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PROGRESSIVE FINANCIAL SERVICES LIMITED

Kingston House Centre 27 Business Park Woodhead Road Birstall Batley WF17 9TD Tel:
Company No. 133540

To: The Directors
Cattles plc
Kingston House
Centre 27 Business Park
Woodhead Road
Birstall
Batley
West Yorkshire WF17 9TD



NCAS
24/2

Certified a true copy this 3rd day of March 2004
Landwell (Solicitors)
P.D. Malt (Solicitor)

Dear Sirs

SIDE LETTER AMENDING TERMS OF LOAN AGREEMENT

We refer to the loan agreement entered into between (1) this Company and (2) Cattles plc on 23 December 2002 (the "Agreement") and annex the Agreement to this letter for your reference.

The term of the Agreement is due to expire on 19 December 2003. In order to continue the financing of the acquisitions of Welcome Financial Services Ltd and Shopacheck Financial Services Ltd the Company still requires the benefit of the loan under the Agreement. We hereby request your consent that the following clauses of the Agreement be amended with effect from 19 December 2003 to enable the term of the loan to be extended:

The definition of "**Amount**" shall be amended to read "**Amount 1**".

The following new definition shall be added:

"**Amount 2** : "£61,902,750;"

The definition of "**Term**" shall be amended by the deletion of "19 December 2003" and its substitution with "19 December 2004" but without prejudice to the obligation of the Borrower to allot and issue such number of irredeemable preference shares as are calculated in accordance with and prior to any amendment of clause 4 of the Agreement to Compass Credit Limited.

Clause 4 shall be deleted and substituted by the following:

"The consideration to be given by the Borrower in respect of the Loan shall be: (i) the allotment and issue to Compass Credit Limited, a wholly owned subsidiary of the Lender, on 19 December 2003, of such number of Shares as have, in aggregate, a market value of the Amount 1 as at 19 December 2003; (ii) the repayment of the principal amount of the Loan on 19 December 2004; and (ii) the allotment and issue to Compass Credit Limited, on each of 31



January 2004, 29 February 2004, 31 March 2004, 30 April 2004, 31 May 2004, 30 June 2004, 31 July 2004, 31 August 2004, 30 September 2004, 31 October 2004, 30 November 2004 and 19 December 2004 (each, a "**Period Date**"), of such Shares as have, in aggregate a market value of:

Amount $2 \times (D/365)$

where D is the number of days which shall have elapsed between each Period Date (including such Period Date) and the day immediately before the next following Period Date. In respect of the Shares to be allotted and issued to Compass Credit Limited on 31 January 2004, "D" shall be the number of days elapsed between 19 December 2003 and 30 January 2004 inclusive."

Clause 5 shall be deleted and substituted by the following:

"5 **REPAYMENT AND PREPAYMENT**

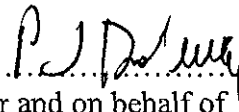
- 5.1 At the end of the Term the Borrower shall repay the Loan.
- 5.2 The Borrower may, without giving the Lender prior notice to that effect, prepay the whole but not part of the Loan at the end of each calendar month during the Term.
- 5.3 In the event of the Borrower making pre-payment of the Loan after 19 December 2003:
- 5.3.1 the number of Shares to be allotted and issued to Compass Credit Limited as a result of such pre-payment shall be such number of Shares as have, in aggregate, a market value on the date of issue of:

Amount $2 \times (D/365)$

where D is the number of days which have elapsed between the previous Period Date and the date of pre-payment, including the previous Period Date but not including the day on which the Loan was prepaid."

Please notify your agreement to the proposed amendments above by acknowledging receipt of this letter below.

Yours faithfully

..........
for and on behalf of

PROGRESSIVE FINANCIAL SERVICES LIMITED

Dated: 19 December 2003

We Cattles Plc hereby acknowledge receipt of the above letter and hereby agree to accept the amendments to the Agreement as listed

A handwritten signature in black ink, appearing to read 'Mark Collier', written in a cursive style.

