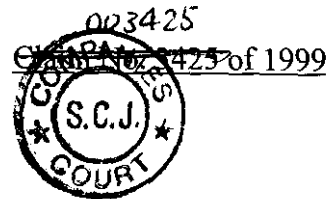


**IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT**

MR JUSTICE LADDIE  
MONDAY the 12th day of JULY 1999



**IN THE MATTER OF MIDLAND SHIRES FARMERS LIMITED**

Claimant

- and -

**IN THE MATTER OF THE COMPANIES ACT 1985**

UPON the Petition of the above-named Midland Shires Farmers Limited (the "Company") whose registered office is situate at County Mills, Worcester WR1 3NU presented to this Court on Monday 21st June 1999

**AND UPON HEARING** Counsel for the Company being also, for the purpose referred to below, Counsel for Countrywide Farmers Holdings plc

**AND UPON READING** the said Petition and the evidence **AND UPON** the said Countrywide Farmers Holdings plc by Counsel for the Company, being its Counsel for this purpose, undertaking to be bound by the Scheme of Arrangement hereinafter sanctioned and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable for the purpose of giving effect thereto

**THIS COURT DOTH HEREBY SANCTION** the Scheme of Arrangement as set out in the First Schedule hereto

**AND THIS COURT DOTH ORDER** that the reduction of the capital of the Company from £7,000,000 to £919,432 resolved on and effected by a special resolution passed at an extraordinary general meeting of the Company held on the 18th June 1999 be and the same is hereby confirmed in accordance with the provisions of the Companies Act 1985

**AND THE COURT DOTH HEREBY APPROVE** the minute set out in the Second Schedule hereto

**AND IT IS ORDERED** that this Order be produced to the Registrar of Companies and that an office copy hereof be delivered to him together with a copy of the said minute

**AND IT IS ORDERED** that notice of the registration by the Registrar of Companies of this Order (so far as it confirms the reduction of the capital of the Company) and of the said minute be published once in the Daily Telegraph newspaper within 21 days after such registration



## APPENDIX III

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT

3425 of 1999

In the matter of  
MIDLAND SHIRES FARMERS LIMITED  
and in the matter of  
THE COMPANIES ACT 1985

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SCHEME OF ARRANGEMENT  
(under section 425 of the Companies Act 1985)  
BETWEEN  
MIDLAND SHIRES FARMERS LIMITED  
AND  
THE HOLDERS OF  
SCHEME SHARES  
(as hereinafter defined)

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### PRELIMINARY

- (A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:
- "Countrywide Farmers" means Countrywide Farmers Holdings plc;
  - "Countrywide Farmers Shares" means ordinary shares of 50 pence each in the capital of Countrywide Farmers;
  - "Court" means The High Court of Justice in England and Wales;
  - "Effective Date" means the date on which this Scheme becomes effective in accordance with its terms;
  - "holder" includes any person entitled by transmission;
  - "MSF" means Midland Shires Farmers Limited;
  - "Record Date" means the business day immediately preceding the Effective Date;
  - "Scheme" means this Scheme in its present form or with any modification, addition or condition which the Court may think fit to approve or impose;
  - "Scheme Shares" means ordinary shares of 50p each in the capital of MSF.
- (B) The authorised share capital of MSF is £7,000,000 divided into 14,000,000 ordinary shares of 50 pence each of which 12,161,136 have been issued and are credited as fully paid and the remainder are unissued.
- (C) Countrywide Farmers was incorporated in England and Wales on 20 May 1999 under the Companies Act 1985 and has an authorised share capital of £50,000,000 divided into 100,000,000 ordinary shares of 50 pence each of which two ordinary shares have been issued and are fully paid. Each of Mr R C Beldam and Mr J Pugh, each of whom holds more than one Scheme Share, holds as subscriber one ordinary share of 50p each in the capital of Countrywide Farmers.
- (D) Countrywide Farmers has agreed to appear by Counsel on the hearing of the Petition to sanction this Scheme and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

