

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

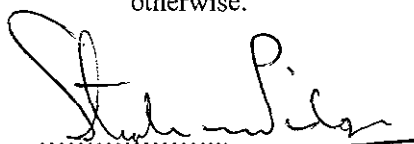
TARGET DIRECT (HOLDINGS) LIMITED  
(the "Company")

PASSED on 23 December 2002

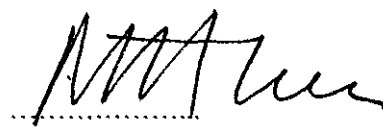
Pursuant to Section 381A of the Companies Act 1985 (as amended) we, the undersigned, being all the members of the Company who are entitled to attend and vote at general meetings of the Company hereby make the following resolution as a Special Resolution.

SPECIAL RESOLUTION

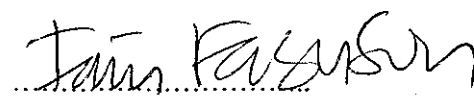
- 1 THAT the terms of a contract (a draft of which is attached to this resolution) proposed to be made between Pauline Mary Lockier, Richard Young, Katie Joy Lockier, Anne Young, the Trustees of the Target Direct Marketing Self-Administered Scheme (together the "Vendors"), the Company and others providing for the purchase by the Company of certain shares from the Vendors, be and are hereby authorised and approved for the purposes of Sections 164 and 165 of the Companies Act 1985 and otherwise.

  
Stephen Meredith Pidgeon

23/12/2002  
Date

  
Nicholas Roger Thomas

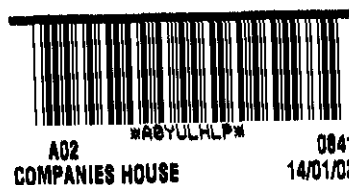
23/12/2002  
Date

  
Iain Ferguson

23/12 2002  
Date

.....  
David Crowther

..... 2002  
Date



DEC-2002 15:59 FROM: THIRSTYFISH 01273206078  
23/12 2002 MON 20:44 FAX

TO: 01179024400

P:2  
001/001

Company No. 2786070

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

TARGET DIRECT (HOLDINGS) LIMITED  
(the "Company")

PASSED on 23 December 2002

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SPECIAL RESOLUTION

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Iain Ferguson

..... 2002  
Date

.....  
David Crowther

23/12/2002  
Date

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Dated 23 December 2002

P M LOCKIER (1)

and

R YOUNG (2)

and

K J LOCKIER (3)

and

A YOUNG (4)

and

TRUSTEES OF THE TARGET DIRECT MARKETING LIMITED SELF-ADMINISTERED  
SCHEME (5)

and

TARGET DIRECT (HOLDINGS) LIMITED (6)

and

S M PIDGEON (7)

and

N R THOMAS (8)

AGREEMENT

for the purchase of certain Shares of

TARGET DIRECT (HOLDINGS) LIMITED

THIS AGREEMENT is made on 23 December 2002

**BETWEEN:-**

- (1) **PAULINE MARY LOCKIER** of Barn Cottage, North Cerney, Cirencester, Gloucestershire GL7 7DB ("PML");
- (2) **RICHARD YOUNG** of The Chestnuts, 2 Kings Drive, Easebourne, Midhurst, West Sussex GU29 OBH;
- (3) **KATIE JOY LOCKIER** of Barn Cottage, North Cerney, Cirencester, Gloucestershire GL7 7DB;
- (4) **ANNE YOUNG** of The Chestnuts, 2 Kings Drive, Easebourne, Midhurst, West Sussex, GU29 OBH;
- (5) **NICHOLAS ROGER THOMAS and STEPHEN MEREDITH PIDGEON** as trustees of the **TARGET DIRECT MARKETING LIMITED SELF-ADMINISTERED SCHEME** constituted by a trust deed made on 1 August 1993;
- (6) **TARGET DIRECT (HOLDINGS) LIMITED** (Company Number: 2786070) whose registered office is at Royal House, Parabola Road, Cheltenham, Gloucestershire GL50 3AH ("the Company");
- (7) **STEPHEN MEREDITH PIDGEON** of Hunt Court, Sandypluck Lane, Shurdington, Cheltenham, Gloucestershire GL51 5UB; and
- (8) **NICHOLAS ROGER THOMAS** of Broad View, Elmley Road, Ashton-under-Hill, Evesham, Worcestershire, WR11 6SH