For and on behalf of

CATTLES PLC

Dated: 19 December 2003

ANNEX

DATED 23 December 2002

(1) CATTLES PLC

(2) PROGRESSIVE FINANCIAL SERVICES LIMITED

LOAN AGREEMENT

Landwell
Southwark Towers
32 London Bridge
SE1 9AE

Tel: 020-7212 1616
Fax: 020-7212 1650

AGREEMENT

DATED 20 December 2002

BETWEEN:

- (1) **CATTLES PLC**, a company incorporated in England and Wales (registered number 543610), having its registered office at Kingston House, Centre 27 Business Park, Woodhead Road, Birstall, Batley, West Yorkshire WF17 9TD (the "**Lender**"); and
- (2) **PROGRESSIVE FINANCIAL SERVICES LIMITED**, a company incorporated in England and Wales (registered number 3337433), having its registered office at Kingston House, Centre 27 Business Park, Woodhead Road, Birstall, Batley, West Yorkshire WF17 9TD (the "**Borrower**");

PRELIMINARY:

- (A) The Borrower is a direct subsidiary of the Lender.
- (B) The Borrower requires funds to enable it to purchase the trades of Welcome Financial Services Limited and Shopacheck Financial Services Limited, subsidiary companies of the Lender, and the Lender has agreed to make a loan to the Borrower on the terms of this Agreement.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, unless inconsistent with the context or otherwise specified, the following expressions have the following meanings:

"Amount"	:	£61,902,750;
"Event of Default"	:	one or more of the events referred to in clause 5;
"Loan"	:	the loan to be made available by the Lender to the Borrower pursuant to this Agreement;
"Shares"	:	Irredeemable preference shares of £0.01 each in the capital of the Borrower; and
"Term"	:	the period commencing on the date of this Agreement and ending on 19 December 2003.

1.2 references to clauses are to clauses of this Agreement;

- 1.3 clause headings are included for the convenience of the parties only and do not affect their interpretation.

2 **THE LOAN**

The Lender hereby makes available to the Borrower, upon the terms and subject to the conditions contained in this Agreement, a loan in an aggregate maximum principal amount of £884,325,000.

3 **DRAWDOWN**

The Borrower shall drawdown the whole of the Loan on 23 December 2002 and the Lender shall forthwith pay the amount drawdown to the Borrower.

4 **CONSIDERATION**

The consideration to be given by the Borrower in respect of the Loan shall be the repayment of the principal amount of the Loan and the allotment and issue to Compass Credit Limited, a wholly owned subsidiary of the Lender, on 19 December 2003, of such number of Shares as have, in aggregate, a market value of the Amount on the date of issue.

5 **REPAYMENT AND PREPAYMENT**

- 5.1 At the end of the Term the Borrower shall repay the Loan.
- 5.2 The Borrower may, without giving the Lender prior notice to that effect, prepay the whole but not part of the Loan.
- 5.3 In the event of the Borrower making pre-payment of the Loan:
- 5.3.1 the number of Shares to be allotted and issued to Compass Credit Limited pursuant to clause 4 shall be such number of Shares as have, in aggregate, a market value on the date of issue of:

$$\text{the Amount} \times (D/365)$$

where D is the number of days which have elapsed between the date on which the Loan was drawn down pursuant to clause 3 and the date of pre-payment, including the day on which the Loan was drawn down but not including the day on which it was prepaid; and

- 5.3.2 such Shares shall notwithstanding that the Loan shall have been prepaid be allotted and issued to Compass Credit Limited by the Borrower on 19 December 2003.

6 **EVENTS OF DEFAULT**

- 6.1 Notwithstanding the provisions of clause 4, the Borrower shall if the Lender shall give written notice to that effect to the Borrower become liable immediately to repay the Loan to the Lender, and to allot and issue to Compass Credit Limited that number of the Shares calculated in accordance with the formula set out in clause

5.3.1, and all the obligations of the Lender hereunder shall immediately terminate, upon the occurrence of any of the following events:

- 6.1.1 the Borrower fails to pay any amount payable hereunder as and when such amount becomes payable if such failure is not remedied on or before the thirtieth (30th) calendar day after it occurs;
- 6.1.2 the Borrower fails to perform or observe any covenant or agreement contained herein to be performed or observed by it, if such failure is not remedied on or before the thirtieth (30th) calendar day after it occurs;
- 6.1.3 any representation or warranty made pursuant to this Agreement proves to have been incorrect, incomplete or misleading in any material respect at the time it was made or repeated or deemed to have been made or repeated;
- 6.1.4 the Borrower fails to perform or observe any covenant or agreement to be performed or observed by the Borrower contained in any other agreement or instrument evidencing any amounts payable by the Borrower to the Lender;
- 6.1.5 the Borrower shall (a) apply for or consent to the appointment of, or the taking of possession by, a receiver, liquidator, administrator or similar office holder or appointee of itself or of all or a substantial part of its property or assets, (b) make a general assignment for the benefit of its creditors, (c) fail or be unable to pay its debts generally as they fall due, (d) file a petition seeking to take advantage of, or relief under any law relating to liquidation, administration, dissolution or composition or adjustment of debts, or (e) take any corporate action for the purpose of or with a view to effecting any of the foregoing;
- 6.1.6 a proceeding is commenced, without the application or consent of the Borrower, in any competent jurisdiction, seeking (a) the liquidation, administration or dissolution of the Borrower, or the composition or readjustment of its debts, (b) the appointment of a receiver, liquidator, administrator or similar office holder or appointee for it or for all or a substantial part of its property or assets, or (c) similar relief in respect thereof under any law relating to bankruptcy, insolvency, administration, reorganisation, winding-up, or composition or adjustment of debts, and such proceeding shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of sixty (60) or more calendar days;
- 6.1.7 any governmental authority or court takes any action that, in the reasonable opinion of the Lender, adversely affects the condition of the Borrower or its ability to perform its obligations under this Agreement, if such action is not rescinded on or before the thirtieth (30th) calendar day after it occurs or if such rescission ceases to be in effect;

