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16 June 2005

AVIS EUROPE PLC

CAELUM LIMITED

DRESDNER BANK AG, LONDON BRANCH

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**'RUMP/STICK' SUBSCRIPTION AND  
TRANSFER AGREEMENT**

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FRESHFIELDS BRUCKHAUS DERINGER

## CONTENTS

CLAUSE	PAGE
1. DEFINITIONS AND INTERPRETATION .....	2
2. SUBSCRIPTION OF FURTHER ORDINARY SHARES AND FURTHER PREFERENCE SHARES .....	4
3. TRANSFER OF THE FURTHER ORDINARY SHARES AND PREFERENCE SHARES TO THE COMPANY .....	5
4. UNDERTAKINGS .....	6
5. REPRESENTATIONS AND WARRANTIES .....	7
6. JERSEYCO SUBSCRIBER CAPACITY .....	7
7. INDEMNITY .....	7
8. COSTS AND EXPENSES .....	7
9. NO DOUBLE RECOVERY .....	8
10. ENTIRE AGREEMENT .....	8
11. NO PARTNERSHIP OR AGENCY .....	9
12. NATURE OF RIGHTS AND OBLIGATIONS .....	9
13. COUNTERPARTS .....	9
14. TIME OF THE ESSENCE .....	9
15. WITHHOLDING AND GROSSING-UP .....	9
16. FURTHER ASSURANCE .....	10
17. ASSIGNMENT AND TRANSFERS .....	10
18. VARIATION .....	10
19. INVALIDITY .....	11
20. NOTICES .....	11
21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 .....	12
22. GOVERNING LAW AND JURISDICTION .....	12
SCHEDULE 1 WARRANTIES .....	13
1. Jerseyco's capacity .....	13
2. The Company's capacity .....	14
3. The Further Ordinary Shares and the Further Preference Shares .....	14
4. Taxation .....	14

**THIS AGREEMENT** is made on 16 June 2005

**BETWEEN:**

- (1) **AVIS EUROPE PLC** whose registered office is at Avis House, Park Road, Bracknell, Berkshire RG12 2EW (the *Company*);
- (2) **CAELUM LIMITED** whose registered office is at Whiteley Chambers, Don Street, St Helier, Jersey JE4 9WG (*Jerseyco*); and
- (3) **DRESDNER BANK AG, LONDON BRANCH** whose registered office is at 2 Swan Lane, London EC4R 3UX (*DrKW* or the *Jerseyco Subscriber*).

**WHEREAS:**

(A) The Company proposes to issue New Shares pursuant to the Rights Issue in accordance with the terms of the Underwriting Agreement. Pursuant to the terms of, and subject to the conditions set out in, the Underwriting Agreement, DrKW has agreed to underwrite the Rights Issue other than certain New Shares for which the Company has received undertakings to take up.

(B) As at the date of this Agreement, Jerseyco has an authorised share capital divided into 200 Jerseyco Ordinary Shares (100 of which have been issued, 89 are held by the Company and 11 are held by the Jerseyco Subscriber), 500,000,000 'A' Preference Shares (none of which has been issued) and 500,000,000 'B' Preference Shares (none of which has been issued).

(C) Pursuant to the terms of a subscription and transfer agreement dated the date hereof (the '*Rights Taken Up*' *Subscription and Transfer Agreement*), the Jerseyco Subscriber has agreed, on the terms and subject to the conditions of this Agreement, to subscribe for 10 'A' Preference Shares and to transfer such 'A' Preference Shares to the Company, together with the 11 Jerseyco Ordinary Shares it now holds. The consideration for the issue and allotment by the Company of New Shares to shareholders/renouncees entitled thereto and any persons found to acquire New Shares representing fractional entitlements prior to the Acceptance Date in connection with the Rights Issue shall be such transfer of such 'A' Preference Shares and Jerseyco Ordinary Shares to the Company. Immediately following these transfers (which will take place on the Acceptance Date), the Company will own 100% of the issued Jerseyco Ordinary Shares and 'A' Preference Shares.