### THE SCHEME

1. (i) The share capital of MSF shall be reduced by the cancellation of the Scheme Shares.
- (ii) Forthwith upon the said reduction of capital taking effect:
  - (a) the share capital of MSF shall be increased to its former amount by the creation of such number of new MSF Shares as shall be equal in nominal value to the nominal value of the Scheme Shares;

- (b) the credit arising in the books of the Company as a result of the cancellation of the Scheme Shares shall be applied in paying up in full at par the new MSF Shares referred to in clause 1 (ii) (a) of this Scheme such new MSF Shares to be allotted credited as fully paid to Countrywide Farmers and/or its nominees.
2. (i) In consideration of the cancellation of the Scheme Shares, Countrywide Farmers shall (subject to the provisions of sub-clauses 2(ii) and 2(iii) below) allot and issue fully paid Countrywide Farmers Shares to and amongst the persons who at the close of business on the Record Date are the registered holders of the Scheme Shares, on the following basis:
- For each Scheme Share 1.5 Countrywide Farmers Shares credited as fully paid
- (ii) Entitlements to fractions of Countrywide Farmers Shares shall be ignored.
- (iii) The two persons referred to in preliminary (C) above who each hold one Countrywide Farmers Share shall be treated as having received such shares as part of their entitlement under this Scheme and their entitlement shall be varied accordingly.
3. With effect from and including the Effective Date each existing certificate representing a holding of Scheme Shares shall cease to be valid in respect of such holding and as from and including the Effective Date shall be treated by Countrywide Farmers as representing a holding of corresponding Countrywide Farmers Shares pending dispatch of new certificates.
4. Countrywide Farmers shall within 14 days from the Effective Date allot and issue all Countrywide Farmers Shares which it is required to allot and issue pursuant to clause 2 of this Scheme and shall (unless prohibited by law) send by post to the allottees certificates for the new Countrywide Farmers Shares.
5. All certificates required to be sent by Countrywide Farmers pursuant to this Scheme shall be sent through the post in prepaid envelopes addressed to the person entitled thereto at their respective registered addresses as appearing in the Register of Members of MSF at the close of business on the Record Date (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the relevant register in respect of such joint holding) or in accordance with any special instructions regarding communications, and Countrywide Farmers shall not be responsible for any loss or delay in transmission of certificates sent in accordance with this clause 5.
6. This Scheme shall become effective as soon as an office copy of the Order of the Court sanctioning this Scheme under section 425 of the Companies Act 1985 and confirming under section 137 of the said Act the reduction of capital provided for by this Scheme shall have been duly delivered to the Registrar of Companies for registration and registered by him.
7. Unless this Scheme shall have become effective on or before 31 October, 1999, or such later date, if any, as the Court may allow, this Scheme shall not become effective.
8. MSF and Countrywide Farmers may consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.

Dated 25 May 1999

## **The Second Schedule**

Minute approved by the Court

"The capital of Midland Shires Farmers Limited (the "**Company**") was by virtue of a special resolution of the Company and with the sanction of an Order of the High Court of Justice dated 12th July 1999 reduced from £7,000,000 divided into 14,000,000 ordinary shares of 50 pence each to £919,432 divided into 1,838,864 ordinary shares of 50 pence each.

By virtue of a Scheme of Arrangement sanctioned by the said Order and the said special resolution the capital of the Company at the date of the registration of this minute is £7,000,000 divided into 14,000,000 ordinary shares of 50 pence each none of which has been issued."

*PM*

Claim No. 3425 of 1999

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

**COMPANIES COURT**

MR JUSTICE LADDIE

12th JULY 1999

**IN THE MATTER OF:**

**MIDLAND SHIRES FARMERS LIMITED**

Claimant

- and -

**IN THE MATTER OF:**

**THE COMPANIES ACT 1985**

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**ORDER SANCTIONING SCHEME OF  
ARRANGEMENT AND CONFIRMING  
REDUCTION OF CAPITAL**

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**COPY**

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