to commence any steps to wind-up the Company other than as part of a Scheme Certified Liquidation nor seek to appoint an administrator to the Company pursuant to Schedule B1 of the Insolvency Act

12 1 2 The Company, the Board, Bovess and Bovess Holding each agree that a Scheme Certified Liquidation shall not be commenced during the first seven years and three months from the Effective Date without the prior written consent of the Creditors' Committee, acting reasonably. Thereafter, a Scheme Certified Liquidation may be commenced without the consent of the Creditors' Committee

12 1 3 Upon a Scheme Certified Liquidation, Scheme Creditors with Ascertained Scheme Claims and Unascertained Scheme Claims agree that any payments in respect of such Ascertained Scheme Claims and Unascertained Scheme Claims shall be postponed until all other Liabilities of the Company including the expenses of any liquidation have been paid in full (apart from the Company's Liability to Cattles under clause 4 1 1)

12 1 4 Each Scheme Creditor agrees that any distributions it has or shall receive in the Scheme Certified Liquidation are in full satisfaction of what it is entitled to receive under the Scheme and under the Insolvency Act

12 1 5 In a Scheme Certified Liquidation, Scheme Creditors agree that they shall be creditors in respect of their Ascertained Scheme Claims only, and shall have the right to prove, claim or assert a right of recovery in the liquidation in respect of such Ascertained Scheme Claims

12 1 6 In a Scheme Certified Liquidation, the provisions contained in clauses 6 1 and 6 2 shall cease to apply

12 2 Scheme Completion

The Scheme shall be completed on Scheme Completion, being the date, following the Bar Date when the aggregate of all Unascertained Scheme Claims shall be nil and either

- (a) all Ascertained Scheme Claims have been paid in full, or
- (b) the Company is in a Scheme Certified Liquidation and the assets of the Company have been reduced to nil or a de minimis amount

12 3 Effective upon Scheme Completion

- (a) the Scheme Supervisors shall give notice on the Scheme Website and to any Scheme Creditor with an Ascertained Scheme Claim that Scheme Completion has occurred,
- (b) the Scheme Payments made to a Scheme Creditor (if any) shall be the Company's total and complete Liability to each Scheme Creditor in respect of each Scheme Liability,
- (c) the Scheme Payments made to a Scheme Creditor shall be in full and final settlement of all and any Ascertained Scheme Claims of that Scheme Creditor,
- (d) all claims between Cattles and the Company shall be netted and all Scheme Liabilities (including the net claim between Cattles and the Company) shall be released,"
- (e) save for the provisions of clauses 1 1, 2 9, 5 4, 8 6, 8 7, 9 4, 9 5, 10 7, 10 8, 10 9, 10 10, 12 1 4, 12 1 5, 12 3, 13 1, 13 3, 13 6 and any other provision relating to the compromise of Scheme Liabilities, all of which shall survive Scheme Completion, the obligations and rights under the Scheme shall end

SECTION 13

GENERAL SCHEME PROVISIONS

13 1 Effective Date

The Scheme shall become effective on the Effective Date

13 2 Modification of the Scheme

The Company may at any court hearing to sanction the Scheme consent on behalf of the Scheme Creditors to any modification of or addition to the Scheme or any terms or conditions that would not directly or indirectly have a materially adverse effect on the interests of any Scheme Creditor (whose consent is not obtained) under the Scheme (taking into account for this purpose only its interests as a Scheme Creditor)

13 3 Application of the Scheme

The provisions of this Scheme shall apply to each Scheme Creditor whether or not he participates in the Scheme in any way and at any stage

13 4 Notices

13 4 1 Any notice or other written communication to be given under or in relation to the Scheme shall be given in writing and shall be deemed to have been duly given if it is delivered by hand or sent by pre-paid first class post or airmail

- (a) in the case of the Company, to its registered address or to such other address as the Company may give notice of to Scheme Creditors for this purpose, in any case marked for the attention of Robert East,
- (b) in the case of the Scheme Supervisors, to Christine Lavery, Richard Fleming and Edward Boyle of KPMG, 8 Salisbury Square, London, EC4Y 8BB or to such other address as the Scheme Supervisors may give notice of to Scheme Creditors for this purpose, and
- (c) in the case of a Scheme Creditor, to its last known address according to the Company

13 4.2 Any notice or written communication given under the Scheme shall be deemed to have been delivered on the earliest of

- (a) if delivered by hand, the first Business Day after it is delivered,
- (b) if sent by pre-paid first class post or airmail, the second Business Day after posting if the recipient is in the country of dispatch, otherwise the seventh Business Day after posting,
- (c) if sent electronically, the first Business Day beginning after the expiration of 24 hours from the time it was sent, or
- (d) the Business Day on which the notice or communication is actually received by the recipient

13 5 Electronic communications

Notwithstanding anything to the contrary in the Scheme, any notice or communication required to be or which may be sent under the Scheme may, at the option of the Company, the Creditors' Committee, the Scheme Supervisors, the Outwards Claims Manager, the relevant Scheme Creditor or Committee Member, be given or sent by the Company, the Committee Member, the Scheme Supervisors, the Outwards Claims Manager, the Creditors' Committee or the relevant Scheme Creditor in electronic form (i.e. by email or fax) to the address or number specified for that purpose by that Scheme Creditor, the Creditors' Committee, the Scheme Supervisors, the Outwards Claims Manager, the Committee Member or the Company

13 6 Governing law and jurisdiction

The Scheme and any non-contractual obligations arising out of or in connection with the Scheme shall be governed by and construed in accordance with the laws of England and Wales. The Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of or in connection with the Explanatory Statement or any provision of the Scheme, or any act or omission under the Scheme or in any way in connection with its administration. For such purposes, the Scheme Creditors irrevocably submit to the jurisdiction of the Court

Dated this 16th day of December 2010

SCHEDULE 1
NET FREE CASH

Net Free Cash means the cash available for distribution on each Distribution Date in accordance with section 6, being the aggregate cash net of any and all overdrafts held by the Company on the preceding Distribution Period End Date, less the following:

- (a) any cash held in bank accounts relating to the Shopacheck business of the Company, subject to a maximum amount of £5,000,000,
- (b) the Scheme Working Capital Allowance,
- (c) the trust created for Unprotected PPI Liabilities under clause 5 4 1,
- (d) the Employee Retention Fund,
- (e) Unascertained Payments Trust Fund,
- (f) such amounts as are approved by the Creditors' Committee,
- (g) any cash held in a client or trust account, and
- (h) any amounts payable to the FSCS as Top Up Payments (as defined in the PPI Settlement Agreement) under the PPI Settlement Agreement to the extent such amounts are not already included in (a) to (g) above

Scheme Working Capital Allowance means the cash amount required to be reserved by the Company to meet its forecast working capital requirements for 60 days from the date of the calculation, taking into account

- (a) forecast cash receipts by the Company,
- (b) all outstanding and forecast Excluded Liabilities,
- (c) any intra-month peak working capital requirements; and
- (d) a reasonable contingency for unforeseen Excluded Liabilities being no more than £5,000,000 in aggregate for the period to 31 December 2012 subject to the sentence below relating to the increase of the Scheme Working Capital Allowance From 1 January 2013 onwards the limit of the contingency can be increased by a maximum of £2,000,000 per month, subject to the maximum contingency amount not exceeding £25,000,000

The Scheme Working Capital Allowance can be increased at any Distribution Period End Date with the consent of the Scheme Supervisors and the agreement of the Creditors' Committee

SCHEDULE 2

DISTRIBUTION PERIOD END DATES AND DISTRIBUTION DATES

This schedule of Distribution Period End Dates and Distribution Dates can be extended to include later Distribution Period End Dates and Distribution Dates with the consent of the Scheme Supervisors and with the agreement of the Creditors' Committee

Distribution Period End Date	Distribution Date
3 July 2011	1 August 2011
31 July 2011	29 August 2011
28 August 2011	27 September 2011
2 October 2011	31 October 2011
30 October 2011	28 November 2011
27 November 2011	26 December 2011
1 January 2012	31 January 2012
29 January 2012	27 February 2012
26 February 2012	26 March 2012
1 April 2012	2 May 2012
29 April 2012	29 May 2012
27 May 2012	26 June 2012
1 July 2012	30 July 2012
29 July 2012	27 August 2012
26 August 2012	25 September 2012
30 September 2012	29 October 2012
28 October 2012	26 November 2012
25 November 2012	24 December 2012
30 December 2012	29 January 2013
27 January 2013	25 February 2013
24 February 2013	25 March 2013
31 March 2013	30 April 2013
28 April 2013	28 May 2013
26 May 2013	25 June 2013
30 June 2013	29 July 2013
28 July 2013	26 August 2013
25 August 2013	24 September 2013
29 September 2013	28 October 2013
27 October 2013	25 November 2013
24 November 2013	23 December 2013
29 December 2013	28 January 2014

SCHEDULE 3

EXCLUDED LIABILITIES

- 1 Any ordinary course business liability of the Company (i) properly incurred after the Record Date (including, without limitation, but subject to clause 9.1.3, the funding of any Outwards Litigation Claims by the Company or with the prior agreement of the Creditors' Committee similar claims by Cattles) or (ii) that may arise after the Record Date as a result of an obligation properly incurred by the Company before the Record Date and adopted by the Company after the Record Date as envisaged by the Scheme (for the avoidance of doubt not including obligations where the Company has given notice to terminate such arrangements) For the avoidance of doubt, and without limitation, this does not include Schemed Lease Liabilities or any costs associated with the winding up or dissolution of any members of the Group in excess of the cap of £150,000 pursuant to paragraph 11 of this Schedule 3,
- 2 All Liabilities of the Company to employees, directors or officers of the Company or other Group companies (but not including the Schemed Directors) in respect of their wages, bonuses, expenses, other remuneration, pension contributions, contractual indemnities, notice pay (including pay in lieu of benefits due during any notice period), redundancy pay, and payments due under staff retention arrangements or performance incentive arrangements,
- 3 All Liabilities of the Company to self employed agents,
- 4 Any PPI Liability, including for the avoidance of doubt any fees payable to the Financial Ombudsman Service any Liability of the Company to the FSCS under the PPI Settlement Agreement and the Claims Handling Agreement,
- 5 Any Company liability for a fine or criminal or regulatory penalty,
- 6 Any Company liability to Her Majesty's Revenue & Customs in respect of
 - (a) corporation tax (including corporation tax on chargeable gains) for the years ending 31 December 2008, 31 December 2009 or 31 December 2010,
 - (b) value added tax;
 - (c) PAYE and NIC (both employers' and employees') relating to the month in which the Effective Date occurs and the preceding month, and
 - (d) withholding tax due in respect of interest payments made by the Company within three months prior to the Effective Date;
- 7 Any Liability of (i) the Company under a lease or hire purchase agreement, and (ii) of Moneytopia Limited, Progressive Financial Services Limited, Shopcheck Financial Services Limited and Welcome Insurance Services Limited under a lease where the leased property has been or is occupied by the Company, other than a Schemed Lease Liability;
- 8 Provided the aggregate amount paid in respect of Liabilities of the Company covered by this paragraph 8 do not exceed £10,000,000 (excluding from this amount, Liabilities under any any other paragraph of this Schedule 3), any liability to a creditor of the Company as consideration for the provision of goods or services to the Company or another member of the Group that remains unpaid as at the Record Date (specifically including such liabilities owed to the Excluded Trade Creditors set out in Schedule 10),
- 9 Any payments of adverse costs awards pursuant to clause 3.8.4,
- 10 Any payments to the Scheme Supervisors or the Outwards Litigation Manager pursuant to the Scheme,
- 11 Any Liability of the Company to any local authority in respect of business rates,
- 12 Any payments made by the Company to satisfy any costs associated with the liquidation or dissolution of any members of the Group, subject to an aggregate maximum amount of £150,000,
- 13 Any Liability of the Company under the Deed of Indemnity entered into by the Company and CSP Leeds Limited dated 5 August 2010 (save for any liability under clause 1 of that Deed of Indemnity), any liability of the Company under the Engagement Letter (as defined in the Pensions Compromise) and any liability under clauses 10.1, 10.2 and 11 of the Pensions Compromise,
- 14 Fees and expenses of all agents under the Facilities Agreements or under the Agency Arrangements,

15 All monthly fees, costs and expenses (including adviser fees) of the Co-ordinating Committee under the Co-ordinators' Appointment Letter dated 31 July 2009 and related Fee Letter between the Company, Cattles and the Co-ordinating Committee which have been incurred on or before the Effective Date, and

16 Any payments properly made by the Company pursuant to the Scheme (apart from any Scheme Payment or any payments in respect of an Ascertained Scheme Claim) including, but not limited to, clauses 3 8 4, 4.2, 4 3, 4 4, 6 4, 8 7, 8 8, 8 9, 9 5, 9 6, 10 4 5, 10 9 and 10 10

SCHEDULE 4
DEED OF RELEASE

THE SCHEME SUPERVISOR

in favour of

THE RELEASED PERSONS

THE ADVISERS

DEED OF RELEASE

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THIS DEED OF RELEASE IS MADE ON

2011

BY:

(1) _____ of [] (the *Scheme Supervisor*),

IN FAVOUR OF

(2) **THE RELEASED PERSONS** (as defined below), and

(3) **THE ADVISERS** (as defined below)

WHEREAS:

(A) The Company has entered into the Scheme with its Scheme Creditors

(B) The Scheme Supervisor appointed under the Scheme is authorised, under the terms of the Scheme, to execute and deliver this Deed on behalf of each of the Company and the Scheme Creditors

(C) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand

THIS DEED WITNESSES:

1. INTERPRETATION

1 1 Definitions

Advisers means each of the advisers listed in Appendix 2 to this Deed

Company means Welcome Financial Services Limited, a private limited company incorporated in England and Wales with company number 00133540S

Released Persons means the persons listed at Appendix 1 to this Deed

Restructuring means the restructuring of the Group pursuant to Plan A or, or if Plan A Fails, Plan B.

