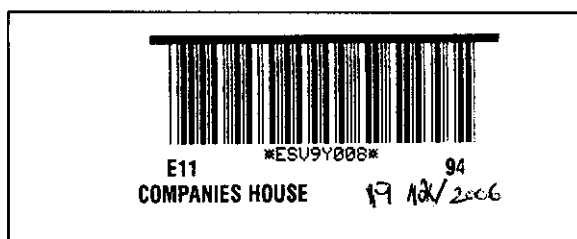


Separator Sheet

Company Number ...3891960.....

Company Name 7C (Pembroke) Limited.....



IN THE HIGH COURT OF JUSTICE

No 10111 of 2006

CHANCERY DIVISION

COMPANIES COURT

IN THE MATTERS OF:

7C (HOLDINGS) LIMITED (IN ADMINISTRATION)

7C LIMITED (IN ADMINISTRATION)

7C (PEMBROKE) LIMITED (IN ADMINISTRATION)

AND IN THE MATTER OF THE COMPANIES ACT 1985

ORDER

UPON THE PETITION of 7C (Holdings) Limited ("**7CH**"), 7C Limited ("**7CL**") and 7C Pembroke Limited ("**7CPL**") (together, referred to as the "**Scheme Companies**"), by their Joint Administrators, David Robert Thurgood, Andrew Lawrence Hosking and Simon Charles Morris (the "**Joint Administrators**"), each incorporated in England and Wales with respective registered numbers 03483227, 03414543 and 03891960 and each having as its registered office address St Alphage Garden, Fore Street, London EC2Y 5DS

AND UPON HEARING Counsel for the Scheme Companies

AND UPON Manpower plc, IBM United Kingdom Financial Services Limited and CIT Group (UK) Limited each undertaking to be bound by the Schemes of Arrangement as set forth in the Schedule hereto pursuant to Clause 1.4.4 of the said Schemes of Arrangement

AND UPON READING the evidence recorded on the Court File as having been read

THIS COURT HEREBY SANCTIONS the Schemes of Arrangement as set forth in the Schedule hereto.

AND IT IS ORDERED that the Scheme Companies do deliver an office copy entry of this Order to the Registrar of Companies.

Dated: 19 December 2006

Section II: The Scheme

No. 6718 of 2006

IN THE HIGH COURT OF JUSTICE
(ENGLAND AND WALES)

CHANCERY DIVISION

COMPANIES COURT

IN THE MATTERS OF:

7C (HOLDINGS) LIMITED (IN ADMINISTRATION)

7C LIMITED (IN ADMINISTRATION)

7C (PEMBROKE) LIMITED (IN ADMINISTRATION)

- and -

IN THE MATTER OF THE COMPANIES ACT 1985

SCHEMES OF ARRANGEMENT

(Pursuant to section 425 of the Companies Act 1985)
(together, the "Scheme")

between

7C (HOLDINGS) LIMITED (IN ADMINISTRATION)

7C LIMITED (IN ADMINISTRATION)

7C (PEMBROKE) LIMITED (IN ADMINISTRATION)
(together, the "Scheme Companies")

and their respective

SCHEME CREDITORS

(as defined in the Scheme)

Mayer, Brown, Rowe & Maw LLP
11 Pilgrim Street
London EC4R 6RW
Ref: 21187/20454/21293/05153700