(D) The Jerseyco Subscriber has agreed, on the terms and subject to the conditions of this Agreement, to subscribe for a further 12 Jerseyco Ordinary Shares and for 10 'B' Preference Shares and to transfer such Jerseyco Ordinary Shares and 'B' Preference Shares to the Company. The consideration for the issue and allotment by the Company of the New Shares representing the rump (including any persons found to acquire New Shares representing fractional entitlements after the Acceptance Date) and any stock of the Rights Issue to persons entitled thereto in connection with the Rights Issue shall be such transfer of Jerseyco Ordinary and 'B' Preference Shares to the Company.

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

## **1. DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement, including the recitals, the following words and expressions shall have the following meanings:

**'A' Preference Shares** means redeemable 'A' preference shares of £0.01 in the capital of Jerseyco having the rights and being subject to the restrictions set out in the Articles;

**Acceptance Date** has the meaning given to it in the Underwriting Agreement;

**Articles** means the memorandum and articles of association of Jerseyco;

**'B' Preference Shares** means redeemable 'B' preference shares of £0.01 in the capital of Jerseyco having the rights and being subject to the restrictions set out in the Articles;

**Closing Date** means the fifth Dealing Day after the Acceptance Date;

**Connected Person** means, in respect of Jerseyco Subscriber, each other member of the DrKW Group and its and their directors, officers, employees and agents (in each case whether present or future);

**Dealing Day** means a day upon which dealings in domestic securities may take place on and with the authority of the London Stock Exchange plc;

**DrKW Group** means DrKW and any person controlling, controlled by or under common control with DrKW;

**Encumbrance** means any mortgage, security interest, charge (whether legal or equitable and whether fixed or floating), security, lien, pledge, option, right to acquire, right of pre-emption, equity, assignment, hypothecation, title retention, claim, restriction or power of sale;

**Further Ordinary Shares** has the meaning given to it in Clause 2.1(a);

**Further Preference Shares** has the meaning given to it in Clause 2.1(b);

**Jerseyco Ordinary Shares** means ordinary shares of £0.01 in the capital of Jerseyco;

**Loss** or **Losses** have the meaning given to it in Clause 7;

**New Shares** has the meaning given to it in the Underwriting Agreement;

**Option Agreement** means the agreement entered into between the Company, the Jerseyco Subscriber and Jerseyco dated the date hereof regarding, among other things, the subscription by the Company for Jerseyco Ordinary Shares and the subscription by the Jerseyco Subscriber for Jerseyco Ordinary Shares;

**Rights Issue** has the meaning given to it in the Underwriting Agreement;

**Rights Issue Price** has the meaning given to it in the Underwriting Agreement;

**Subscription Price** means the subscription price per 'B' Preference Share calculated pursuant to Clause 2.1, being the Total Subscription Price divided by 10;

**taken up** has the meaning given to it in the Underwriting Agreement;

**tax** or **taxes** means all taxes, levies, imposts, duties, charges or withholdings of any nature whatsoever, together with all penalties, charges and interest relating to any of the foregoing and regardless of whether the person concerned is primarily liable or not, including (without limitation) corporation tax, advance corporation tax, income tax, capital gains tax, VAT, duties of customs and excise, national insurance contributions, capital duty, stamp duty, stamp duty reserve tax, stamp duty land tax any other transfer tax or duty, all taxes, duties or charges replaced by or replacing any of them and all other taxes on gross or net income, profits or gains, distributions, receipts, importations, sales, use, occupation, franchise, value added, and personal property imposed by a tax authority of any jurisdiction;

**Total Subscription Price** means the aggregate amount to be subscribed in respect of all the 'B' Preference Shares to be allotted and issued pursuant to Clause 2.1 as determined in accordance with Clause 2.6;