Scheme means the scheme of arrangement pursuant to Part 26 of the Companies Act 2006 between the Company and the Scheme Creditors sanctioned by the High Court prior to the date of this Deed

1 2 Incorporated definitions

Words and expressions defined in the Scheme have the same meanings when used in this Deed unless otherwise provided or the context otherwise requires

1 3 In this Deed, unless the context otherwise requires or otherwise expressly provides for

- (a) references to clauses are references to clauses of this Deed,
- (b) references to a person include references to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency,
- (c) references to a statute or statutory provision include references to the same as subsequently modified, amended or re-enacted from time to time,
- (d) the singular includes the plural and vice versa and words importing one gender shall include all genders, and
- (e) headings to clauses are for ease of reference only and shall not affect the interpretation of this deed.

2. APPLICATION OF DEED

The provisions of this Deed shall apply to each Scheme Creditor or any person to whom a Scheme Creditor has transferred or assigned or purported to transfer or assign a liability of the Company under the Scheme

3. RELEASE AND DISCHARGE

3 1 With effect from (and including) the date of this Deed, the Scheme Supervisor (on behalf of the Company and the Scheme Creditors), without prejudice to the provisions of the Scheme, hereby waives, releases, terminates and discharges fully and absolutely any and all Liability of the Released Persons to each of the Company and the Scheme Creditors in relation to or in connection with or in any way arising out of a Scheme Liability, a Submitted Scheme Claim, the

implementation of the Scheme or the Restructuring. The waiver, release, termination and discharge in this clause applies to the Released Persons in their capacity as members of the Co-ordinating Committee only and has no application to the Released Persons in any other capacity.

3.2 The variation, waiver, release, termination and discharge in clause 3.1 shall not release any Liability of any person arising from fraud on the part of that person.

3.3 With effect from (and including) the date of this Deed, the Scheme Supervisor (on behalf of the Company and the Scheme Creditors), without prejudice to the provisions of the Scheme, hereby waives, releases, terminates and discharges fully and absolutely any and all Liability of the Advisers to each of the Company and the Scheme Creditors in relation to or in connection with or in any way arising out of a Scheme Liability, an Ascertained Scheme Claim, a Submitted Scheme Claim, the implementation of the Scheme or the Restructuring.

3.4 The waiver, release, termination and discharge in clause 3.3 shall not release any Liability of any person arising from fraud on the part of that person.

4. FURTHER ASSURANCE

The Scheme Supervisor (on behalf of each of the Company and the Scheme Creditors) agrees and undertakes to execute and deliver to the Released Persons and the Advisers all such documents and do all such acts as shall be reasonably required to achieve the variation, waiver, release, termination and discharge referred to in Clause 3.1.

5. GOVERNING LAW AND ENFORCEMENT

This Deed and any non-contractual obligations arising out of or in relation to this Deed are governed by and shall be construed in accordance with, English law. Any dispute arising out of or in connection with, or concerning the carrying into effect of, this deed shall be subject to the exclusive jurisdiction of the High Court of Justice of England and Wales and the parties hereby submit to the exclusive jurisdiction of that court for these purposes.

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

The Scheme Supervisor (for and on behalf of each of the Company and the Scheme Creditors)

SIGNED as a DEED and)	
DELIVERED by)	
_____)	_____
in the presence of)	
Witness —	Signature	_____
	Name	_____
	Address	_____

APPENDIX 1
THE RELEASED PERSONS

The Royal Bank of Scotland plc in its capacity as a member of the Co-ordinating Committee

HSBC Bank plc in its capacity as a member of the Co-ordinating Committee

Lloyds TSB Bank plc in its capacity as a member of the Co-ordinating Committee

APPENDIX 2
THE ADVISERS

Allen & Overy LLP

Ernst & Young LLP

Clifford Chance LLP

FTI Consulting Limited

**SCHEDULE 5
SPECIMEN CLAIM FORM**

PLEASE READ THE GENERAL INSTRUCTIONS AND GUIDANCE NOTES PRIOR TO COMPLETING THIS FORM

WELCOME FINANCIAL SERVICES LIMITED

SCHEME OF ARRANGEMENT UNDER PART 26 OF THE COMPANIES ACT 2006

CLAIM FORM

General Instructions

- 1 This is a Claim Form, as referred in the Welcome Financial Services Limited scheme of arrangement (the *Scheme*), which came into effect on *[insert date]* This form is to be used by Scheme Creditors (as that term is defined in the Scheme) in order to submit a claim in the Scheme
- 2 Terms used in this document which are not defined in this document (e.g. "Scheme Payment" and "Scheme Supervisors", both referred to below) have the same meanings as are given to them in the Scheme
- 3 As stated in the Scheme, in order to be entitled to any Scheme Payments under the Scheme, you must complete a Claim Form and submit it to the Scheme Supervisors so that it arrives on or before the Bar Date, which is *[insert date]*
- 4 Before completing this Claim Form please read the guidance notes on page []
- 5 If necessary, please use additional sheets of paper to provide further information. If you do use additional sheets of paper, please ensure that each one is securely fastened to your claim form, that each one is clearly marked with the name of the Scheme Creditor and the words "Claim Form – additional information", and also that it is clear to which question(s) that additional information relates

IN ADDITION TO COMPLETING THIS CLAIM FORM, PLEASE PROVIDE FULL DOCUMENTATION TO EVIDENCE THE NATURE, VALIDITY AND VALUE OF YOUR SUBMITTED SCHEME CLAIM(S).

Part A – General details

1. NAME OF SCHEME CREDITOR^(a)	
2. ADDRESS OF SCHEME CREDITOR^(a)	
3. CONTACT NAME^(a)	
4. CONTACT EMAIL ADDRESS	
5. CONTACT TELEPHONE NUMBER(S)	
6. CONTACT FAX NUMBER	

To be signed below by the Scheme Creditor or a duly authorised individual on behalf of a Scheme Creditor. If you are a duly authorised representative, agent or attorney of a Scheme Creditor, please enter the capacity in which you have signed the form (for example director, partner or agent and/or attorney) below

A signature on this form shall constitute the giving of a warranty that:

- (a) the signatory has been duly authorised by the relevant Scheme Creditor to the sign the form on its behalf; and
- (b) all of the information you have provided on this Claim Form, and any additional information you have provided with it, is true and accurate to the best of your knowledge and belief.

PRINT NAME:	_____
POSITION:	_____
SIGNATURE:	_____ DATE: _____

Part B – Claim Details

1. PLEASE DESCRIBE THE NATURE OF EACH SUBMITTED SCHEME CLAIM AND HOW IT AROSE (EG THE CONTRACT / AGREEMENT UNDER WHICH IT ARISES):^(v)

2. DATE THAT THE SUBMITTED SCHEME CLAIM WAS INCURRED:

3. PLEASE STATE THE TOTAL VALUE OF YOUR SUBMITTED SCHEME CLAIM AS AT THE RECORD DATE, INCLUDING THE SPLIT BETWEEN PRINCIPAL, INTEREST AND ANY OTHER CONSTITUENT AMOUNTS:^(v)

CONSTITUENT PART (WHERE RELEVANT)	AMOUNT
PRINCIPAL	
INTEREST	
OTHER (PLEASE DESCRIBE)	

- 4 PLEASE STATE THE LEGAL BASIS OF YOUR CLAIM AGAINST THE COMPANY:^(v)

- 5 IS ANY PARTY JOINTLY LIABLE FOR THE SUBMITTED SCHEME CLAIM? IF SO, PLEASE IDENTIFY THE PARTY(IES) IN QUESTION AND SPECIFY THE NATURE OF THE CLAIM AGAINST EACH ONE:

- 6 PLEASE STATE ANY OTHER FACTS OF WHICH YOU ARE AWARE WHICH WOULD ASSIST THE SCHEME SUPERVISORS IN CONSIDERING THE SUBMITTED SCHEME CLAIM:^(v)

HOW TO SUBMIT THIS CLAIM FORM

On completing this Claim Form, please send, together with any additional material you are providing with it, to the address below, **TO ARRIVE ON OR BEFORE THE BAR DATE, BEING [INSERT DATE]**

[Address]
[Address]
[Address]
[Address]
[Address]

For the attention of [insert name(s)]

Part C—Guidance notes

- (i) The name of the Scheme Creditor should be the full legal name of the Scheme Creditor including (if relevant) its company number.
- (ii) If the Scheme Creditor is a company then the address given should be its registered address or the place to which correspondence should be directed. If the Scheme Creditor is an individual then the address given should be their home address or the place to which correspondence should be directed.
- (iii) Please give the name of the person for whose attention correspondence relating to the Scheme Claim should be directed.
- (iv) The description of the nature of the Submitted Scheme Claim and how it arose should describe the circumstances giving rise to the Submitted Scheme Claim in sufficient detail for the Scheme Supervisors to determine the validity of the Submitted Scheme Claim and its amount.

This should include, for example, the date on which any relevant agreement was signed and the date and location of any relevant events. If the Submitted Scheme Claim derives from the Scheme Creditor having been a holder of, or being interested in, notes issued by the Company, then you should include details of the Scheme Creditor's holding or interest, including the date on which and value at which it was bought and sold (if applicable).

Scheme Supervisors may request further information from Scheme Creditors in relation to any Submitted Scheme Claims.
- (v) Please explain the value given to the Submitted Scheme Claim.

The value of the Submitted Scheme Claim should be expressed in Sterling unless the Submitted Scheme Claim arises in another currency. If the Submitted Scheme Claim arises in another currency then you should explain why it does, and express the value of the claim in the relevant currency.

If the Submitted Scheme Claim is the sum of a number of amounts (e.g. a principal amount, plus interest), then you should state what those constituent amounts are and what they represent. Other amounts could include, for example, lease rental obligations, dilapidations claims, VAT etc.

Where insufficient space has been provided to detail all the components of your claim, such as is likely to be the case for complex leasehold liability claims, please provide your calculations and assumptions on additional sheets of paper securely fastened to your Claim Form, clearly marked on each one with the name of the Scheme Creditor and the words "Claim Form – additional information", and make clear to which question this additional information relates.
- (vi) When stating the legal basis of the Liability of the Company, you should explain the legal nature of the claim that the Scheme Creditor is making, e.g. "claim for a debt owed under a credit facility" or "claim for breach of contract".
- (vii) In addition to stating any other facts of which you are aware which would assist the Scheme Supervisors in considering the Submitted Scheme Claim, you should provide any evidence you have which supports the Submitted Scheme Claim.

PLEASE PROVIDE FULL DOCUMENTATION IN SUPPORT OF THE SUBMITTED SCHEME CLAIM(S).

SCHEDULE 6

COVENANTS

1. DEFINITIONS

In this Schedule

Actual Net Free Cash means, for any period, the actual Net Free Cash for that period

Calculation Certificate means a certificate substantially in the form of Annex 1

Calculation Date means the last Business Day in each of January, April, July and October provided that the first Calculation Date shall only occur following the first Quarter Date which occurs at least three months after the Effective Date

Calculation Period means

- (a) in respect of the first Calculation Date, the preceding Quarter; and
- (b) in respect of any other Calculation Date, the preceding two Quarters

Cumulative Actual Net Free Cash means, in respect of any Calculation Date, all the Actual Net Free Cash generated between

- (a) the first day of the month following the month in which the Effective Date occurs, and
- (b) the Quarter Date immediately preceding that Calculation Date

Cumulative Forecast Net Free Cash means, in respect of any Calculation Date, all the Forecast Net Free Cash forecast to be generated between

- (a) the first day of the month following the month in which the Effective Date occurs, and
- (b) the Quarter Date immediately preceding that Calculation Date.