CONTENTS

Clause	Page
1. PRELIMINARY	48
1.1 Definitions	48
1.2 Interpretation	57
1.3 The Scheme Companies	57
1.4 Other parties to the Scheme	58
1.5 Purposes of the Scheme	59
2. THE SCHEME	59
2.1 Condition Precedent and Effective Date	59
2.2 Application of the Scheme	59
2.3 Stay of proceedings	60
3. AVAILABLE DISTRIBUTABLE ASSETS	60
3.1 Consolidation of the administration estates of 7CL and 7CPL	60
3.2 Receipt of Available Distributable Assets	61
3.3 Application of Available Distributable Assets	61
4. SUBMISSION OF SCHEME CLAIMS	63
4.1 The Bar Date	63
4.2 Claim Forms	64
4.3 Reasonable Assistance	66
4.4 Admissible Interest on Scheme Claims	67
4.5 Set-off	67
4.6 Currency of payment	68
5. ADMISSION OF SCHEME CLAIMS	68
5.1 Admission of Scheme Claims	68
5.2 Referral to Scheme Adjudicator	69
5.3 Settlement or Compromise	70
5.4 Assignments	70
6. SETTLEMENT OF SCHEME CLAIMS	71
6.1 Distribution to Scheme Creditors	71
6.2 Method of Distribution	71
6.3 Unclaimed Distributions	72
7. SCHEME ADJUDICATOR	73
7.1 Office	73
7.2 Disputed Scheme Claims	73
7.3 Indemnity	75
7.4 Insurance	76
7.5 Costs	76
8. SCHEME SUPERVISORS	76
8.1 Qualification, Appointment, Resignation and Removal	76

CONTENTS

Clause	Page
8.2	Power to Act Jointly or Severally..... 77
8.3	Functions and Powers..... 77
8.4	Responsibility and Indemnity..... 79
9.	THE CREDITORS' COMMITTEE..... 80
9.1	Constitution of the Creditors' Committee..... 80
9.2	Membership of the Creditors' Committee 81
9.3	Ceasing to be a Committee Member 81
9.4	Appointment of nominated representatives and alternates..... 82
9.5	Revocation and termination of appointment of nominated representatives and alternates 82
9.6	Proceedings of the Creditors' Committee 83
9.7	Validation 84
9.8	Expenses 85
9.9	Functions of the Creditors' Committee..... 85
9.10	Duties of Committee Members..... 86
10.	TERMINATION OF THE SCHEME 87
10.1	Termination Date..... 87
10.2	Liquidation Event 87
10.3	Completion of the Scheme and Releases..... 88
11.	GENERAL SCHEME PROVISIONS..... 89
11.1	Effective Date 89
11.2	Costs 89
11.3	Modifications to Scheme 89
11.4	Conflict..... 89
11.5	Notices and Communications..... 89
11.6	Any advertisements by the Scheme Supervisors in respect 90
11.7	Any such notices or other communication referred..... 91
11.8	In proving service by Post, the party seeking to rely upon such 91
11.9	For communication purposes, the Scheme Supervisors may 91
11.10	Whilst the Scheme Supervisors take all reasonable precautions to..... 91
11.11	Extension of Time Limits..... 91
11.12	Governing Law and Jurisdiction..... 92

SCHEDULES

Schedule 1 Claim Form.....	93
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PRELIMINARY

1.1 Definitions

In this Scheme, unless the context otherwise requires, or otherwise expressly provides, the following expressions shall bear the following meanings:

"7CH"	7C (Holdings) Limited (in administration), a company incorporated in England and Wales with registered number 03483227 whose registered office is at St Alphage Garden, Fore Street, London EC2Y 5DS;
"7CL"	7C Limited (in administration), a company incorporated in England and Wales with registered number 03414543 whose registered office is at St Alphage Garden, Fore Street, London EC2Y 5DS;
"7CPL"	7C (Pembroke) Limited (in administration), a company incorporated in England and Wales with registered number 03891960 whose registered office is at St Alphage Garden, Fore Street, London EC2Y 5DS;
"7CH's Distributions"	7CH's entitlement to receive the First and Second 7CL/7CPL Dividends;
"Administration Agreed Claim"	any claim of a Scheme Creditor against the Scheme Companies which has been notified by or on behalf of that Scheme Creditor to the Joint Administrators before the Effective Date, and which the Scheme Supervisors confirm as having been agreed by the Joint Administrators when the relevant Scheme Creditors' Claim Form is sent to them pursuant to Clause 4.2.2;
"Administration Costs"	the remuneration, expenses, costs and disbursements of the Joint Administrators in their capacity as the Joint Administrators of the Scheme Companies and any other expenses, costs, charges, debts, liabilities and obligations either incurred on behalf of the Scheme Companies by the Joint Administrators as administration expenses or determined as administration expenses by the Court since the date of the Administration Orders, including liabilities under sections 19(4) and (5) of the IA1986;