**WHEREAS:-**

- (A) By an agreement dated 25<sup>th</sup> September 2000 ("the Purchase Agreement") and made between the above parties and others made by the Company pursuant to Part V of the Companies Act 1985 and Regulation 35 of Table A in the Companies (Tables A-F) Regulations 1985, (which regulation forms part of the Articles of Association of the Company), the Company was obliged subject to the satisfaction of certain conditions set out in the Purchase Agreement to purchase the Fifth Tranche Shares and the Sixth Tranche Shares on the Fifth Tranche Completion Date and the Sixth Tranche Completion Date (as defined in the Purchase Agreement) respectively.
- (B) The Company was unable to perform the terms of the Purchase Agreement in relation to such shares as the conditions mentioned above were not met. As a result the Purchase Agreement terminated pursuant to the provisions of clause 4.5 of its operative provisions.
- (C) Subsequent to such termination the parties agreed to sell and purchase the Fifth Tranche Shares in two tranches on 25 March 2002 and 11 July 2002 (the "**Purported Purchases**"). Notwithstanding such termination it was the parties' intention that the Purported Purchases be completed upon the terms of the Purchase Agreement. Such revised terms were not formalised or approved by special resolution of the Company.

- (D) The parties have now been made aware that the Purported Purchases were not made in accordance with Part V of the Companies Act 1985 and the parties have agreed to take certain steps with a view to ensuring that full force and effect is given to the intent of the Purported Purchases.
- (E) Subsequent to the Purported Purchases on 1 August 2002 each of the ordinary shares of 50 pence each (other than B shares in the capital of the Company) was subdivided into 50 ordinary shares of 1 pence each.
- (F) The parties have now agreed to sell and purchase the Sixth Tranche Shares (together with the Fifth Tranche Shares, the "Sale Shares").
- (G) This Agreement is made by the Company pursuant to Part V of the Companies Act 1985 and Regulation 35 of Table A in the Companies (Tables A-F) Regulations 1985, which regulation forms part of the Articles of Association of the Company.
- (H) The terms of this Agreement were authorised by a written resolution of the Company passed on 23 December 2002.

**NOW IT IS HEREBY AGREED** as follows:-

**1. DEFINITIONS**

- 1.1 In this Agreement, and notwithstanding the termination of the Purchase Agreement unless the context otherwise requires, words and expressions defined in the Purchase Agreement (where appropriate) shall have the meanings applied to them by the Purchase Agreement.
- 1.2 The headings in this Agreement are inserted for ease of reference only and do not affect its interpretation.
- 1.3 The Interpretation Act 1978 shall apply to this Agreement in the same way as it applies to an enactment.

**2. SALE AND PURCHASE**

- 2.1 The Vendors shall sell to the Company and the Company, relying on (amongst other things) the warranty contained in this Agreement, shall purchase the Sale Shares free from all Encumbrances and with full title guarantee.
- 2.2 Title to, beneficial ownership of, and any risk attaching to, the Sale Shares shall pass on the date of this agreement, and the Sale Shares shall be sold and purchased together with all rights and benefits attached or accruing to them at

the date of this agreement (including the right to receive all dividends, distributions or any return of capital declared, paid or made by the Company on or after the date of this agreement).

- 2.3 Each of the Vendors hereby agrees that he is obliged and undertakes to repay to the Company on Completion of this Agreement the full amount paid to him by the Company at the time of completion of the Purported Purchases.

### 3. CONSIDERATION

- 3.1 The aggregate consideration for the purchase of the Sale Shares shall be the sum of £200,000 being:-

3.1.1 in relation to the Fifth Tranche Shares an aggregate sum of £100,000 being an amount equal to the aggregate amount paid by the Company to the Vendors in the proportions set out in Part 1 of Schedule 1 on completion of the Purported Purchases; and

3.1.2 in relation to the Sixth Tranche Shares an aggregate sum of £100,000 in the proportions set out in Part 2 of Schedule 1.

The consideration shall be satisfied in accordance with clause 4 of this Agreement.

- 3.2 Payment of all sums due under this Agreement from the Company to the Vendors shall be effected by electronic transfer to the client account of the Vendors' solicitors, Rickerbys at Lloyds TSB Bank plc, 130 High Street, Cheltenham, Account Number 03267986, Sort Code 30-91-87. The receipt by the Vendors' solicitors in respect of such monies shall be a complete discharge to the Company in respect of the amount thereof and the Company shall not be obliged to enquire as to the distribution thereof between the Vendors.

### 4. COMPLETION

- 4.1 Completion of the sale and purchase of the Sale Shares shall take place at the registered office of the Company or at such other place as the parties may agree on the date of this agreement when all (but not part only) of the following business shall be transacted:-

4.1.1 the Vendors shall deliver or procure to be delivered to the Company the share certificates in respect of the Sixth Tranche Shares specified against his name in column 2 of Part 2 of Schedule 1; and

4.1.2 the Company shall satisfy the purchase consideration in respect of the Sixth Tranche Shares in the manner specified in Clause 3.2.