Cumulative Net Free Cash Percentage means each percentage calculated for the purposes of paragraph (g) of Clause 4 1 (Calculations)

Divergence Certificate means a certificate substantially in the form of Annex 2

Financial Indebtedness means any indebtedness for or in respect of

- (a) moneys borrowed,
- (b) any acceptance credit (including any dematerialised equivalent),
- (c) any bond, note, debenture, loan stock or other similar instrument,
- (d) any redeemable preference share,
- (e) any agreement treated as a finance or capital lease in accordance with generally accepted accounting principles in the jurisdiction of incorporation of the Company,
- (f) receivables sold or discounted (otherwise than on a non-recourse basis),
- (g) the acquisition cost of any asset to the extent payable after its acquisition or possession by the party liable where the deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset,
- (h) any derivative transaction protecting against or benefitting from fluctuations in any rate or price (and, except for non-payment of an amount, the then mark to market value of the derivative transaction will be used to calculate its amount),
- (i) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing,
- (j) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution, or
- (k) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in the above paragraphs

Financial Model means the financial model used by the Company to prepare the Original Forecast as amended pursuant to Clause 3 2 (Changes)

Financial Year means each period beginning on 1st January and ending on the next 31 December

Forecast means the Original Forecast and each Updated Forecast

Forecast Net Free Cash means, for any period, the forecast Net Free Cash of the WFS for that period as set out in the relevant Forecast.

Net Free Cash means, in respect of any period, the amount shown as WFS' net operating cash generation after adviser fees in the Financial Model adjusted by

- (a) adding back:
 - (i) any Protected PPI Liability, any related operating costs and any other amount under the terms of the PPI Settlement Agreement, and
 - (ii) any Unprotected PPI Liability and any related operating costsin each case due or forecast to be due (as applicable) from WFS in that period, and
- (b) deducting any payments made or forecast to be made (as applicable) by WFS in that period under a finance lease

For the avoidance of doubt, Net Free Cash does not include

- (i) intercompany amounts paid or received by WFS to or from another member of the Group, or
- (ii) amounts paid or received by WFS relating to Shopacheck; or
- (iii) amounts paid to or from the Company in relation to the Employee Retention Fund, or
- (iv) amounts paid to or from the Company in relation to (A) the trust established by the Company in respect of Unprotected PPI Liabilities pursuant to clause 5.4.1 or (B) the FSCS

Net Free Cash Percentage means each percentage calculated for the purposes of paragraph (f) of Clause 4.1 (Calculations)

Original Forecast means

- (a) if Plan A is being pursued, the 2010 (6+6) Plan financial forecast for WFS prepared by the Company in respect of its Financial Years 2011 to 2013, or
- (b) if Plan B is being pursued, the financial forecast for WFS prepared by the Company in respect of its Financial Years 2011 to 2013 prepared in accordance with Clause 8.16.

Permitted Disposal means a disposal of part of the WFS Loan Book which has been written down to a value of less than ten percent of its face value in accordance with the Company's impairment and accounting policies as at the Effective Date

Quarter means each period of three months ending on a Quarter Date

Quarter Date means 31 March, 30 June, 30 September and 31 December in each year

Quarterly Net Free Cash Percentage means each percentage calculated for the purposes of paragraph (e) of Clause 4.1 (Calculations)

Security Interest means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect

Shopacheck means the Shopacheck business carried on by the Company

Shopacheck Cash Flow means all cash inflows and outflows, including financing and intercompany transfers, accounted for by Shopacheck between the first day of the month following the month in which the Effective Date occurs and 31 December 2013

Shopacheck EBITDA means the net pre-taxation profits of Shopacheck for the relevant period as adjusted by

- (a) adding back interest payable, and
- (b) adding back depreciation and amortisation

Shopacheck Financial Model means the financial model used by the Company to prepare the Shopacheck Original Forecast

Shopacheck Gross Loan Book means all the loans and related receivables made by Shopacheck to its customers after adjustments for deferred income but before adjustments for deferred costs, early settlement assets and loan loss provisions

Shopacheck Original Forecast means the 2010 (6+6) Plan financial forecast for Shopacheck prepared by the Company in respect of its Financial Years 2011 to 2013

Shopacheck Percentage means, on any Calculation Date, the Shopacheck EBITDA for the previous two Calculation Periods as a percentage of the Shopacheck Gross Loan Book on the last day of the second of those Calculation Periods

Shopacheck Terminal Value means the terminal valuation of Shopacheck as at 31 December 2013 ascribed to Shopacheck by Lexicon Partners in September 2010

Shopacheck Threshold means the Shopacheck Cash Flow in the Shopacheck Original Forecast plus the Shopacheck Terminal Value

Shopacheck Updated Forecast means each forecast for Shopacheck prepared on the same basis as the Shopacheck Original Forecast prepared by the Company and accepted by the Scheme Supervisors

Shopacheck Updated Terminal Value means the terminal valuation of Shopacheck as at 31 December 2013 ascribed to Shopacheck by an independent valuation expert and accepted by the Company and the Scheme Supervisors.

Short Settled Loan means a loan in the WFS Loan Book which has been compromised by the Company

Total Net Free Cash Percentage means each percentage calculated for the purposes of Clause 2.4 (Divergence Certificate)

Three Month Review means the review conducted by the Company in accordance with clause 8.16

Updated Forecast means each forecast for WFS accepted by the Scheme Supervisors in accordance with Clause 2 (Forecast)

WFS means the business carried on by the Company excluding Shopacheck

WFS Loan Book means all the loans and related receivables made by Welcome Financial Services Limited (excluding Shopacheck) to its customers outstanding at the relevant time

2. Forecast

2.1 Delivery of Updated Forecasts

- (a) Subject to paragraph (b) below, on or before 31 October in each Financial Year and within fifteen Business Days of the occurrence of any Stage Two Trigger Event, the Company must deliver to the Scheme Supervisors and the Creditors' Committee a draft Updated Forecast in respect of
 - (i) in the case of a draft Updated Forecast not delivered as a result of the occurrence of a Stage Two Trigger Event, the following three Financial Years, and
 - (ii) in the case of a draft Updated Forecast delivered as a result of the occurrence of a Stage Two Trigger Event, the remainder of the then current Financial Year and the two following Financial Years
- (b) The Company need not deliver to the Scheme Supervisors and the Creditors' Committee a draft Updated Forecast pursuant to paragraph (a) above if it has delivered a draft Updated Forecast to the Scheme Supervisors and the Creditors' Committee in accordance with paragraph (a) above within the previous two months

2.2 Basis and Form

Each draft Updated Forecast and Shopacheck Updated Forecast must be

- (a) prepared using the Financial Model or the Shopacheck Financial Model (as applicable) and otherwise on the same basis as the Original Forecast or the Shopacheck Original Forecast (as applicable), and
- (b) delivered to the Scheme Supervisors and the Creditors' Committee in electronic format and hard copy

2.3 Acceptance of draft Updated Forecast or draft Shopacheck Updated Forecast

- (a) Within ten Business Days of receiving a draft Updated Forecast or draft Shopacheck Updated Forecast, the Scheme Supervisors, in consultation with the Creditor's Committee must promptly notify the Company whether they accept that draft as being prepared in accordance with this Schedule
- (b) If a draft Updated Forecast or draft Shopacheck Updated Forecast is not accepted pursuant to paragraph (a) above, the Scheme Supervisors, the Creditors' Committee and the Company must consult, in good faith, and use all reasonable endeavours to agree changes to the draft such that it can be accepted pursuant to paragraph (a) above as soon as practicable and, in any event, within five Business Days of the Scheme Supervisors notifying the Company that the draft Updated Forecast or draft Shopacheck Updated Forecast is not accepted
- (c) The Company shall deliver a copy of each Updated Forecast and each Shopacheck Updated Forecast to the Creditors' Committee within five Business Days of it being accepted pursuant to this Clause

2.4 Divergence Certificate

Within two Business Days of an Updated Forecast being accepted pursuant to Clause 2.3), WFS must deliver to the Scheme Supervisors a Divergence Certificate setting out the aggregate Forecast Net Free Cash in that Updated Forecast to be received by WFS from the start date of the Updated Forecast to 31 December 2013 plus any Net Free Cash received by WFS by the date of the relevant Updated Forecast in excess of the Original Forecast as a percentage of the aggregate Forecast Net Free Cash set out in the Original Forecast to be received by WFS from the start date of the Updated Forecast to 31 December 2013 (*the Total Net Free Cash Percentage*)

3. FINANCIAL MODEL

3.1 Inconsistency

If any term of this Schedule is inconsistent with the Financial Model or the Shopacheck Financial Model the Schedule will prevail

3.2 Changes

- (a) Without imposing any verification obligation on the Scheme Supervisors, the Scheme Supervisors and the Company may each make proposals for changes to the Financial Model or the Shopacheck Financial Model which it believes in good faith are necessary for
 - (i) the accurate calculation of the percentages and amounts to be calculated under this Schedule, or
 - (ii) the accurate projection of Forecast Net Free Cash

Any proposal made under this subclause must be accompanied by reasons for that proposal

- (b) If the Scheme Supervisors and the Company are unable to agree on any change referred to above within fifteen Business Days from the date on which the change is proposed, the relevant change shall not be made

4. QUARTERLY TESTING

4.1 Calculations

On each Calculation Date, the Company must deliver to the Scheme Supervisors a Calculation Certificate setting out

- (a) the Forecast Net Free Cash for each Quarter in the relevant Calculation Period,
- (b) the Forecast Net Free Cash for the relevant Calculation Period,
- (c) the Actual Net Free Cash for each Quarter in the relevant Calculation Period,
- (d) the Actual Net Free Cash for the relevant Calculation Period,
- (e) the Actual Net Free Cash for each Quarter in the relevant Calculation Period as a percentage of the Forecast Net Free Cash in that Quarter (*the Quarterly Net Free Cash Percentage*),
- (f) the Actual Net Free Cash for the relevant Calculation Period as a percentage of the Forecast Net Free Cash for the relevant Calculation Period (*the Net Free Cash Percentage*),
- (g) the Cumulative Actual Net Free Cash as a percentage of Cumulative Forecast Net Free Cash (*the Cumulative Net Free Cash Percentage*), and
- (h) the Shopacheck Percentage

4.2 Stage One Trigger Event

- (a) If, on any Calculation Date, the relevant Net Free Cash Percentage is less than 100 percent (a **Stage One Trigger Event**), WFS must within five Business Days of that Calculation Date produce a remedial plan (each a **Remedial Plan**) for the Scheme Supervisors detailing how the relevant deficit in Actual Net Free Cash can be cured by the next Calculation Date
- (b) Any deficit in Actual Net Free Cash which is the subject of a Remedial Plan shall be added to the aggregate Forecast Net Free Cash amount used to calculate the Net Free Cash Percentage at the next Calculation Date

5. STAGE TWO TRIGGER EVENT

If

- (a) the Company does not produce a Remedial Plan within five Business Days of a Stage One Trigger Event to the satisfaction of the Scheme Supervisors, or
- (b) a Stage One Trigger Event occurs on two consecutive Calculation Dates, or
- (c) on any Calculation Date in
 - (i) 2011 a Quarterly Net Free Cash Percentage is less than 90 percent; or
 - (ii) 2012 a Quarterly Net Free Cash Percentage is less than 85 percent or
 - (iii) 2013 a Quarterly Net Free Cash Percentage is less than 80 percent,
- (d) on any Calculation Date other than the first Calculation Date, the Cumulative Net Free Cash Percentage is less than 100 percent

(each a **Stage Two Trigger Event**),

the Company must produce an Updated Forecast in accordance with Clause 2 (Forecast)

6. STAGE THREE TRIGGER EVENT

If

- (a) any Total Net Free Cash Percentage is less than 100 percent, or
- (b) a draft Updated Forecast is not agreed in accordance with paragraph (b) of Clause 2.3 (Agreement of draft Updated Forecast)

(each a **Stage Three Trigger Event**),

the Scheme Supervisors must within two months of the occurrence of the relevant Stage Three Trigger Event produce for the Scheme Creditors an analysis of their forecast distributions based on the Updated Forecast which caused by Stage Three Trigger Event compared to the returns the Scheme Creditors would be likely to receive on an administration of the Company

7. SHORT SETTLEMENT

The Company must comply with its policy guidelines relating to short settlements dated 30 June 2010 and not make any change to those guidelines without the consent of the Creditors' Committee

8. OTHER COVENANTS

8.1 Negative pledge

- (a) Except as provided below, the Company must not create or allow to exist any Security Interest on any of its assets
Paragraph (a) does not apply to
 - (i) any lien arising by operation of law and in the ordinary course of trading, and
 - (ii) any Security Interest entered into in respect of the Employee Retention Fund
- (b) The Company must not
 - (i) sell, transfer or otherwise dispose of any of its assets on terms where it is or may be leased to or re-acquired or acquired by it or any of its related entities,
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms,

- (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or

- (iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset

8.2 Financial Indebtedness

The Company must not, without the prior consent of the Creditors' Committee, incur any Financial Indebtedness

8.3 Mergers

The Company must not, without the prior consent of the Creditors' Committee, enter into any amalgamation, demerger, merger or reconstruction

8.4 Acquisitions

The Company must not, without the prior consent of the Creditors' Committee, make any acquisition or investment

8.5 Change of business

The Company must not, without the prior consent of the Creditors' Committee

- (a) carry on any business other than the business carried on the Effective Date, or
- (b) make any substantial change to the general nature of the business of the Company from that carried out on the Effective Date

8.6 Disposals

- (a) Except as set out in paragraph (b) below, the Company must not, without the prior consent of the Creditors' Committee, either in a single transaction or in a series of transactions and whether related or not, dispose of all or any part of its assets
- (b) Subject to the terms of the PPI Settlement Agreement, paragraph 0 does not apply to any disposal
 - (i) of up to five percent of the gross amount of the WFS Loan Book as at the Effective Date, or
 - (ii) which is a Permitted Disposal, or
 - (iii) which is not a disposal of Shopacheck and is made in the ordinary course of trading and, when aggregated with any disposal made under this sub-paragraph (iii) in the previous 12 months, does not constitute a disposal of assets with a book value of more than £1,000,000

8.7 Liabilities

The Company must not, without the prior consent of the Creditors' Committee, incur any liability (other than to the extent that the new liability replaces an existing liability on the same terms) after the Effective Date if such liability, when aggregated with all other liabilities incurred by the Company in the previous 12 months, is greater than £1,000,000

8.8 Operating expenditure

The Company may not, without the prior consent of the Creditors' Committee, incur operating expenditure not referred to in the relevant Forecast in an aggregate amount exceeding £1,000,000 in any 12 month period

8.9 Excluded Liabilities

The Company may not, without the prior consent of the Creditors' Committee, incur Excluded Liabilities in an aggregate amount greater than

- (a) £130,000,000 in the 12 month period ending on 31 December 2011,
- (b) £85,000,000 in the 12 month period ending on 31 December 2012, and
- (c) £60,000,000 in each 12 month period ending on each 31 December thereafter

excluding any payments under the PPI Settlement Agreement and Claims Handling Agreement, any payments into the trust fund formed pursuant to clause 5 4 1 of the Scheme and any payments into the Employee Retention Fund.