"Administration Orders"

the order of Mr Justice Park dated 30 November 2002 appointing the Joint Administrators as administrators to the Scheme Companies, as varied by the Variation Order (and "**the administration**" shall be construed accordingly);

"Admitted Scheme Claim"

a Scheme Claim that is admitted for distribution purposes in accordance with Clause 5;

"Approved"

in relation to each Scheme Company:

- (a) the Scheme shall have been approved by the majorities of Scheme Creditors required by section 425(2) of the CA1985 at each of the Scheme Creditors' Meetings; and
- (b) the Court shall have made the Sanction Orders; and
- (c) an office copy of the Sanction Orders shall have been delivered for registration to the Registrar of Companies in England and Wales as required by section 425(3) of the CA1985;

"Available Distributable Assets"

assets recovered, held or received by the Scheme Supervisors either from the Joint Administrators or by virtue of the exercise of the Scheme Supervisors' powers pursuant to Clause 8.3.3 after the Joint Administrators or the Scheme Supervisors have paid or made provision for Preferential Creditors, Administration Costs, Pre-Scheme Costs and Scheme Costs;

"Avaya"

Avaya (formerly known as CIT) c/o Newcourt Asset Finance International, of CIT House, Blackrock Business Park, Carysfort Avenue, Blackrock, Co. Dublin, Ireland;

"Avaya Distributions"

Avaya's entitlement to receive (i) the First and Second 7CL/7CPL Dividends and (ii) the First, Second and Third 7CH Dividends, in each case from the Available Distributable Assets of the relevant Scheme Companies in accordance with Clause 3.3;

"Bar Date"	5.00 p.m. (London Time) on such day falling 120 days after the Effective Date (not counting that date) or, if that date does not fall on a Business Day, on the first Business Day thereafter;
"Business Day"	any day (other than a Saturday or Sunday) on which banks are open for business in the City of London;
"CA1985"	the Companies Act 1985, as amended;
"Claim Form"	either: <ul style="list-style-type: none"> (a) the claim form in the form set out in Schedule 1 to the Scheme; or (b) a Form of Proxy returned to the Joint Administrators by a Scheme Creditor in connection with voting at the Scheme Creditors' Meetings, provided that the <u>Scheme Creditor has made the Election</u> on the Form of Proxy and provided further that the Form of Proxy is deemed to be a Claim Form returned to the Scheme Supervisors so as to be received by them before the Bar Date in accordance with Clause 4.2.3;
"Claims"	means all and any actions, claims, demands or rights whatsoever or howsoever arising, whether present, future, prospective or contingent, whether or not for a fixed or unliquidated amount, whether or not involving the payment of money, whether arising at common law, in equity or by statute in England and Wales or in any other jurisdiction or in any other manner whatsoever, and including, without limitation, claims of a proprietary or restitutionary nature;
"Committee Member"	a member of the Creditors' Committee established in accordance with the Scheme;
"Court"	the High Court of Justice in England and Wales;