**transfer taxes** has the meaning given to it in Clause 8.1(b);

**Underwriting Agreement** means the underwriting agreement dated the date hereof between the Company and DrKW;

**Underwritten Shares** has the meaning given to it in the Underwriting Agreement;

**VAT** means value added tax or similar sales or turnover tax or levy imposed in any jurisdiction; and

**Warranties** means the representations and warranties set out in Schedule 1.

1.2 In this Agreement unless the context otherwise requires:

- (a) headings are for convenience only and shall not affect the construction of this Agreement;
- (b) any reference to an enactment is a reference to it as from time to time amended, consolidated or re-enacted (with or without modification) and includes all instruments or orders made under the enactment;
- (c) a reference in this Agreement to any document expressed to be in the **agreed form** means a document in the form initialled, for the purpose of identification only, by or on behalf of the parties, subject to any changes which the parties may agree; and no such initialling shall imply approval of all or any part of its contents by or on behalf of the person initialling it or any of the parties to this Agreement; and
- (d) any reference to recitals, clauses and schedules are to recitals, clauses and schedules to this Agreement, and references to paragraphs are to paragraphs in the schedule in which such references appear, and the schedules form part of this Agreement.

1.3 References to time are references to London time.

1.4 The expressions *holding company* and *subsidiary undertaking* shall have the same meanings in this Agreement as in the Companies Act 1985.

## **2. SUBSCRIPTION OF FURTHER ORDINARY SHARES AND FURTHER PREFERENCE SHARES**

2.1 On and subject to the terms and conditions of this Agreement and in reliance upon the Warranties, the Jerseyco Subscriber agrees to subscribe and pay for, and Jerseyco agrees to allot and issue to the Jerseyco Subscriber:

- (a) at any time after the Acceptance Date and prior to the Closing Date, 12 Jerseyco Ordinary Shares each credited as fully paid up at par value (the *Further Ordinary Shares*); and
- (b) on the Closing Date, 10 'B' Preference Shares each credited as fully paid up as to an amount per share equal to the Subscription Price (the *Further Preference Shares*),

in each case subject to the Articles.

2.2 Subject to Clause 2.4 below, the Jerseyco Subscriber undertakes to pay the sum of £0.12 to Jerseyco on demand in consideration for, and following allotment of, the Further Ordinary Shares, each credited as fully paid up, to the Jerseyco Subscriber by Jerseyco.

2.3 In consideration of the allotment and issue of such Further Preference Shares, and subject to Clause 2.4 below, the Jerseyco Subscriber hereby agrees to pay, or to procure the payment to Jerseyco of, the Total Subscription Price by not later than 5.00 p.m. (or as agreed between the parties) on the Closing Date in pounds sterling in immediately available funds to such account with such bank in London as shall have been notified by Jerseyco to the Jerseyco Subscriber.

2.4 The obligations under this Agreement of the Jerseyco Subscriber to subscribe and pay for, and of Jerseyco to allot and issue to the Jerseyco Subscriber, the Further Ordinary Shares and the Further Preference Shares are conditional upon:

- (a) the Underwriting Agreement having become unconditional in all respects and not having been terminated in accordance with its terms; and
- (b) completion of the transfer by the Jerseyco Subscriber of all 'A' Preference Shares and Jerseyco Ordinary Shares to the Company pursuant to the 'Rights Taken Up' Subscription and Transfer Agreement.

2.5 Following allotment and issue by Jerseyco of the Further Ordinary Shares and the Further Preference Shares to the Jerseyco Subscriber pursuant to Clause 2.1, Jerseyco shall procure that the Company Secretary shall, within the jurisdiction of Jersey, enter the name of the Jerseyco Subscriber in the register of members of Jerseyco (itself held in Jersey) in respect of the Further Ordinary Shares and the Further Preference Shares allotted and issued to it and prepare and deliver to the Jerseyco Subscriber:

- (a) a copy of share certificates evidencing the Further Ordinary Shares and Further Preference Shares allotted and issued to it; and
- (b) a copy of the minutes of the board meeting approving the allotment and the updated register of members (the names of the Jerseyco Subscriber having been entered into the register), certified as a true copy by the Company Secretary.