8 10 Lending

The Company must not be the creditor in respect of any form of credit to any person other than in respect of the WFS Loan Book and the Shopacheck Gross Loan Book and other than in the ordinary course of trading of the Company

8 11 No Dividend

The Company may not

- (a) declare, make or pay any dividend (or interest on any unpaid dividend), charge, fee or other distribution (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital),
- (b) repay or distribute any dividend or share premium reserve, or
- (c) pay any management, advisory or other fee to or to the order of the shareholders of the Company

8 12 Unprotected PPI Liabilities

The Company may not after the Effective Date, without the prior consent of the Creditors' Committee, pay any amount in respect of Unprotected PPI Liabilities in excess of £22,500,000

8 13 Instructing Bovess Limited or Bovess Holding Limited

The Company may not instruct

- (a) Bovess or Bovess Holding, including the giving of its consent pursuant to the articles of association of either of these companies,
- (b) any share trustee that holds shares in Bovess Holding, including the giving of its consent pursuant to a share declaration of trust between the Company and such share trustee, or
- (c) any corporate services provider engaged to provide services in relation to Bovess or Bovess Holding, including the giving of its consent pursuant to a corporate services deed between, among others, the Company, Bovess, Bovess Holding and such corporate services provider,

in each case in a way that would be adverse to the interests of any of the Scheme Creditors.

8 14 Wind-down

- (a) Subject to the terms of the Scheme (including without limitation covenants and undertakings of the Company in respect of expenditures), the Company shall, unless otherwise agreed with the Creditors' Committee, seek to develop Shopacheck with a view to its sale no later than three months after 31 December 2013. The Company shall consult with the Creditors' Committee in connection with such prospective development and sale and any proposed change in strategy
- (b) In light of the contraction of the WFS Loan Book over time, as its receivables are collected, the Company shall reduce and wind down or sell the outgoings of and other expenditure in connection with the WFS Loan Book in as economical and efficient a manner as is reasonably possible

8 15 Shopacheck Valuation

- (a) If requested by the Scheme Supervisors or on any Calculation Date (other than the first Calculation Date) in
 - (i) 2011 the Shopacheck Percentage is less than 3 percent, or
 - (ii) 2012 the Shopacheck Percentage is less than 4 5 percent, or
 - (iii) 2013 or later the Shopacheck Percentage is less than 5 percent,

the Company must, within three Business Days of the relevant request or Calculation Date (as the case may be), engage and instruct a valuer and make reasonable endeavours to provide to the Creditors' Committee a Shopacheck Updated Terminal Value and a Shopacheck Updated Forecast within fifteen Business Days of the date the valuer is engaged

- (b) If the Shopacheck Cash Flow in any Shopacheck Updated Forecast plus the related Shopacheck Updated Terminal Value is less than 100 percent but equal to or greater than 90 percent of the Shopacheck Threshold for the same period, the Company must, within four weeks of the relevant request or Calculation Date (as the case may be), prepare a report (to the satisfaction of the Scheme Supervisors) to the Creditors' Committee setting out the reasons for the shortfall and

the amended strategic proposals and forecasts for Shopacheck. The Creditors' Committee may amend the strategic proposals, the covenants or require the Company to accept new strategic proposals for Shopacheck.

- (c) If the Shopacheck Cash Flow in any Shopacheck Updated Forecast plus the related Shopacheck Updated Terminal Value is less than 90 percent of the Shopacheck Threshold for the same period, the Company must, within four weeks of the relevant request or Calculation Date (as the case may be), prepare a report (to the satisfaction of the Scheme Supervisors) to the Scheme Creditors setting out the reasons for the shortfall and the amended strategic proposals and forecasts for Shopacheck. The Scheme Creditors may amend the strategic proposals, the covenants or require the Company to accept new strategic proposals for Shopacheck.

8.16 Plan B Original Forecast

If Plan B is being pursued,

- (a) WFS and Shopacheck shall, during the three months falling after the date of the appointment of an administrator or liquidator to Cattles under the Insolvency Act, review the impact during that period on the generation of Actual Net Free Cash of such an appointment,
- (b) by no later than two months after the end of the three month period referred to in paragraph (a) above, WFS and Shopacheck shall each produce, taking into account the Three Month Review, a financial forecast for WFS and Shopacheck (as the case may be) in respect of its Financial Years 2011 to 2013 applicable to Plan B in accordance with the provisions of Clause 2.2 above as if such provisions applied, *mutatis mutandis*, to the forecast in this paragraph. Furthermore the acceptance process for such forecast shall be as set out in the provisions of Clause 2.3 as if such provisions applied, *mutatis mutandis*, to the forecast in this paragraph, and
- (c) the testing of covenants under this Schedule shall only commence on the first Calculation Date following the later of the Effective Date and the completion of the acceptance process referred to in paragraph (b) above.

ANNEX 1
FORM OF CALCULATION CERTIFICATE

[On the letterhead of the Company]

To The Scheme Supervisors

Dear Sirs,

Capitalised terms defined in the scheme of arrangement have, unless expressly defined in this certificate, the same meaning in this certificate

This is the Calculation Certificate for the Calculation Date occurring on [] It relates to the Calculation Period ending on []

Relevant figures for the Calculation Period	
Forecast Net Free Cash for each Quarter	
Forecast Net Free Cash	
Actual Net Free Cash for each Quarter	
Actual Net Free Cash	
Quarterly Free Net Cash Percentage	
Net Cash Free Percentage	
Cumulative Net Free Cash Percentage	
Shopacheck Percentage	

Attached to this certificate are details of our calculations of the above figures

We hereby confirm that none of the short settlement and other covenants set out in Clause 7 and 8 in Schedule 6 have been breached in the Calculation Period

Yours faithfully,

For the Company

ANNEX 2
FORM OF DIVERGENCE CERTIFICATE

[On the letterhead of the Company]

To The Scheme Supervisors

Dear Sirs,

Capitalised terms defined in the scheme of arrangement have, unless expressly defined in this certificate, the same meaning in this certificate

This is the Divergence Certificate in relation to the Updated Forecast dated []

Relevant figures for the Calculation Period	
Total Net Free Cash Percentage	
Financial Year Net Free Cash Percentage	

Attached to this certificate are details of our calculations of the above figures

Yours faithfully,

For the Company

SCHEDULE 7
SCHEMED DIRECTORS

- 1 **Adrian Cummings**
- 2 **Ian Cummine**
- 3 **James Corr**
- 4 **John Blake**
- 5 **Mark Collins**
- 6 **Michael Belcher**
- 7 **Peter Miller**

SCHEDULE 8
SCHEMED LEASE LIABILITIES

Any Liability of the Company, including without limitation liability for rent (including sums becoming due as a result of the determination of rent review) service charges, insurance rents and other outgoings, liability for repairs and dilapidations, and whether falling due for payment before, on or after the Record Date and whether payable by the Company as tenant, guarantor, former tenant, former guarantor or otherwise) in relation to any lease which falls into any one or more of the following categories

- (a) which has as at the Record Date terminated (whether by effluxion of time, surrender, forfeiture or otherwise),
- (b) of which the current tenant is not a member of the Group as at 31 October 2010,
- (c) which has been assigned by the tenant and the assignee is not a member of the Group;
- (d) of which the tenant has sub-let the whole of the demised premises and the sub-tenant is not a member of the Group, or
- (e) (whether or not also falling into one of the above categories) one of the following premises
 - (i) Building 106, Longmead Road, Bristol,
 - (ii) Part 2nd Floor, Argent Business Centre, Sunderland,
 - (iii) 7-9 Market Buildings, High Road, Southampton,
 - (iv) 18/20 Bridge Street, Musselburgh,
 - (v) Unit C, Neptune Park, Dolphin Way, West Thurrock;
 - (vi) First Floor Rear, 103 Cranbrook Road, Ilford,
 - (vii) Unit 1, Edinburgh Interchange, Edinburgh,
 - (viii) Unit 6, The Griffin Centre, Staines Road, Feltham,
 - (ix) Unit 9B, Darwin Court, Blackpool,
 - (x) Part 6th Floor, East Wing, Trigate, Birmingham,
 - (xi) Suite 2, Arran House Business Centre, Arran Road, Perth;
 - (xii) Unit 3, Blair Court, Clydebank,
 - (xiii) Ground Floor Office, 3 Cecil Street, Margate,
 - (xiv) Part 5th Floor, Davis House, Croydon,
 - (xv) Unit 3, Ensign House, Plymouth, and
 - (xvi) Suite 19, Block B, Brunts Business Centre, Mansfield

SCHEDULE 9
EXCLUDED TRADE CREDITORS

For the avoidance of doubt, nothing in this Scheme shall prevent any Excluded Trade Creditor from being a Scheme Creditor in respect of Scheme Liabilities.

(VIRGIN) NTL. TELEWEST BUSINESS

1ST CREDIT LIMITED

2E2 UK LTD

A & J PROPERTY MAINTENANCE

A&J MINIBUSES

A E THOMAS & CO

A L BOULTON AND SONS LIMITED

AAP3 LTD

ABBAY MILL BUSINESS CENTRE

ABC CLEANING SERVICES

ABEL ALARM COMPANY LTD

ABLE ARROW CLEANING SERVICES LTD

ABLECLEAN LTD

ACE CLEANING SERVICES

ADAM SAMUEL TRADING & CONSULTING SERVICES

ADT FIRE AND SECURITY PLC

ADW INVESTMENTS LTD

AGILE EDUCATION LTD

AGS SECURITY SYSTEMS LTD

ALARMFAST SUPERVISION SECURITY SYSTEMS LIMITED

ALD AUTOMOTIVE LIMITED

ALDER KING LLP

ALIX PARTNERS LTD

ALL ASPECT WINDOW CLEANING SERVICES

ALL CLEAR WINDOW CLEANING

ALLBRIGHT OFFICE & WINDOW CLEANING

ALLEN & OVERY LLP

ALLEN VENDING SERVICES LTD

ALLIANCE ENVIRONMENTAL CLEANING SERVICES LTD

ALMONDALE INVESTMENTS (JERSEY) LTD

ALTERNATIVE NETWORKS PLC

AMBER RETIREMENT BENEFITS SCHEME

AMPM SERVICES NI LTD

ANGLIA ASSET MANAGEMENT LTD

ANGLIAN WATER SERVICES LIMITED

ANLABY CLEANING SUPPLIES LIMITED

APPROVED SOLUTIONS LTD

APT SOLUTIONS LIMITED

AQUITAIN LTD
ARCA BUSINESS CENTRES LTD
ARCHGATE CLEANING & SUPPORT SERVICES LTD
ARENA GROUP LTD
ARGENT BUSINESS & CONFERENCE CENTRE
ARGOS BUSINESS SOLUTIONS LTD
ARMSTRONG RECOVERY LTD
ASHTENNE ASSET MANAGEMENT LTD
ASPECTIVE LTD
ASPIRE MONEY LIMITED
ASSETWARE TECHNOLOGY LTD
ASSOCIATED CLEANING CONTRACTORS
A-STAT OFFICE TECHNOLOGY LTD
ATLANTA TRUST LIMITED
ATLANTIC GATE PROPERTY PARTNERSHIP
ATSMITH PROPERTIES
ATTENBOROUGH DOORS LTD
AUDITWARE SYSTEMS LIMITED
AUTOBAR UK (NORTH) LTD
AUTOBAR UK (SOUTH) LTD
AVENANCE PLC
AVOCENT SOFTWARE LTD
AVON COMMERCIAL LTD
B & L SERVICES LTD
B&C WINDOW CLEANING SERVICES
BARCLAY ANDERSON LIMITED
BARNET LONDON BOROUGH
BARNESLEY METROPOLITAN BOROUGH COUNCIL
BARRON MCCANN TECHNOLOGY LIMITED
BARRY EVANS
BASE SERVICES LIMITED
BATH ROAD NEWS
BCS
BEETLE BROW LTD
BELFRY GRP LTD
BELLA MARKETING & DESIGN LTD
BEST CONTRACT CLEANING LTD
BIDDLE PROPERTY
BIG BITE CATERING COMPANY
BIRKIN CLEANING SERVICES LTD
BIRMINGHAM CITY COUNCIL
BISBANE HOUSE LTD
BISHOPS CLEANING