"Creditors' Committee"	the committee of creditors established in accordance with the Scheme;
"Disputed Scheme Claim"	a Scheme Claim referred to the Scheme Adjudicator under Clause 5.2;
"Distribution Dates"	the dates of any distributions as determined by the Scheme Supervisors in accordance with Clause 6.1.2;
"Distributions"	distributions of Available Distributable Assets to Scheme Creditors in accordance with Clause 6;
"Effective Date"	the date on which an office copy of the Sanction Order is delivered to the Registrar of Companies for registration in accordance with Clause 11.1;
"Election"	the election exercised by a Scheme Creditor to treat its Form of Proxy as its Claim Form in the manner directed in the Form of Proxy;
"Electronic Form"	by facsimile or by email (with pdf if appropriate) in accordance with Clause 11.5;
"Explanatory Statement"	the statement dated 9 October 2006 (and the appendices to it) explaining the effect of the Scheme in compliance with section 426 of the CA1985;
"Form of Proxy"	the Form of Proxy sent or made available to Scheme Creditors in connection with the Scheme Creditors' Meetings;
"General Notes and Instructions for Completion of the Form of Proxy"	the "General Notes" and "Instructions for Completion of the Form of Proxy" accompanying the Form of Proxy sent or made available to Scheme Creditors in connection with the Scheme Creditors' Meetings;
"IA1986"	the Insolvency Act 1986, as amended;
"IBM"	IBM UK Limited of PO Box 41, North Harbour, Portsmouth PO6 3AU;
"IBM Distributions"	IBM's entitlement to receive (i) that proportion of the First 7CH Dividend and (ii) the Second 7CH Dividend, in each case from the Available Distributable Assets of 7CH in accordance with Clause 3.3;

"IR1986"

the Insolvency Rules 1986, as amended;

"Joint Administrators"

David Robert Thurgood, Andrew Lawrence Hosking and Simon Charles Morris, all of Grant Thornton UK LLP, Grant Thornton House, Melton Street, London NW1 2EP as joint administrators of the Scheme Companies or such other person or persons as may be appointed as joint administrators of the Scheme Companies and, in the Scheme, "Joint Administrators" means each and any of them;

"liability or liabilities"

any obligation or liability of a person, whether it is present, future, prospective or contingent, whether or not its amount is fixed or undetermined, whether or not it involves the payment of money and whether it arises at common law, in equity or by statute in England and Wales or in any jurisdiction or in any other manner whatsoever, but such expression does not include any obligation or liability which is barred by statute or is otherwise unenforceable. For the avoidance of doubt a person who does not have a legal liability under a contract because such contract is void or, being voidable, has been duly avoided will not have a liability for the purposes of the Scheme;

"Liquidation Event"

either an order by the Court to compulsorily wind up a Scheme Company or the commencement of a creditors' voluntary winding up in respect of a Scheme Company;

"Loan"

the intercompany loans totalling approximately £39,987,000 made by 7CH to 7CL and 7CP prior to the Administration Orders for the purpose of funding the working capital and capital expenditure expenses of 7CL and 7CP after deducting the amount of £2,914,839 by way of set-off of amounts owed by 7CH to 7CL;

"Manpower"

Manpower of Capital Court, Windsor Street, Uxbridge UB8 1AB

"Manpower Distributions"

Manpower's entitlement to receive (i) that proportion of the First 7CH Dividend and (ii) the Second 7CH Dividend, in each case from the Available Distributable Assets of 7CH in accordance with Clause 3.3;

"pdf"	portable document format;
"Post"	delivery by pre-paid first class post or pre-paid air mail;
"Pre-Administration Compromise Agreements"	the compromise agreements entered into between the Scheme Companies and Manpower and IBM prior to the Administration Orders, as more particularly referred to in paragraph 6 of the Explanatory Statement;
"Preferential Creditors"	those creditors of a Scheme Company to whom preferential debts would have been owed pursuant to section 386 and Schedule 6 of the IA1986 had an order for the compulsory winding up of the Scheme Company concerned, immediately upon the discharge of the relevant Administration Order, been made by the Court on the Effective Date;
"Pre-Scheme Costs"	all costs, charges expenses and disbursements incurred by the Scheme Companies or the Joint Administrators prior to the Effective Date in connection with the negotiation, preparation and implementation of the Scheme, including the costs of holding the Scheme Creditors' Meetings and the costs of obtaining the Sanction Order;
"Proceedings" or "Proceedings"	any process, action, step or other legal proceeding (including without limitation any suit, demand, arbitration, alternative dispute resolution, judicial review, adjudication, mediation, execution, seizure, distraint, forfeiture, re-entry, lien, enforcement of judgment, or enforcement of any security) or the taking of any step or action to place any Scheme Company into a Liquidation Event, in each case in any jurisdiction;
"Property"	all forms of property of the Scheme Companies, tangible and intangible, including money, goods, things in action, land and every description of property wherever situated and also obligations and every description of interest, whether present or future, vested or contingent, arising out of or incidental to property;
"Registrar of Companies"	the Registrar or other officer performing under the CA1985 the duty of registration of

companies which expression shall include a deputy registrar;