2.6 The Total Subscription Price shall be an amount equal to the aggregate of:

- (a) 97.6% of the Rights Issue Price multiplied by the number of Underwritten Shares which are or are treated as not taken up for the purposes of the Underwriting Agreement; and
- (b) the amounts received by DrKW (as principal) representing any net proceeds over the Rights Issue Price (minus any commissions and expenses) obtained pursuant to Clause 7.5 of the Underwriting Agreement for Underwritten Shares not taken up and which, in accordance with Clause 7.5 of the Underwriting Agreement, are not received by DrKW as agent for non-accepting Qualifying Shareholders (as defined in the Underwriting Agreement) and paid to the Receiving Banker (as defined in the Underwriting Agreement); and
- (c) the amounts (if any) received by DrKW (as principal) over and above the expenses of sale which are obtained for Nil-paid Rights representing fractional entitlements arising under the Rights Issue sold after the Acceptance Date in accordance with Clauses 7.1 and 7.5 of the Underwriting Agreement, save to the extent that such amounts fall within Clauses 2.6(a) or 2.6(b) above.

The parties acknowledge that 2.4% of the Rights Issue Price retained by DrKW as a result of Clause 2.6(a) is being retained in satisfaction of the Company's obligations under Clauses 11.1.1, 11.1.2 and 11.1.3 of the Underwriting Agreement to make payment of certain of the commissions referred to therein to DrKW.

2.7 If the Jerseyco Subscriber defaults in the payment to Jerseyco of the Total Subscription Price, the liability of the Jerseyco Subscriber shall be increased to include interest on such sum from the date when such payment is due until the date of actual payment (as well as before judgment) at a rate per annum of 1 per cent above the base rate from time to time of Barclays Bank PLC. Such interest shall accrue from day to day and be calculated on the basis of a 365 day year.

### **3. TRANSFER OF THE FURTHER ORDINARY SHARES AND PREFERENCE SHARES TO THE COMPANY**

3.1 Subject to the Underwriting Agreement having become unconditional in all respects and not being terminated in accordance with its terms and the allotment and issue of the Further Ordinary Shares and the Further Preference Shares pursuant to Clause 2.1, the Jerseyco Subscriber shall, on the Closing Date and following actual payment of the Total Subscription Price pursuant to Clause 2.3, transfer to the Company:

- (a) the legal and beneficial interest in the Further Preference Shares held by it (fully paid up in cash as to the nominal amount and premium thereon in accordance with the foregoing provisions of this Agreement); and
- (b) the legal and beneficial interest in the Further Ordinary Shares subscribed for by it pursuant to this Agreement (fully paid up in cash as to the price at which they were issued),

in each case in consideration for the allotment and issue by the Company on such date of the New Shares to the persons procured by DrKW, as agent for the Company, pursuant to Clauses 7.1, 7.5 and 8 of the Underwriting Agreement and, to the extent such persons are not procured, DrKW as principal, pursuant to Clause 8 of the Underwriting Agreement.

3.2 The Further Ordinary Shares and the Further Preference Shares shall be transferred to the Company, fully paid and free from all Encumbrances and together with all rights attaching thereto (including, without limitation, the right to all dividends and other distributions (if any) declared, made or paid on or after the date of Admission (as defined in the Underwriting Agreement)).

3.3 The obligations of the Jerseyco Subscriber to sell and transfer the Further Ordinary Shares and the Further Preference Shares pursuant to Clause 3.1 shall be satisfied by the execution of and the delivery to the Company, or as it may direct, in each case outside the United Kingdom, of duly executed stock transfer forms together with the relevant certificates (if issued to the Jerseyco Subscriber) in respect of the relevant Further Ordinary Shares and Preference Shares.

3.4 Subject to performance by the Jerseyco Subscriber of its obligations under Clauses 3.1 and 3.3, Jerseyco shall hold a board meeting in the United Kingdom at which it shall be resolved that the transfers relating to the Further Ordinary Shares and the Further Preference Shares shall be approved for registration and that the Company be registered as the holder of the Further Ordinary Shares and the Further Preference Shares in the Company's register of members.

3.5 The Jerseyco Subscriber agrees to execute prior to the Closing Date a power of attorney (dated the Closing Date) in order to grant authority to an appropriate person within Ogier & Le Masurier, solicitors and advocates in Jersey, to do and perform (in Jersey) all acts or things and to execute, complete and deliver all such documents (including any stock transfer forms) as are necessary to transfer all or any of the Further Ordinary Shares and the Further Preference Shares held by the Jerseyco Subscriber to the Company in accordance with this Agreement.