BISZSPACE LTD
BLACKPOOL COUNCIL
BLENHEIM CLEANING SERVICES
BLUE ARROW LTD
BLUE CHIP CUSTOMER ENGINEERING LTD
BLUEBELL PROPERTIES LIMITED
BMS CONTRACTS LIMITED
BNP PARIBAS REAL ESTATE
BON APPETIT
BONDS MILL ESTATE LTD
BOOKING SERVICES INTERNATIONAL LTD
BOSTON BID LEVY
BOTTOMLINE TECHNOLOGIES EUROPE LTD
BOWESFIELD INVESTMENTS LTD
BOYDEN INTERIM LTD
BRICKMAN YALE LTD
BRIGHT EUROPE LTD
BRIGHTPOINT GREAT BRITAIN LTD
BRILLIANT INDEPENDANT MEDIA
BRINSONS CHARTERED SURVEYORS
BRISTOL WESSEX BILLING SERVICES LTD
BRITANNIA PARKING LTD
BRITISH GAS TRADING LIMITED
BRITISH TELECOM PLC
BROOK STREET (UK) LTD
BROWN & CO
BRUCE CLEANING SERVICES LTD
BUPA OCCUPATIONAL HEALTH LTD
BURNHILL BUSINESS CENTRE LTD
BURTONS THE DECORATORS
BUSINESS OBJECTS UK LTD(SAP UK LTD)
BUSINESS STREAM
BUSWORTH HARDCASTLE LTD
C & C CLEAN
C H SHORE ESTATES LTD
C H WOOD SECURITY (BFD) LTD
CABLE & WIRELESS UK
CALLCREDIT PLC
CANNON HYGIENE LTD
CANON UK LTD
CAPITOL CLEANING MANAGEMENT LIMITED
CARDIFF EXECUTIVE CENTRES LTD
CARLISLE CITY COUNCIL

CARNELL MOTOR GROUP LTD PENSION SCHEME
CARVE DESIGN AND MARKETING LLP
CASTLEMAIN DEVELOPMENTS LTD
CB RICHARD ELLIS LTD
CERIDIAN CENTREFILE LTD
CESTRIAN ESTATES LIMITED
CFH TOTAL DOCUMENT MANAGEMENT LIMITED
CHART PROPERTY PARTNERSHIP LTD
CHARTIS INSURANCE
CHECKFREE SOLUTIONS LTD
CHEQUERS TRANSPORT SERVICES LTD
CHILDCARE VOUCHERS LTD
CHRIS LYONS
CHRISTIE PROPERTY CONSULTANTS
CHUBB ELECTRONIC SECURITY LTD
CHUBB FIRE LIMITED
CHUBB SECURITY PERSONNEL LTD
CIFAS LTD
CITY AND COUNTY OF SWANSEA
CITY CLEANING CONTRACTS LTD
CITY HYGIENE SERVICES LIMITED
CITY NEWS
CITY OF EDINBURGH COUNCIL EXCEPT IN THEIR CAPACITY AS LANDLORDS OF UNIT C, NEPTUNE
BUSINESS PARK, DOLPHIN WAY
CITY OF WAKEFIELD METROPOLITAIN DISTRICT COUNCIL
CITY PADS SERVICED APARTMENTS LTD
CITY PARKING (GLASGOW) LLP
CKD GALBRAITH
CLASSIC CLEANING SERVICES
CLAYCLIFFE OFFICE PARK MANAGEMENT LTD
CLAYMORE RECOVERY LIMITED
CLEAN N CLEAR
CLEANALL ENTERPRISES
CLEANSITE SERVICES LTD
CLEANTECH
CLEGGS SOLICITORS
CLIFFORD CHANCE LLP
CLIFTON CATERING
CLUTTONS LLP
CNC PROPERTY MANAGEMENT LIMITED
COMBINED PROPERTY CONTROL
COMMERCIAL DEVELOPMENT PROJECTS LTD
COMMERCIAL PROPERTY SOLUTIONS LTD

COMPANIES HOUSE
COMPLETE CLEANING SERVICES
COMPUTER SYSTEMS INTERGRATION LTD
CONTRACT CLEANING SERVICES LTD
CONTROL RISKS GROUP LTD
COOKE RUDLING
CO-OPERATIVE TRAVEL MANAGEMENT
COOPERS SANDWICH BAR
CORNER TO CORNER
CORNICHE CLEANING SERVICES LTD
CORPORATE DIRECT EUROPE LIMITED
CORY ENVIRONMENTAL MUNICIPAL SERVICES LTD
COSTAR UK LTD
COUNTRY ESTATES HAMPSHIRE LTD
COUNTRY HOME WINDOW CLEANING
COUNTRYWIDE COMMERCIAL SERVICES LTD
COUNTRYWIDE PROPERTY MANGEMENT
COVENTRY CITY COUNCIL
CRAWLEY BOROUGH COUNCIL
CREST NICHOLSON REGENERATION LTD
CROWN PAINTS LIMITED
CROYDON LONDON BOROUGH DISTRICT COUNCIL
CROYDON WINDOW CLEANING SERVICE
CRYSTAL CLEAN SERVICES LIMITED
CRYSTAL CLEANING SERVICES
CUMBRIAN XPRESS LTD
CUMMINGS INDUSTRIAL & COMMERCIAL WINDOW CLEANING
CYAN POWER LTD
CYCLEScheme LTD
CYRIL LEONARD
D & M CLEANING SERVICE
D M GARNHAM
D SHAW WINDOW CLEANING SERVICES
DAIRY CREST LTD
DAIRY FRESH DAIRIES LTD
DALKIA LIGHTING & ELECTRICAL SERVICES LTD
DAWSONRENTALS TRUCK & TRAILER LTD
DB CLEANING
DEBT MANAGEMENT SERVICES LTD
DEEPCLEAN PROFESSIONAL CLEANING SERVICES
DELI STREET
DENPLAN LIMITED
DETAIL CLEAN LIMITED

DEWSBURY BAPTIST CHURCH
DEWSBURY WINDOW CLEANING COMPANY LTD
DIAMOND DOMESTICS
DICKY DONUTS LTD
DIGITAL MUSE LTD
DIRECT CLEANING SERVICES (LEEDS) LTD
DIRECT GROUP LIMITED
DIRECT SALES ACCREDITATION LIMITED
DLA PIPER RUDNICK LLP
DLA PIPER UK LLP
DOMESTIC SUPPLIES & SERVICES
DOMINO'S PIZZA GROUP LIMITED
DONCASTER METROPOLITAN BOROUGH COUNCIL
DOOBA INVESTMENTS III LIMITED
DOREE BONNER INTERNATIONAL
DORSET DRYLINING
DOVE ASSET MANAGEMENT LTD
DP&L TRAVEL LTD
DSICMM LTD
DTZ DTL LTD
DUBLCHECK CLEANING SERVICES LTD
DUNDEE CITY COUNCIL
DWR CYMRU CYF LTD
E W TAYLOR
E ON ENERGY LIMITED
E ON UK PLC
EAST ARYSHIRE COUNCIL
EAST LOTHIAN COUNCIL
EAST RIDING OF YORKSHIRE COUNCIL
EDDISONS COMMERCIAL (PROPERTY MANAGEMENT) LTD
EDEN SPRINGS UK LTD
EDF ENERGY
EDM GROUP LTD
EDMUND KIRBY & SONS MANAGEMENT SERVICES
ELLISON MOTORS I
EM CLEANERS
ENTERPRISE LEARNING LTD
ENVOY
EPOCH PROPERTY LIMITED
EPOCH PROPERTY LTD T/A MURPHY YOUNG
EQUIFAX PLC
EQUIGROUP LTD
ERNST & YOUNG LLP

ESSEX & SUFFOLK WATER
EUROPEAN COURIER & HI-TECH ORGANISATION LTD
EUROPEAN SETTLED ESTATES PLC
EVANS EASTSPACE LTD
EVERSHEDS LLP
EXETER CITY COUNCIL
EXPERIAN LIMITED
EXPERTO CREDITE LTD
EXPRESS FINANCE
F P MAILING (NORTHWEST) LTD
FAIRHURST PROPERTY SERVICES LTD
FAST CORPORATE SERVICES LTD
FDB INTERNATIONAL LTD
FG BURNETT LTD
FIFE COUNCIL
FINANCIAL OMBUDSMAN SERVICE LTD
FINANCIAL SERVICES AUTHORITY
FIS HOLDINGS LTD
FISERV (EUROPE)LIMITED
FOCUS PROJECT MANAGEMENT (EUROPE) LTD
FOUNDATION FOR CREDIT COUNSELLING
FPD SAVILLS COMMERCIAL LTD
FREESTONE PARTNERS
FRESH AIR CLEANING SERVICES
FRESH AND CLEAN SERVICES
FRESHFIELDS BRUCKHAUS DERINGER
FRONTIER FINANCE LTD
FTI CONSULTING LIMITED
FURMINGER ASSOCIATES
G C PROPERTIES
G J TREASURE CLEANING CONTRACTORS
G4S CASH SOLUTIONS (UK) LTD
GALA CLUB
GATESHEAD COUNCIL
GATEWAY2FINANCE
GB GROUP PLC
GCC PROPERTY CARE LTD
GE CAPITAL EQUIPMENT FINANCE LTD
GEOPLAN SPATIAL INTELLIGENCE LTD
GEMTEC LIMITED
GENIE CLEANING SERVICE LTD
GEOGHEGAN BROS LIMITED
GGR COMMUNICATIONS LTD

GL HEARN LTD
GLADMAN DEVELOPMENTS LTD
GLASCOED PROPERTIES
GLASGOW CITY COUNCIL
GLOBAL CLEANING CONTRACTS PLC
GOLLEY SLATER LTD
GOOD ENERGY GAS LTD
GRAHAM & SIBBALD
GRAHAMS CLEANERS
GRANGE NEWS
GREENSTAR ENVIRONMENT LTD
GUARDHALL SECURITY SERVICES LIMITED
GVA GRIMLEY LTD
HAIRCLOTH WEAVING & FINISHING COMPANY LTD
HALLIWELLS LLP
HALLS (WORCESTER) LLP
HANDS (CLEANERS) LIMITED
HANDS ON CLEANING
HAP LTD
HARDWICK NOMINEES LTD
HARPER RECRUITMENT LTD
HARVEY NASH PLC
HARWOODS CLEANING CTRS LTD
HAWKSWORTH CLEANING SERVICES
HAYES STAFF RECRUITMENT LIMITED
HAYS PHAMRA LTD
HAZEL WINDOW CLEANERS LIMITED
HDAK COMMERCIAL PROPERTY CONSULTANT
HEAD OFFICE CLEANING SERVICES
HEWITT ASSOCIATES LTD
HFGL LTD
HIGH FORCE COMMERCIAL
HIGH STREET VOUCHERS LTD
HIGHSHINE LTD
HILLERSDEN SECURITIES LTD
HILLSIDE SERVICES LIMITED
HMLA
HOMETRACK DATA SYSTEMS LTD
HOUNSLOW BOROUGH COUNCIL
HPI LIMITED
HTS ESTATES LTD
HUNTSWOOD CTC LTD
HUNTSWOOD RESOURCES LTD