6.1.8 any change in control of the Borrower occurs (and for the purposes of this Agreement "control" has the meaning given to such expression in section 416 of the Income and Corporation Taxes Act 1988); or

6.1.9 the Borrower sells or otherwise disposes of all or a substantial part of its property or assets or ceases to conduct all or a substantial part of its business as now conducted, or merges or consolidates with any other company without the prior written consent of the Lender.

6.2 The rights provided for herein are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law.

7 COVENANTS

7.1 The Lender and the Borrower shall each obtain, make and keep in full force and effect all authorisations from and registrations with governmental authorities that are necessary for it to obtain, make and/or keep for the validity or enforceability of this Agreement.

7.2 The Borrower shall promptly give notice to the Lender of any such event that constitutes an Event of Default or that with the passage of time or the giving of notice could become an Event of Default, and of such other event that has or might have a material adverse effect on the Borrower's ability to perform its obligations under this Agreement.

7.3 The Borrower shall maintain sufficient unissued authorised share capital to enable it at any time (whether or not at any such time it is under legal obligations so to do) to issue the Shares to Compass Credit Limited.

8 TAXES

All payments to be made by the Borrower to the Lender under this Agreement shall be made free and clear of and without deduction for or on account of tax unless the Borrower is required to make such a payment subject to the deduction or withholding of tax.

9 DEFAULT INTEREST

If any sum due and payable by the Borrower hereunder is not paid when due, the Borrower shall on demand made by the Lender from time to time pay interest on such overdue amount (including overdue default interest) from the due date up to the date of actual payment at a rate per annum which is the sum from time to time of the base rate for the time being of Royal Bank of Scotland plc and one per cent. (1%).

10 PAYMENTS

All payments to be made by the Lender or by the Borrower under this Agreement shall be made by payment in pounds sterling and in immediately available, freely transferable, cleared funds to such account of the Borrower, or as the case may be the Lender, as the relevant party shall from time to time have specified to the other party for this purpose.

11 WARRANTIES

11.1 Each of the Lender and the Borrower hereby warrants, represents and undertakes to the other that:

11.1.1 it has the legal right and full power and authority to execute and deliver, and to exercise its rights and perform its obligations under, this Agreement;

11.1.2 all corporate action required by it validly and duly to authorise the execution and delivery of, and the exercise of its rights and performance of its obligations under, this Agreement, has been duly taken; and

11.1.3 this Agreement (when executed) will constitute valid and binding obligations of it enforceable in accordance with their respective terms.

12 FURTHER ASSURANCE

At any time (whether before or after the date of this Agreement) each party hereto shall do and execute, or procure to be done and executed, all necessary acts, deeds, documents and things as may be reasonably requested of it by the other party to give effect to this Agreement.

13 BENEFIT OF AGREEMENT

This Agreement shall be binding upon and enure to the benefit of each party hereto and its successors and assigns provided always that neither party hereto shall assign or transfer all or any of its rights, benefits and obligations hereunder without the prior written consent of the other.

14 REMEDIES AND WAIVERS

No failure by either party to exercise, nor any delay by either party in exercising, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

15 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this agreement has no right under The Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

16 PARTIAL INVALIDITY, ILLEGALITY OR UNENFORCEABILITY

The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the continuation in force of the remainder of this Agreement.

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- 17.1

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This Agreement is governed by, and shall be construed in accordance with, English law.

19

This Agreement may be executed in any number of counterparts each of which when executed and delivered shall be an original, but all the counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto or their duly authorised representatives have executed this Agreement the day and year first above written.

Signed by _____)
duly authorised for and on behalf of _____)
CATTLES PLC _____)

Signed by _____)
duly authorised for and on behalf of _____)
PROGRESSIVE FINANCIAL _____)
SERVICES LIMITED _____)