#### **4. UNDERTAKINGS**

4.1 The Jerseyco Subscriber undertakes that, subject as provided in Clause 3, it will not assign, charge, encumber, transfer, sell or otherwise dispose or deal with the Further Ordinary Shares or the Further Preference Shares subscribed by it hereunder or all or part of any of its right, title or interest in and to such Further Ordinary Shares and Further Preference Shares.



4.2 The Jerseyco Subscriber undertakes that it will not exercise any voting rights in respect of the Further Ordinary Shares or the Further Preference Shares subscribed by it hereunder save that, at the option of the Company, and subject to the Company providing to the Jerseyco Subscriber such indemnity in respect thereof as the Jerseyco Subscriber may reasonably require, it will exercise such voting rights as may be directed by the Company.

4.3 The Jerseyco Subscriber undertakes that it will not exercise any right of redemption that it may have in respect of the Further Preference Shares.

4.4 Until the date upon which the Jerseyco Subscriber has transferred the Further Ordinary Shares and the Further Preference Shares to the Company pursuant to Clause 3, the parties undertake to each other to procure (in so far as they are able) that no amendments will be made to the Articles.

## **5. REPRESENTATIONS AND WARRANTIES**

5.1 The Company and Jerseyco jointly and severally represent and warrant on the date hereof to the Jerseyco Subscriber in the terms of the Warranties set out in paragraphs 1, 3 and 4 of Schedule 1 and the Company represents and warrants on the date hereof to the Jerseyco Subscriber in the terms of the Warranties set out in paragraph 2 of Schedule 1.

5.2 The Warranties shall be deemed to be given at the date of this Agreement and shall be deemed to be repeated (*mutatis mutandis*) on the Closing Date with reference to the facts then existing (save that references to any fact, matter or thing existing, occurring or having occurred at or before the date of this Agreement shall be construed as references to at or before the Closing Date).

## **6. JERSEYCO SUBSCRIBER CAPACITY**

Jerseyco Subscriber represents and warrants that:

- (a) the Jerseyco Subscriber is a company incorporated with limited liability under German law; and
- (b) this Agreement has been duly authorised, executed and delivered and constitutes legally binding obligations of the Jerseyco Subscriber enforceable against the Jerseyco Subscriber in accordance with its terms (subject to mandatory rules of law relating to insolvency).

## **7. INDEMNITY**

The Company agrees to indemnify the Jerseyco Subscriber and its Connected Persons on the same terms, *mutatis mutandis*, as set out in Clause 12 of the Underwriting Agreement, subject to the same limitations, as if the Jerseyco Subscriber and its Connected Persons were an Indemnified Person.

## **8. COSTS AND EXPENSES**

8.1 Whether or not the Further Ordinary Shares and the Further Preference Shares are issued and allotted to the Jerseyco Subscriber hereunder, the Company shall pay:

- (a) to the Jerseyco Subscriber forthwith on demand all costs and expenses (including legal fees) incurred by it in connection with the negotiation, preparation, execution, implementation, enforcement of, or preservation of any rights under, this Agreement; and
- (b) to the relevant tax authority within applicable time limits on demand by the Jerseyco Subscriber (and on its behalf, if applicable), all capital duty, stamp duty, stamp duty reserve tax, documentary, registration and other like duties or taxes (including, without limitation, any fines, interest or penalties relating thereto save where such interest, fine or penalties are attributable to the unreasonable default or delay of the Jerseyco Subscriber) (together, ***transfer taxes***) which is imposed or payable in the United Kingdom or the Island of Jersey by the Jerseyco Subscriber on or in connection with the execution, performance or enforcement of this Agreement and the issue, allotment of and/or subscription for Further Ordinary Shares or Further Preference Shares by the Jerseyco Subscriber as contemplated hereunder or the purchase, sale and transfer of the Further Ordinary Shares and the Further Preference Shares by the Jerseyco Subscriber or any right or interest in the Further Ordinary Shares or the Further Preference Shares as contemplated hereunder (excluding, for the avoidance of doubt, the issue and/or allotment of New Shares in connection with the Rights Issue), and shall indemnify the Jerseyco Subscriber and any of its Connected Persons which is in the same group for tax purposes against any liability arising to it by reason of any delay or omission by Jerseyco or the Company in paying the same (including, without limitation, any fines, interest or penalties payable save where such fine, interest or penalties are attributable to the unreasonable default or delay of the Jerseyco Subscriber) and, if the Jerseyco Subscriber accounts for any transfer taxes payable by the Company pursuant to this Clause 8, the Company shall reimburse the Jerseyco Subscriber forthwith on demand for the amount so accounted for (together with an amount equal to any reasonable costs incurred by the Jerseyco Subscriber in connection therewith) save in circumstances where it was not necessary for the Jerseyco Subscriber to account for such transfer taxes.