HXRUK (MIDLANDS) LIMITED
HXRUK 3 (EDINBURGH) LTD
HYPERCLEAN
IBM UK FINANCIAL SERVICES LIMITED
ICFL PROPERTY LTD
IDM TRAINING LTD
IGROX LIMITED (CONNAUGHT COMPLIANCE)
IKON OFFICE SOLUTIONS PLC
INCOMS SYSTEMS LTD
INFOLINE LLR LTD
INGLE BHATTI & CO
INITIAL WASHROOM SOLUTIONS (RENTOKIL INITIAL SERVICES LTD)
INNES ENGLAND COMMERCIAL PROPERTY CONSULTANTS
INSIGHT DIRECT (UK) LTD
INSPACE PARTNERSHIPS REGENERATION & NEW HOMES LTD
INTEGRALIS LTD
INTEGRATED CLEANING MANAGEMENT LTD
INTELECT RECRUITMENT PLC
INTERCLEAN (DONCASTER) LTD
INTERGRATED CLEANING MANAGEMENT LTD
INTERNATIONAL COMPLIANCE TRAINING
INTRUM JUSTITIA LTD
INVENSYS TECHNOLOGY LTD
IPOINT4BUSINESS LTD
IPSWICH BOROUGH COUNCIL
IRVINE TAYLOR LTD
IRWIN MITCHELL SOLICITORS
ITC INFOTECH LTD
J & J WINDOW CLEANING SERVICES
J & R CLEANING SERVICES
JAMES ANDREW RSW LTD
JAMES BARR LTD
JAMES PATRICK
JAMODAT
JAYBEE CLEANING SPECIALISTS LTD
JB CLEANING & MANAGEMENT SERVICES LTD
JCW SEARCH LTD
JEEVES COURIERS LTD
JELSON LTD
JLEC ELECTRICAL LIMITED
JOHN CHIVERS COMMERCIAL LTD
JOHN MCKEE & SON SOLICITORS
JOHN MOFFAT WINDOW CLEANING

JOHN SAVOY & SON
JOY FERGUSON AND ASSOCIATES LTD
JST FINANCIAL SOLUTIONS LTD
JUST KLEEN SERVICES
K T PROPERTIES
KALAMAZOO—REYNOLDS LIMITED
KAPLAN FINANCIAL
KB CLEANING CONTRACTORS
KDC LTD (MINSTER LIVERPOOL)
KDS DISTRIBUTION LTD
KEN BATTY CHARTERED SURVEYORS
KENMORE CLEANING SERVICES
KENNEDYS
KENT COMMERCIAL (THANET) LLP
KETTERING OFFICE CLEANERS
KING STURGE LLP
KINGSTON COMMUNICATIONS PLC
KINSLEY ALLEN INTERNATIONAL LTD
KIRKLEES METROPOLITAN COUNCIL
KIRSOP & COMPANY LTD
KNOWSLEY BOROUGH COUNCIL
KPMG
KWB PROPERTY MANAGEMENT LTD
L ROBINSON
L&E DEBT RECOVERY LTD
LAMBERT SMITH HAMPTON
LAND REGISTRY COMMERCIAL SERVICES
LAND SECURITIES PROPERTIES LTD
LANDROUND MARKETING LTD
LANSDOWNE FINANCIAL MANAGEMENT LTD
LAWRENCE & WIGHTMAN
LAYBROOK INVESTMENTS LTD
LCK ASSOCIATES
LCP ESTATES LIMITED
LEBANON PROPERTY TRUST
LEE BARON GROUP LTD
LEEDS CITY COUNCIL
LEES CLEANING CONTRACTORS LLP
LEGAL RECOVERIES & COLLECTIONS LTD
LEGAT OWEN LTD
LEWIS & TUCKER MANAGEMENT
LEWIS SILKIN LLP
LEXISNEXIS UK

LG MATON HOLDINGS LTD
LISA REDMAN
LITIGATION & ENFORCEMENT LIMITED
LITTLE GEM LULU LTD
LLEWELLYN & COMPANY
LOMOND HILLS WATER—POWWOW
LONDON & ASSOCIATED PROPERTIES PLC
LONDON BOROUGH OF ENFIELD
LONDON BOROUGH OF REDBRIDGE
LONDON PARKING CONTROL LTD
LOXTON DEVELOPMENTS LTD
LRS RECOVERY SERVICES
LUTON BOROUGH COUNCIL
LUXURY ESTATES LIMITED
LYNNE EDWARDS
M HAIGH
M A R CONTRACT CLEANING & SUPPORT SERVICES LTD
M W J (HULL) LTD
MACH ONE LOGISTICS LTD
MACILDOWIE ASSOCIATES LIMITED
MAIL BOXES ETC
MAK PROPERTY INVESTMENTS
MALCOLM HOLLIS LLP
MANAGED COMMUNICATIONS LTD
MANHIEM AUCTIONS LTD
MANHIEM AUCTIONS LTD
MANSFIELD DISTRICT COUNCIL
MARCUS KING & CO
MARK ATKINS ASSOCIATES
MARK WALKER LTD
MARSHALL CLARK SERVICE CHARGE A/C
MARSTON GROUP
MASON PHILIPS LTD
MASTERLEASE LTD
MATHIAS PERRY
MAYFAIR PROPERTY MANAGEMENT CO (DERBY) LTD
MB LOCKING LOGISTICS GROUP LTD
MCCONNELL MARTIN PROPERTY CONSULTANTS
MEDWAY CONSULTING LTD
MEETING ZONE LTD
MERIDIAN SERVICES (TRACING)LIMITED
MERIT INVESTMENTS & PROPERTIES LTD
METERING SERVICES (E ON UK ENERGY SERVICES LTD)

MG WINDOW CLEANING
MICHAEL PAGE INTERNATIONAL RECRUITMENT LTD
MICHAEL POLLARD LTD
MICROSOFT IRELAND OPERATIONS LTD
MIDLANDS DEBT RECOVERY LTD
MILLER CLEAN
MILLFIELD ECO PROJECTS
MILTON KEYNES COUNCIL
MINICO PROPERTIES LTD
MINSTER CLEANING SERVICES
MIRAGE CLEANING SERVICES
MITIE CLEANING (NORTH) LIMITED
MJS CLEANING SERVICES
MKDP LLP COLLECTIONS BUT NOT IN RESPECT OF ASSIGNMENT OF DEBT DATED 5 MARCH 2010 FROM
WELCOME FINANCIAL SERVICES LTD
MOLIVIER MANAGEMENT LTD T/A HALLMAR
MONISTONE LTD
MORGAN WILLIAMS COMMERCIAL LLP
MORNING NEWS DELIVERIES 2 U
MORRIS VERMAPORT LTD
MORTGAGE & PROPERTY
MR & MRS SEESURRUN
MR D J DENNIS
MSM HYGIENE LTD
N I P CLEANING CONTRACTS LTD
N WADE
NAMESCO LTD
NATIONAL CAR PARKS LTD
NCC SERVICES LTD
NEEB HOLDINGS LIMITED
NELSON BAKEWELL LTD (184)
NELSONS SOLICITORS LLP
NEOPOST LIMITED
NET DIMENSIONS (UK) LTD
NETNAMES LTD
NETWORK VENTURES LIMITED
NEW COLLEGE DURHAM
NEWCASTLE CITY COUNCIL
NEWLIFE CLEANING SYSTEMS LIMITED
NEWMAN STONE LTD
NEWS EXTRA
NIE ENERGY LIMITED
NIMANS LIMITED

NINEYARD LTD
NOBLE HARRIS PROPERTY SERVICES LTD
NORAM INTERNATIONAL INC
NORTH ARYSHIRE COUNCIL
NORTH EAST LINCOLNSHIRE COUNCIL
NORTHERN ENERGY
NORTHERN IRELAND ELECTRICITY PLC
NORTHPORT DEVELOPMENTS LIMITED
NORTHUMBRIAN WATER LIMITED
NOTTINGHAM CITY COUNCIL
NOTTINGHAM INDUSTRIAL CLEANERS LTD
NTL BUSINESS LIMITED
OBLONG CONSULTING LTD
OCS GROUP UK LTD
OFFICE DIAMONDS
OFFICE TEAM LTD
OLIVER MARKETING LTD
OLYMPIA COMMERCIAL CLEANING SERVICE
OPAL TELECOM
OPP LIMITED
OPTIC ASSET MANAGEMENT LTD
ORACLE CORPORATION UK LIMITED
ORANGE PERSONAL COMMUNICATIONS LTD
ORMERODS SOLICITORS
OSNEY MEDIA LIMITED
OVERDRIVE
OYEZ PROFESSIONAL SERVICES LTD
OYEZ STRAKER OFFICE SUPPLIES LTD
P & A RECEIVABLES PLC
P M SOLUTIONS
PAGE PERSONNEL (UK) LTD
PARAGON (A DIVISION OF NATIONAL FLOORCOVERINGS LTD)
PARASOL LIMITED
PARITY TRAINING LTD
PARK DEVELOPMENTS (REGISTERED TRADING NAME—SORREC LTD)
PARK INN
PAUL WOOD
PEARL & COUTTS LTD
PERFORMING RIGHT SOCIETY LTD
PERTH & KINROSS COUNCIL
PETER MADDOX AND ASSOCIATES LTD
PHHR LTD
PHILL COLLINS DAIRY LTD

PHOENIX BEARD PROPERTY CONSULTANTS
PHOENIX NATURAL GAS LTD
PHONES ON FINANCE LTD
PHONOGRAPHIC PERFORMANCE LIMITED
PHS GROUP PLC
PICKERINGS EUROPE LIMITED
PICKERSGILL CONSULTANCY & PLANNING LTD
PICTON JONES & CO (PROPERTY CONSULTANTS) LTD
PINNACLE CLEANING SERVICES LTD
PIONEER QUALITY SERVICES
PLANT PLAN & CO
PLYMOUTH CITY COUNCIL
POPPIES DURHAM
PORTSMOUTH WATER
POSSIL RENEWAL LTD
POWERATIX LTD
PPH COMMERCIAL LLP
PRACTICAL LAW COMPANY LTD
PREMIER CLEANING & SERVICE (NORTHERN)
PRISTINE CLEAN SERVICES LTD
PROACTIVITI LTD
PROCARE CLEANING MANAGEMENT
PROCURA GROUP LTD
PRUPIM LTD
PURE PROMOTER LTD
PVA ANALYTICS LTD
QA-IQ LTD
QAS LIMITED
QUALITY COMMERCIAL PROPERTIES
QUALITY PERSONNEL LTD
QUALYS LTD
QUANTICA TECHNOLOGY LIMITED
R H PROPERTY MANAGEMENT LIMITED
R J GILPIN
R TURNBULL
RAC ENTERPRISES LTD
RAC RISK MANAGMENT
RAM RECOVERY
RAPIDE COMMUNICATIONS LTD
REACH CLEANING & WASTE MANAGEMENT LTD
RECRUITACTIVE LTD
RED LETTER DAYS LTD
REED PROPERTY LTD

REEVE & PARTNERS LTD
REGENCY (AYRSHIRE) LTD
REGENT HOUSE PROPERTY MANAGEMENT CO
REGISTERS OF SCOTLAND
REMPLOY LIMITED
RESOURCE (NI) LTD
RESPOND GROUP LTD
RF WARDLE LTD
RH PROPERTY MANAGMENT LTD
RICHARD HILSON—RISK MANAGEMENT SERVICES
RICHARD NELSON
RICOH UK LTD
RIVERSIDE INVERCLYDE (PROPERTY HOLDINGS) LTD
RMS CONSULTING LTD
RN CLEANING SERVICES
RO REGIONAL PROPERTIES LTD
ROBERT HALF LTD
ROBERT MEATON & CO
ROBERT T LEE & ASSOCIATES LTD
ROMEC SERVICES LTD
ROSS & LIDDELL LIMITED
ROSS CLEANING SERVICES
ROYAL MAIL GROUP LTD
RUSH I T SERVICES LTD
RUSHCLIFFE BOROUGH COUNCIL
RUTLEDGE INVESTMENTS
RVB INVESTMENTS LIMITED
RWS LTD
S PAGUD
S C M WINDOW CLEANING SERVICES
SAFETY MATTERS
SAHEED PROPERTY MANAGEMENT SERVICES & INVESTMENTS
SAINSBURYS SUPERMARKETS LTD
SALANS LLP
SANDERSON WEATHERALL
SANDWELL METROPOLITAN BOROUGH COUNCIL
SAS SOFTWARE LTD
SAVILLS (L&P) KTD
SAVILLS COMMERCIAL LTD
SCALA INTERNATIONAL LTD
SCOREX (UK) LIMITED
SCOTIA RM LTD
SCOTTISH POWER ENERGY RETAIL LTD

SCREWFIX DIRECT LTD
SEBEL HOUSE (BOOTLE) LTD
SEGRO PROPERTIES LTD
SERVICEMASTER
SETON LIMITED
SEVERN TRENT WATER LIMITED
SHINE TIME
SHINERS CLEANING CONTRACTORS LTD
SHRED-IT LIMITED
SIA GLOBAL COMPLIANCE LIMITED
SIAS FM LTD
SIEMENS ENERGY SERVICES LTD
SIEMENS FINANCIAL SERVICES LTD
SIMON DEWHURST PHOTOGRAPHY LIMITED
SIMONS CLEANING SERVICES
SIMPLY HEALTH GROUP (HSA)
SIMPSON ASSOCIATES INFORMATION SERVICES LTD
SIMTOR LIMITED
SITA UK LIMITED
SITEX ORBIS LTD
SKILLS HOLIDAYS LTD
SLFC SERVICES COMPANY (UK) LTD
SMA LIMITED
SMC LTD T/A CHUBB EMERGENCY RESPONSE (SECURITY MONITORING CENTRES LTD)
SMITH & SONS PROPERTY CONSULTANTS
SOLO SERVICE GROUP
SOLWAY WINDOW CLEANING
SOUTH DERBYSHIRE DISTRICT COUNCIL
SOUTH GLOUCESTERSHIRE COUNTY COUNCIL
SOUTH STAFFORDSHIRE WATER PLC
SOUTH WEST WATER LTD
SOUTHAMPTON CITY COUNCIL
SOUTHERN ELECTRIC
SOUTHERN WATER
SOUTHSIDE CARS
SPARKLES SCOTLAND LTD
SPARKLY CLEANING
SPENCER BUSINESS PARKS LTD
SPICK N SPAM
SPOTLESS CLEAN LIMITED
SPOTLESS COMMERCIAL CLEANING LTD
SPSS UK LTD
SQUIRREL STORAGE LTD