4.1.3 in relation to the Fifth Tranche Shares, the amount owed by each of the Vendors to the Company pursuant to the undertaking in clause 2.3 to repay to the Company the full amount paid to him by the Company at the time of the Purported Purchases shall be set off against the amount due from the Company to the Vendors under clause 3.1.1 above in full and final settlement of the consideration for the Fifth Tranche Shares.

## 5. WARRANTY

On signing this agreement each of the Vendors severally represents and warrants to the Company that he/she is entitled to sell and transfer to the Company the full legal and beneficial ownership of the Sale Shares specified against his/her name in Parts 1 and 2 of Schedule 1 on the terms of this Agreement without the consent of any third party.

## 6. TERMINATION

Forthwith upon completion of the sale and purchase of all of the Sale Shares, the Shareholders Agreement shall terminate and shall cease to have any effect and no party shall have any claim, or be entitled to exercise any rights, against any other under, or in connection with, the Shareholders Agreement, except in respect of any prior breach of the Shareholders Agreement.

## 7. FURTHER ASSURANCE

At any time after the date of this Agreement the Vendors shall and shall use all reasonable endeavours to procure that any necessary third party shall execute such documents and do such acts and things as the Company may reasonably require for the purpose of giving to the Company the full benefit of all the provisions of this Agreement.

## 8. COUNTERPARTS

This Agreement may be entered into in any number of counterparts, all of which when taken together shall constitute one and the same instrument. Any party may enter into this Agreement by signing any such counterpart.

## 9. GOVERNING LAW AND JURISDICTION

This Agreement is governed by and shall be construed in accordance with English law and each of the parties hereby submits to the exclusive jurisdiction of the English courts.

**IN WITNESS WHEREOF** this Agreement has been executed by the parties on the date first above written.



## SCHEDULE 1

### Part 1 – Fifth Tranche Shares

<u>Column 1</u>	<u>Column 2</u>		<u>Column 3</u>
<u>Vendor</u>	<u>Sale Shares</u>		<u>Consideration (£)</u>
	<u>Before sub-division of ordinary shares</u>	<u>Following sub-division of ordinary shares</u>	
Richard Young	216 B Shares	216 B Shares	20,250
Paul Mark Lockier	6,272	313,600	52,920
Katie Joy Lockier	395	19,750	3,330
Anne Young	51 B Shares	51 B Shares	4,750
Trustees of the Target Direct Marketing Limited Self-Administered Scheme	2,222	111,100	18,750

### Part 2 – Sixth Tranche Shares

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
<u>Vendor</u>	<u>Sale Shares</u>	<u>Consideration (£)</u>
Richard Young	215 B Shares	20,156
Pauline Mark Lockier	313,550	52,912
Katie Joy Lockier	19,750	3,338
Anne Young	51 B Shares	4,844
Trustees of the Target Direct Marketing Limited Self-Administered Scheme	111,100	18,750

SIGNED by  
PAULINE MARY LOCKIER  
in the presence of:

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*[Handwritten signature]*

John P. ...  
M. T. ...

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ED in the presence of:

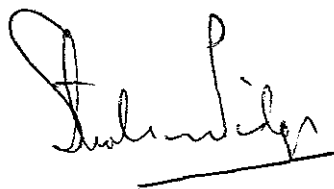


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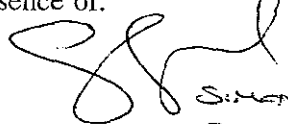
SIGNED by  
STEPHEN MEREDITH PIDGEON }  
in the presence of:



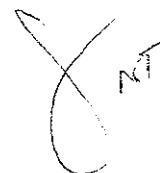
SIMON SAMUEL  
EASTON COTTAGES  
BUTTERBOW LANE  
STROUD  
GLS 2LT



SIGNED by  
NICHOLAS ROGER THOMAS }  
in the presence of:




SIMON SAMUEL  
EASTON COTTAGES  
BUTTERBOW LANE  
STROUD  
GLS 2LT




SIGNED by  
PAULINE MARY LOCKIER  
in the presence of:

SIGNED by  
RICHARD YOUNG  
in the presence of:

  
MRS. P. A. POWELL  
77 BOLTON ROAD, WINDSOR, BERKSHIRE SL4 3JX  
PUBLIC RELATIONS EXECUTIVE/P.A.

SIGNED by  
KATIE JOY LOCKIER  
in the presence of:

SIGNED by  
ANNE YOUNG  
in the presence of:

  
MRS. P. A. POWELL  
77 BOLTON ROAD, WINDSOR, BERKSHIRE SL4 3JX  
PUBLIC RELATIONS EXECUTIVE/P.A.

SIGNED by  
NICHOLAS ROGER THOMAS  
and STEPHEN MEREDITH  
PIDGEON as the TRUSTEES OF  
THE TARGET DIRECT  
MARKETING SELF-  
ADMINISTERED SCHEME in the  
presence of :