8.2 All costs and expenses payable pursuant to Clause 8.1 shall be paid together with irrecoverable VAT (if any) thereon.

## **9. NO DOUBLE RECOVERY**

The Jerseyco Subscriber shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnity more than once in respect of any one liability, loss, cost, shortfall, damage, deficiency, breach or other set of circumstances, regardless of whether more than one claim arises in respect of it under this Agreement, the Underwriting Agreement, the 'Rights Taken Up' Subscription and Transfer Agreement and the Option Agreement.

## **10. ENTIRE AGREEMENT**

10.1 This Agreement (together with any documents referred to in it) contains the entire agreement and understanding of the parties and supersedes all prior agreements,

understandings or arrangements (both oral and written) relating to the subject matter of this Agreement.

10.2 Each of the parties acknowledges and agrees that:

- (a) it does not enter into this Agreement on the basis of and does not rely, and has not relied, upon any statement or representation (whether negligent or innocent) or warranty or other provision (in any case whether oral, written, express or implied) made, given or agreed to by any person (whether a party to this Agreement or not) except those expressly repeated or referred to in this Agreement and the only remedy or remedies available in respect of any misrepresentation or untrue statement made to it shall be a claim for breach of contract under this Agreement; and
- (b) this Clause 10.2 shall not apply to any statement, representation or warranty made fraudulently or to any provision of this Agreement which was induced by fraud for which the remedies shall be all those available under the law governing this Agreement.

## **11. NO PARTNERSHIP OR AGENCY**

11.1 Nothing in this Agreement shall constitute a partnership between the parties or constitute any as agent of the others for any purpose whatever and none shall have authority or power to bind the others or to contract in the name of or create liability against the others in any way or for any purpose save as expressly authorised in writing by the others from time to time.

11.2 Each party is entering into this Agreement for its respective benefit and not for the benefit of any other person.

## **12. NATURE OF RIGHTS AND OBLIGATIONS**

Nothing in this Agreement shall be construed as an obligation of the Jerseyco Subscriber to subscribe for any securities other than the Further Ordinary Shares and the Further Preference Shares pursuant to this Agreement.

## **13. COUNTERPARTS**

This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

## **14. TIME OF THE ESSENCE**

Any time, date or period mentioned in this Agreement may be extended by agreement between the parties but as regards any time, date or period originally fixed, or any time, date or period so extended, time shall be of the essence.

## **15. WITHHOLDING AND GROSSING-UP**

15.1 All sums payable by the Company to the Jerseyco Subscriber under this Agreement shall be paid free and clear of all deductions or withholdings unless the

deduction or withholding is required by law, in which event the Company shall pay such additional amount as shall be required to ensure that the net amount received by the Jerseyco Subscriber will equal the full amount which would have been received by it had no such deduction or withholding been required to be made.

15.2 If HM Revenue & Customs or any other tax authority brings into charge to tax any sum paid to the Jerseyco Subscriber under this Agreement, other than payment of fees and commissions, then the Company shall pay such additional amount as shall be required to ensure that the total amount paid, less the tax chargeable on such amount is equal to the amount that would otherwise be payable under this Agreement. This Clause 15.2 shall apply in respect of any amount deducted or withheld as contemplated by Clause 15.1 as it applies to sums paid to the Jerseyco Subscriber.