SSP LTD
STANLEY WINDOW CLEANING CONTRACTORS
STEF PROPERTY MANAGEMENT LTD
STEPHEN DODDS
STILES HAROLD WILLIAMS
STORTEC SERVICES LTD
STRUTT & PARKER
SUNDERLAND CITY COUNCIL
SUPERIOR CLEANING LIMITED
SWAEFAS LTD
SWAN PARK LTD
SWARBRICKS
SYNECTICS SOLUTIONS LTD
T A CATCHPOLE
T CURRIE WINDOW CLEANING
T V LICENSING
TAG ESTATES LTD
TALKINGTECH UK LTD
TAMAR COM LIMITED
TAYLOR AND EMMET LLP
TAYLOR HARRISON
TCS PROPERTY MANGEMENT LTD
TD TRAVEL GROUP
TDX GROUP LTD
TELECOMS WORLD PLC
THAMES VALLEY CLEANING
THAMES WATER UTILITIES LIMITED
THANET DISTRICT COUNCIL
THE DANWOOD GROUP LTD
THE HIGHLAND COUNCIL
THE JDS GROUP LTD
THE KNOWLEDGE ACADEMY LTD
THE LEWIS GROUP LIMITED
THE LUNCH BOX
THE MALL CORPORATION LTD
THE REAL SANDWICH CO
THE ROYAL INSTITUTE OF CHARTERED SURVEYORS
THE TRAVEL COMPANY LTD
THE TRUSTEES OF SORREC LIMITED
THREE 60 PROPERTY INVESTORS LIMITED
THURROCK COUNCIL
TIER 1 ASSET MANAGEMENT LTD
TMP LIMITED

TNT UK LTD
TOMAHAWK HOTELS LTD
TOWERS WATSON
TRAFFORD PARK CLEANING CO LTD
TRILLIUM PROPERTY SERVICES LTD
TRINITY CONTRACT CLEANING SERVICES LTD
TRUSTEES OF CHARLES CLOWES PENSION FUND
TURNER & BUDD CLEANING SERVICES LTD
TURNER & CO LTD
UK CHANGES
UK MAIL LTD
ULTIMATE LAW LTD
UNITED UTILITIES WATER PLC
UNIVERSAL SERVICES
VEOLIA WATER CENTRAL LTD
VINE PROPERTY MANAGEMENT
VISION EXPRESS
VODAFONE LTD
VOICESAGE GLOBAL HOLDINGS LTD
VRANIC & HOWLEY
W B W LUCAS
W MEMORY
WADESON CLEANING SERVICES
WADHAM & ISHERWOOD MANAGEMENT LTD
WALKER MORRIS SOLICITORS
WALKERSCLEAN LTD
WATSON 24 HOUR BREAKDOWN RECOVERY
WELCOME SOFTWARE PLC
WEST DUNBARTONSHIRE COUNCIL
WEST LANCASHIRE DISTRICT COUNCIL
WEST LOTHIAN COUNCIL
WESTMINSTER BUILDING CO LTD
WF DAVIDSON
WHITTLE JONES GROUP LIMITED
WILLCLEAN INDUSTRIAL SERVICES LTD
WILLMOTT DIXON LTD
WILLOW MANAGEMENT
WINDSOR CATERING PARTNERS
WINDSOR CME LIMITED
WINDSOR RACING LTD
WOOD STREET NEWS
WOODHEAD INVESTMENTS & DEVELOPMENT SERVICES LTD
WORKMAN & PARTNERS

WORKSPACE MANAGEMENT LTD
WRIGHTWAY OFFICE CLEANING LTD
X RAY CONSULTANCY LTD
XEON FINANCIAL SERVICES LTD
YES LOANS LTD
YORKSHIRE WATER
YOUNG & PEARCE SOLICITORS

SCHEDULE 10
FORM OF SUBSIDIARY DEED OF RELEASE

Dated _____

Between:

(1) CATTLES PLC

and

(2) THE RELEASED GROUP COMPANIES
(as defined herein)

SUBSIDIARY DEED OF RELEASE

This deed is dated _____

PARTIES:

- (1) Cattles plc, a company incorporated under the laws of England and Wales, with company number 00543610 (*Cattles*), and
- (2) any of the companies listed in the schedule to this Deed (the *Released Group Companies*)

together, the *Parties* and each a *Party*

BACKGROUND:

- (A) Cattles is a public limited company, whose securities are listed on the main market of the London Stock Exchange (although they are currently suspended), which is the ultimate parent company of the Cattles Group whose business has focussed on providing secured and unsecured personal loans to individuals who may not have access to mainstream facilities, usually due to shortcomings in their employment, residency or credit histories
- (B) The Releasing Group Companies are all members of the Cattles Group. The Released Group Companies do not include Cattles, WFSL (as defined below) or Cattles Properties (Ruddington) Limited, which are also members of the Cattles Group
- (C) The Cattles Group is in the process of effecting a financial restructuring, and as part of that restructuring it is proposed that WFSL will enter into the WFSL Scheme
- (D) In the course of the operations of the Cattles Group certain liabilities are owed by the Released Group Companies to Cattles
- (E) The proposed WFSL Scheme requires that Cattles's claims against the Released Group Companies in respect of the liabilities owed by the Released Group Companies to Cattles be released
- (F) Under the WFSL Scheme, the WFSL Scheme Supervisor is authorised to enter into this Deed on behalf of Cattles

AGREED TERMS:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Deed, unless the context otherwise requires, the following words and expressions have the following meanings

Cattles means Cattles plc, a company incorporated in England and Wales, with company number 00543610,

Cattles Group means the group of companies of which Cattles is the ultimate parent company,

Excluded Liabilities means any of the Liabilities due from TLG to Cattles under the terms of the TSA as at the Effective Date,

Parties means the parties to this Deed;

TSA means the transitional services agreement dated 3 July 2009 between, among others, Cattles and TLG,

WFSL means Welcome Financial Services Limited, a company incorporated in England and Wales, with company number 00133540,

WFSL Scheme means the scheme of arrangement under Part 26 of the Companies Act 2006 between WFSL and the Scheme Creditors, sanctioned by the Court prior to the date of this Deed, and

WFSL Scheme Supervisor means any person appointed as scheme supervisor under the WFSL Scheme

1.2 Terms and expressions defined in the Scheme shall have the same meanings when used in this Deed unless otherwise provided or the context otherwise requires

1.3 In this Deed, unless the context otherwise requires or otherwise expressly provides for

- (a) references to clauses are references to clauses of this Deed,
- (b) references to a person include references to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency,

- (c) references to a statute or statutory provision include references to the same as subsequently modified, amended or re-enacted from time to time,
- (d) the singular includes the plural and vice versa and words importing one gender shall include all genders, and
- (e) headings to clauses are for ease of reference only and shall not affect the interpretation of this deed

2. EFFECT OF THIS DEED

The parties hereby agree that this Deed shall become fully and effectively binding upon them on date on which it is signed by each of the Parties individually

3. RELEASE

From the date that this Deed becomes effective in accordance with clause 2 above, Cattles releases, terminates and discharges any and all of the Liabilities owed to it by each of the Released Group Companies (other than the Excluded Liabilities)

4. SEVERABILITY

If any provision of this Deed is found to be void or unenforceable, that provision shall be deemed to be deleted from this deed and the remaining provisions of this deed shall continue in full force and effect and the Parties shall use their respective reasonable endeavours to procure that any such provision is replaced by a provision which is valid and enforceable, and which gives effect to the spirit and intent of this deed

5. ENTIRE AGREEMENT

5 1 This Deed and the Scheme constitutes the entire understanding and agreement between the Parties in relation to its subject matter

5 2 Each Party acknowledges that it has not entered into this Deed in reliance wholly or partly on any representation or warranty made by or on behalf of the other Party (whether orally or in writing) other than as expressly set out in this Deed

6. GOVERNING LAW AND JURISDICTION

This Deed shall be governed by, and construed in accordance with, English law Any dispute arising out of or in connection with, or concerning the carrying into effect of, this Deed shall be subject to the exclusive jurisdiction of the High Court of Justice of England and Wales, and the Parties hereby submit to the exclusive jurisdiction of that court for these purposes

7. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

The Parties agree that the terms of this Deed are not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999

8. FURTHER ASSURANCE

8 1 The Parties shall deliver or cause to be delivered such instruments and other documents at such times and places as are reasonably necessary or desirable, and shall take any other action reasonably requested by the other Party, for the purpose of putting this Deed into effect

8 2 Each of the Parties appoints a WFSL Scheme Supervisor as its attorney for the purpose of all actions required to be performed by it in accordance with this Deed and authorises the WFSL Scheme Supervisor to complete all such actions as are determined by the WFSL Scheme Supervisor in its absolute discretion to be necessary for such purposes

9. COUNTERPARTS

This Deed may be executed in counterparts, and by each Party on separate counterparts Each counterpart is an original, but all counterparts shall together constitute one and the same instrument Delivery of a counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery

10. VARIATION

Any variation of this Deed shall be in writing and signed by or on behalf of each Party

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed

SIGNATURES

EXECUTED as a **DEED** by)
[*THE SCHEME SUPERVISOR*])
as attorney for [*CATTLES*] in the)
presence of)

Witness —

Signature
Name
Address

EXECUTED as a **DEED**)
by [*Insert names of relevant Released*])
[*Group Companies*])
acting by)

Witness —

Signature
Name
Address

**SCHEDULE
RELEASED GROUP COMPANIES**

C L Finance Limited (company number 01108021)
Cattles Holdings Limited (company number 05976786)
Compass Credit Limited (company number 00235117)
Dial4aloan Limited (company number 03958533)
Ewbanks Mail Order Limited (company number 00457490)
Lewis Group (Holdings) Limited (company number SC154199)
Moneytopia bank Limited (company number 00215285)
Moneytopia Limited (company number 00652955)
Progressive Financial Services Limited (company number 01682540)
Recordpoint Limited (company number 02906681)
Shopacheck Limited (company number 00274611)
Statusclaim Limited (company number 02903444)
Supremeaccess Limited (company number 02913219)
U K Debt Defaulters Register Ltd (company number SC170934)
Welcome Insurance Services Limited (company number 02230654)
Welcome Retail Services Limited (company number 00226015)
Westernissue Limited (company number 02930977)

SCHEDULE 11
AGREED CLAIMS IN ACCORDANCE WITH CLAUSE 3.7.2

1. The sums below show the agreed Liabilities (excluding any accrued interest) of the Scheme Creditors whose Liabilities arise under or in connection with (i) the Facilities Agreements, (ii) the Note Agreements, (iii) the Guaranteed Hedge Agreements and (iv) the Settlement Agreement as at 31 October 2010
2. The sums below show the principal amount outstanding (for the avoidance of doubt the principal amount does not include any compounding of interest) for each of the Scheme Creditors referred to in paragraph 1 above as at 31 October 2010 less an estimated maximum distribution to each of those Scheme Creditors from the Escrow Account
3. At the time of the launch of this Scheme, the calculation methodology for distributions to each of the Scheme Creditors referred to in paragraph 1 above from the Escrow Account was still being determined in accordance with the terms of the SEA. The distribution amounts included in the table below reflect the estimated highest possible returns to each of the Scheme Creditors referred to above under the range of methodologies currently being considered
4. For the avoidance of doubt, the inclusion below of such amounts is without prejudice to the rights of each individual Scheme Creditor and does not constitute an acknowledgement by any Scheme Creditor of the claims of any other Scheme Creditor in connection with the Escrow Account. Similarly, the figures included in the table below were not intended to affect and shall not affect the final determination of the amounts to be distributed to each of the Scheme Creditors referred to in paragraph 1 above from the Escrow Account in accordance with the terms of the SEA
5. Subject to the Settlement Agreement, nothing in this Scheme, in particular in clause 3.7.2 or this Schedule, shall (i) prevent the relevant Scheme Creditors making any other Submitted Scheme Claims arising out of or in connection with either the Facilities Agreements, the Note Agreements, the Guaranteed Hedge Agreements or otherwise or (ii) constitute an admission as to the basis upon which an Ascertained Scheme Claim or any other claim has been or should be calculated