15.3 If the Company makes a payment to the Jerseyco Subscriber in respect of any deduction or withholding in respect of tax under Clause 15.1 of this Agreement and the Jerseyco Subscriber determines acting in good faith that:

- (a) a refund of tax or credit against tax is attributable to the deduction or withholding giving rise to that payment or part thereof; and
- (b) the Jerseyco Subscriber has actually obtained, utilised and retained that refund or credit,

the Jerseyco Subscriber shall pay an amount to the Company which the Jerseyco Subscriber determines in its absolute discretion acting in good faith will leave it (after that payment) in the same after-tax position as it would have been in had the payment under Clause 15.1 not been required to be made by the Company.

## **16. FURTHER ASSURANCE**

At any time after the date hereof each party agrees that it shall, promptly upon being required to do so by any other party hereto, do or procure that there shall be done all such acts and things and execute or procure the execution of all such documents and instruments as such party may from time to time reasonably require (before, on or after the Closing Date) in order to give full effect to this Agreement (including, without limitation, procuring that the Further Ordinary Shares and the Further Preference Shares are allotted and issued as freely transferable shares and that the Further Ordinary Shares and the Further Preference Shares are transferred free from Encumbrances to the Company), subject to the provisions of this Agreement.

## **17. ASSIGNMENT AND TRANSFERS**

No party may assign or transfer all or part of its rights or obligations under this Agreement.

## **18. VARIATION**

No variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the parties to this Agreement.

## 19. INVALIDITY

If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

## 20. NOTICES

20.1 Any notice to be given under, or in connection with, this Agreement shall be in writing and be signed by or on behalf of the party giving it. It shall be served by sending it by fax to the number set out in Clause 20.2 or by delivering it by hand, or sending it by pre-paid recorded delivery, special delivery or registered post, to the address set out in Clause 20.2 marked for the attention of the relevant party (or as otherwise notified from time to time under this Agreement).

Any notice so served shall be deemed to have been duly received:

- (a) in the case of delivery by hand, when delivered;
- (b) in the case of fax, at the time of transmission; and
- (c) in the case of pre-paid recorded delivery, special delivery or registered post, on the Dealing Day following the date of posting,

provided that if delivery by hand or fax occurs on a day which is not a Dealing Day or after 6.00 p.m. on a Dealing Day, service shall be deemed to occur at 9.00 a.m. on the following Dealing Day.

20.2 The addresses of the parties for the purpose of Clause 20.1 are:

- (a) **the Company**                      Avis Europe plc  
Fax number: +44 1344 869194  
For the attention of: Company Secretary
- (b) **Jerseyco**                      Caelum Limited  
Fax number: +44 1534 504444  
For the attention of: Company Secretary
- (c) **the Jerseyco Subscriber**      Dresdner Bank AG, London Branch  
Fax number: +44 20 7475 7515  
For the attention of: Julian P Smith

**21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

Save for the rights of Connected Persons under Clause 7, a person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

**22. GOVERNING LAW AND JURISDICTION**

22.1 This Agreement (together with all documents to be entered into pursuant to it which are not expressed to be governed by another law) shall be governed by and interpreted in accordance with English law.

22.2 The courts of England are to have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (a *Dispute*) including a Dispute regarding the existence, validity or termination of this Agreement or the consequences of its nullity.

22.3 Any claim form, judgment or other notice of legal process shall be sufficiently served on the relevant party if delivered in accordance with Clause 20.

**IN WITNESS WHEREOF** this Agreement has been duly executed under hand by the parties or their duly authorised attorneys the day and the year first written above.