	£75m and £135m bilateral	£500m syndicate	£800m syndicate	£215m syndicate	Guaranteed Hedge Counterparty	Total claims before SEA escrow adjustment	Estimated maximum possible return from SEA escrow	Total Claims
	Principal as at 31 October 2010	Principal as at 31 October 2010	Principal as at 31 October 2010	Principal as at 31 October 2010	Principal as at 31 October 2010	Principal as at 31 October 2010		
The Royal Bank of Scotland Plc	109,432,332 32	35,698,340 02	53,456,364 45	50,851,207 68		249,438,244 47	(17,798,631 82)	231,639,612 65
Allied Irish Banks, Plc		17,849,170 01	28,510,061 04			46,359,231 06	(3,341,480 19)	43,017,750 87
Banco Popolare Sc, London Branch		3,569,834 00	3,563,757 64			7,133,591 64	(514,358 41)	6,619,233 23
The Governor and Company of the Bank of Ireland			17,818,788 15			17,818,788 15	(1,282,813 59)	16,535,974 56
Bank of Scotland plc		17,849,169 95	21,382,545 78			39,231,715 72	(2,828,354 75)	36,403,360 98
Bank of Taiwan, London Branch		7,139,668 01	7,127,515 26			14,267,183 26	(1,028,716 81)	13,238,466 45
Barclays Bank Plc			7,406,536 68			7,406,536 68	(533,212 80)	6,873,323 89
BAWAG P S K Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft		17,849,170 01				17,849,170 01	(1,288,978 45)	16,560,191 56
Bayerische Landesbank, London Branch		17,849,170 01	28,510,061 04			46,359,231 06	(3,341,480 19)	43,017,750 87
Crédit Agricole Corporate & Investment Bank			28,510,061 04			28,510,061 04	(2,052,501 74)	26,457,559 31
Danske Bank A/S		14,279,336 01	42,765,091 57			57,044,427 58	(4,109,935 37)	52,934,492 21
DZ Bank AG, London Branch		3,569,834 00	3,563,757 63	3,388,817 74		10,522,409 37	(756,418 03)	9,765,991 34
Emirates Bank International PJSC		3,569,834 00	7,127,515 26			10,697,349 25	(770,921 12)	9,926,428 13

	£75m and £135m bilateral	£500m syndicate	£800m syndicate	£215m syndicate	Guaranteed Hedge Counterparty	Total claims before SEA escrow adjustment	Estimated maximum possible return from SEA escrow	Total Claims
	Principal as at 31 October 2010	Principal as at 31 October 2010	Principal as at 31 October 2010	Principal as at 31 October 2010	Principal as at 31 October 2010	Principal as at 31 October 2010		
First Commercial Bank Ltd , London Branch		7,139,668 01				7,139,668 01	(515,591 38)	6,624,076 63
Fortis Bank, UK Branch								
HSBC Bank plc		28,558,672 02	42,765,091 57	33,888,177 35	4,683,502 12	109,895,443 06	(7,835,540 42)	102,059,902 64
Hua Nan Commercial Bank Ltd , London Branch		3,569,834 00				3,569,834 00	(257,795 69)	3,312,038 31
Landesbank Baden- Württemberg			14,255,030 52			14,255,030 52	(1,026,250 87)	13,228,779 65
Lloyds TSB Bank		35,698,340 02	42,765,091 57			78,463,431 58	(5,656,709 51)	72,806,722 07
Malayan Banking Berhad, London Branch			7,127,515 26			7,127,515 26	(513,125 43)	6,614,389 82
National Australia Bank Limited A B N 12 004 044 937								
National Bank of Egypt (UK) Limited		24,988,838 02	28,510,061 04	20,123,551 16		73,622,450 22	(5,294,475 30)	68,327,974 92
NM Rothschild & Sons Limited		5,354,751 01	7,127,515 26			7,127,515 26	(513,125 43)	6,614,389 82
State Bank Of India, London Branch		3,569,834 00	7,127,515 26			5,354,751 01	(386,693 54)	4,968,057 48
Sumitomo Mitsui Banking Corporation Europe Limited			14,255,030 52			10,697,349 25	(770,921 12)	9,926,428 13
The Bank Of Tokyo- Mitsubishi Ufj, Ltd		3,569,834 00	5,156,663 17			14,255,030 52	(1,026,250 87)	13,228,779 65
Morgan Stanley International Ltd			559,170 55			8,726,497 17	(629,035 17)	8,097,462 01
						559,170 55	(40,255 91)	518,914 63

	£75m and £135m bilateral	£500m syndicate	£800m syndicate	£215m syndicate	Guaranteed Hedge Counterparty	Total claims before SEA escrow adjustment	Estimated maximum possible return from SEA escrow	Total Claims
	Principal as at 31 October 2010	Principal as at 31 October 2010	Principal as at 31 October 2010	Principal as at 31 October 2010	Principal as at 31 October 2010	Principal as at 31 October 2010		
Deutsche Bank AG		2,219,523 30	1,289,168 35			3,508,691 66	(253,093 01)	3,255,598 65
Burlington Loan Management Ltd		7,246,763 02				7,246,763 02	(523,325 25)	6,723,437 77
York Capital Management LP		15,722,015 90	31,539,612 34	5,183,192 89		52,444,821 13	(3,776,201 63)	48,668,619 50
JP Morgan Chase Bank, N A		9,739,921 72	18,086,536 84	8,268,397 36		36,094,855 92	(2,596,060 97)	33,498,794 94
J P Morgan Securities Limited		1,098,899 92	740,653 66			1,839,553 57	(132,678 38)	1,706,875 20
Marathon Luxembourg Sarl		8,273,168 50	7,451,429 41			15,724,597 91	(1,133,891 88)	14,590,706 03
Monarch Master Funding LLC		741,916 51				741,916 51	(53,577 53)	688,338 98
Canyon Capital Finance Sarl		38,848,890 18	67,900,434 41	23,512,368 89		130,261,693 49	(9,373,238 34)	120,888,455 15
Goldman Sachs International			6,750,749 12			6,750,749 12	(486,001 21)	6,264,747 91
BNP Paribas S A , London Branch		21,419,004 02	16,196,594 63			37,615,598 65	(2,712,802 46)	34,902,796 19
ACMO S a r l			142,550 31			142,550 31	(10,262 51)	132,287 80
Saberasu Japan Investments II B V			712,751 52			712,751 52	(51,312 54)	661,438 98
	109,432,332 32	356,983,400 16	570,201,220 85	145,215,713 06	4,683,502 12	1,186,516,168 51	(85,216,019 62)	1,101,300,148 89

Note. The estimated maximum return to the banks as a whole (excluding the Guaranteed Hedge Counterparty) from the SEA Escrow is split between each bank facility using the 9 March 2009 total claims of each bank facility. The total for each bank facility is split between the banks participating in the relevant facility pro-rata to the banks' 31 October 2010 claims in the relevant facility shown above.

Holder	Series	Principal	Make whole	Settlement Amount	Total claims (excluding accrued interest) before SEA escrow adjustment	Estimated maximum possible return from SEA escrow	Total claims (excluding accrued interest) £
		As at 31 October 2010	As at 31 October 2010	As at 31 October 2010	As at 31 October 2010		
Anchorage Illiquid Opportunities Offshore Master, L P		12,465,376 94	1,354,601 23	1,877,149 01	15,697,127 18	(1,050,126 93)	14,647,000 25
Aviva Annuity UK Limited		24,777,452 02	7,508,236 72	841,799 16	33,127,487 89	(1,906,563 10)	31,220,924 79
Aviva Life & Pensions UK Limited		24,457,886 65	8,492,627 78	1,097,654 04	34,048,168 47	(1,997,457 37)	32,050,711 11
Corporate Debt Opportunities Fund L P		1,521,640 72	214,298 30	209,832 84	1,945,771 87	(125,881 18)	1,819,890 69
Gateway Recovery Trust		6,340,169 68	892,909 59	874,303 51	8,107,382 78	(524,504 93)	7,582,877 86
GLG European Distressed Fund		1,521,640 72	214,298 30	209,832 84	1,945,771 87	(125,881 18)	1,819,890 69
GLG Market Neutral Fund		3,043,281 45	428,596 60	419,665 69	3,891,543 74	(251,762 37)	3,639,781 37
Hartford Life Insurance Company		1,150,059 58	99,598 09	183,198 72	1,432,856 39	(98,081 34)	1,334,775 05
Marathon Credit Dislocation Fund LP		1,521,640 72	214,298 30	209,832 84	1,945,771 87	(125,881 18)	1,819,890 69
Pacific Life Insurance Company		9,857,654 93	853,698 07	1,570,274 93	12,281,627 93	(840,697 32)	11,440,930 61
Pentell Master Fund Ltd		507,213 57	71,432 77	69,944 28	648,590 62	(41,960 39)	606,630 23
Prudential Retirement Insurance and Annuity Company		6,340,169 68	892,909 59	874,303 51	8,107,382 78	(524,504 93)	7,582,877 86
State Street Nominees (Henderson)		4,097,411 77	339,151 49	237,560 29	4,674,123 55	(287,114 50)	4,387,009 04
The Prudential Insurance Company of America		16,100,836 55	1,394,373 53	2,564,782 41	20,059,992 50	(1,373,138 97)	18,686,853 53
UBS AG, London Branch		24,808,959 34	2,086,843 73	1,415,334 33	28,311,137 40	(1,733,972 20)	26,577,165 20
UBS Limited		13,029,809 35	554,353 05	1,744,531 58	15,328,693 97	(1,004,258 35)	14,324,435 62
Total		151,541,203 68	25,612,227 14	14,400,000 00	191,553,430 82	(12,011,786 26)	179,541,644 56

SCHEDULE 12
PENSION COMPROMISE

**PLEASE SEE SCHEDULE 8 OF THE
CATTLES SCHEME**

SCHEDULE 13
FORM OF NOTICE OF ASSIGNMENT OR TRANSFER

To. The Scheme Supervisors

From *[Insert the name of the Scheme Creditor]* (*Assignor*)

We refer to the scheme of arrangement between Welcome Financial Services Limited and its Scheme Creditors, dated [•]
(the *Scheme*)

- 1 Words and expressions defined in the Scheme have the same meanings when used in this Notice unless otherwise provided or the context otherwise requires
- 2 On *[Insert the date of the transfer or assignment]* the Assignor confirms, by signing this Notice below, that it validly assigned and/or transferred the [whole] [or part]¹ of its Scheme Liability and/or Ascertained Scheme Claim to *[Insert the name of the Assignee]* of *[Insert address and other contact details of the Assignee]* (the *Assignee*)
- 3 The Assignee, by signing this Notice below, hereby confirms that it agrees to be bound by the terms of the Scheme

Assignor

Assignee

Date

¹ Delete as applicable Where the assignment is of a part only, please set out how the right to the Scheme Liability/Ascertained Scheme Claim is split between the Assignor and the Assignee

SCHEDULE 14
HEDGE AGREEMENTS

- 1 ISDA Master Agreement and Schedule to the ISDA Master Agreement dated 26 January 1993 between Midland Bank plc and Cattles
- (a) Confirmation dated 14 June 2006 supplements, forms part of and is subject to the 26 January 1993 ISDA Master Agreement and relating to a £10,000,000 interest rate swap (HSBC reference SW4848065)
- (b) Confirmation dated 4 December 2006 supplements, forms part of and is subject to the 26 January 1993 ISDA Master Agreement and relating to a £20,000,000 interest rate swap (HSBC reference ISWO63389903\SW518697ML).
- (c) Confirmation dated 6 September 2007 supplements, forms part of and is subject to the 26 January 1993 ISDA Master Agreement and relating to a £30,000,000 interest rate swap (HSBC reference ISWO72509958\SW591916ML).
- (d) Confirmation dated 30 November 2007 supplements, forms part of and is subject to the 26 January 1993 ISDA Master Agreement and relating to a £20,000,000 interest rate swap (HSBC reference ISWO73349849\SW606071ML)
- (e) Confirmation dated 18 December 2007 supplements, forms part of and is subject to the 26 January 1993 ISDA Master Agreement and relating to a £30,000,000 interest rate swap (HSBC reference ISWO73529770\SW608849ML)
- (f) Confirmation dated 30 June 2008 supplements, forms part of and is subject to the 26 January 1993 ISDA Master Agreement and relating to a £30,000,000 interest rate swap (HSBC reference ISWO81829849\SW644510ML)
- 2 Confirmation dated 12 October 2005 relating to a £10,000,000 interest rate swap (HSBC reference SW 456194ML) subject to a deemed ISDA Master Agreement as described in the Confirmation
- 3 Confirmation dated 9 October 2006 relating to a £10,000,000 interest rate swap (HSBC reference IRC_499272ML) subject to a deemed ISDA Master Agreement as described in the Confirmation
- 4 Interest Rate and Currency Exchange Agreement dated 2 June 1988 between Midland Bank plc and Cattles

NO. 10072 OF 2010

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
21 FEBRUARY 2011
THE HONOURABLE MR JUSTICE NEWNEY**

**IN THE MATTER OF WELCOME
FINANCIAL SERVICES LIMITED**

AND

**IN THE MATTER OF THE
COMPANIES ACT 2006**

ORDER

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Tel 020 7936 4000
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REF NAG/NS/SR 104773/0009
SOLICITORS TO THE COMPANY

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