## **SCHEDULE 1**

### **WARRANTIES**

#### **1. JERSEYCO'S CAPACITY**

1.1 Jerseyco is a private limited company incorporated under Jersey law and since incorporation it has:

- (a) been in continuous existence;
- (b) not traded or carried on any business or activity of any nature, save for any activities required in order to give effect to the terms of this Agreement; and
- (c) not incurred any liabilities or obligations of any nature whatsoever other than:
  - (i) its paid up share capital;
  - (ii) those imposed on it by virtue of its incorporation including, without limitation, the legal fees payable to Ogier & Le Masurier and an administration fee in the amount of £9,950 payable to Ogier Corporate Services (Jersey) Limited; and
  - (iii) any other liabilities which in aggregate are less than £100.

1.2 This Agreement has been duly authorised, executed and delivered and constitutes legally binding obligations of Jerseyco enforceable against Jerseyco in accordance with its terms (subject to mandatory rules of law relating to insolvency).

1.3 The allotment and issue of the Further Ordinary Shares and the Further Preference Shares by Jerseyco and the execution and delivery by Jerseyco of, and the performance by Jerseyco of its obligations under, this Agreement:

- (a) do not require any consent (other than the consent of the Jersey Financial Services Commission, which has already been obtained), approval, authorisation or order of, or filing with, any governmental agency or body or any court; and
- (b) will not conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under:
  - (i) any statute, or any rule, regulation or order of any governmental agency or body or any court applicable in respect of Jerseyco;
  - (ii) any agreement or instrument to which Jerseyco is a party or by which Jerseyco is bound; or
  - (iii) the constitutional documents of Jerseyco.

## **2. THE COMPANY'S CAPACITY**

2.1 The Company is a public limited company incorporated under English law and since incorporation has been in continuous existence.

2.2 This Agreement has been duly authorised, executed and delivered and constitutes legally binding obligations of the Company enforceable against the Company in accordance with its terms (subject to mandatory rules of law relating to insolvency).

2.3 The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement:

- (a) do not require any consent, approval, authorisation or order of, or filing with, any governmental agency or body or any court; and
- (b) will not conflict with or result in a breach or violation (which would be material in the context of the Rights Issue) of any of the terms and provisions of, or constitute a default under:
  - (i) any statute, or any rule, regulation or order of any governmental agency or body or any court applicable in respect of the Company;
  - (ii) any agreement or instrument to which the Company is a party or by which the Company is bound; or
  - (iii) the constitutional documents of the Company.

## **3. THE FURTHER ORDINARY SHARES AND THE FURTHER PREFERENCE SHARES**

3.1 The Further Ordinary Shares will, at the time of their issue to the Jerseyco Subscriber, be issued as freely transferable shares with the rights set out in the Articles and ranking *pari passu* among themselves.

3.2 The Further Ordinary Shares have been duly and validly authorised and, upon allotment and issue as provided in this Agreement, will be fully paid and free from any Encumbrances, save for any Encumbrances created pursuant to this Agreement.

3.3 The Further Preference Shares will, at the time of their issue to the Jerseyco Subscriber, be freely transferable shares with the rights set out in the Articles and ranking *pari passu* among themselves.

3.4 The Further Preference Shares have been duly and validly authorised and, upon allotment and issue as provided in this Agreement, will be fully paid as to an amount equal to the Subscription Price in respect of each Further Preference Share and free from any Encumbrances, save for any Encumbrances created pursuant to this Agreement.

## **4. TAXATION**

4.1 Jerseyco is resident in the United Kingdom for tax purposes.



4.2 Jerseyco has not done or been a party to the doing of any act which is unlawful for the purposes of section 765 of the Income and Corporation Taxes Act 1988.

4.3 The register of members of Jerseyco is, and will continue at all times to be, kept outside the United Kingdom.

**SIGNED by**  
for and on behalf of  
**AVIS EUROPE PLC**

)  
)  
) *John Carnock*

**SIGNED by**  
for and on behalf of  
**CAELUM LIMITED**

)  
)  
) *BL SBDRIUSCAM*

**SIGNED by**  
for and on behalf of  
**DRESDNER BANK AG,  
LONDON BRANCH**

)  
)  
)  
) *[Signature]*

**SIGNED by**  
for and on behalf of  
**DRESDNER BANK AG,  
LONDON BRANCH**

)  
)  
)  
) *[Signature]*