"Sanction Order"

the Order of the Court sanctioning the Scheme in respect of each of the Scheme Companies under section 425 of the CA1985;

"Scheme"

all or any of the schemes of arrangement proposed pursuant to section 425 of the CA1985 between the Scheme Companies and their respective Scheme Creditors as set out in this document with or subject to any modification, addition or condition approved or imposed by the Court in accordance with Clause 11.3;

"Scheme Adjudicator"

Bruce Mackay, a Partner in the Business Recovery Group of Baker Tilly of 5 Old Bailey, London EC4M 7AF, whose Curriculum Vitae is at Appendix 2 to the Explanatory Statement, as the initial Scheme Adjudicator or such other person as may be appointed as a successor to Mr Mackay or any subsequent Scheme Adjudicator in accordance with Clause 7.1.4;

"Scheme Claims"

any and all actions, claims, demands or rights against a Scheme Company whatsoever and howsoever arising (excluding Administration Costs, Pre-Scheme Costs and Scheme Costs and liabilities of a Scheme Company to Preferential Creditors) in respect of:

- (i) any debt or liability of a Scheme Company at the date of the Administration Orders; or
- (ii) any debt or liability to which a Scheme Company may become subject after that date by reason of any obligation incurred before that date

(including those Scheme Claims of Manpower, IBM and Avaya referred to in Clauses 5.1.6, 5.1.7 and 5.1.8);

"Scheme Companies"

7CL, 7CPL and 7CH and each and every or any one or more of them. Where the context permits or requires, any reference to a Scheme Company shall be construed as a reference to any or all relevant Scheme Companies;

"Scheme Costs"

all liabilities, costs, charges and expenses incurred by, and the disbursements, fees and remuneration of, the Scheme Supervisors in each case incurred from the Effective Date in relation to the Scheme together with the costs and expenses incurred by, and the remuneration of, the Scheme Adjudicator in determining Scheme Claims, subject to any directions which may be given by the Scheme Adjudicator pursuant to Clauses 5.2.4 and 5.2.5;

"Scheme Creditors"

creditors of a Scheme Company in respect of Scheme Claims, which for the avoidance of doubt shall include:

- (i) Manpower, IBM and Avaya in respect of their respective Scheme Claims against the Scheme Companies in the amounts referred to in Clauses 5.1.6, 5.1.7 and 5.1.8;
- (ii) 7CH in respect of its Scheme Claims against 7CL and 7PL; and
- (iii) an assignee or other person entitled to claim or who does claim in succession to or in substitution for any Scheme Creditor in respect of the same Scheme Claim;

"Scheme Creditors' Meetings"

the meetings of Scheme Creditors convened by each Scheme Company to consider the Scheme in accordance with the leave of the Court pursuant to section 425 of CA1985, including any adjournment thereof;

"Scheme Period"

the period beginning on the Effective Date and ending on the Termination Date;

"Scheme Supervisors"

David Robert Thurgood, Andrew Lawrence Hosking and Simon Charles Morris all of Grant Thornton UK LLP, Grant Thornton House, Melton Street, London NW1 2EP, or such other person or persons as may be appointed in

	accordance with Clause 8.1.5;
"Settlement Agreements"	the settlement agreements entered into between the Scheme Companies acting by the Joint Administrators and Manpower and IBM, as more particularly referred to in paragraph 6 of the Explanatory Statement;
"Sterling"	pounds (£) sterling or other lawful currency from time to time of the UK;
"Supporting Information"	all relevant information and documentation required to be provided by: <ul style="list-style-type: none"> (a) a Scheme Creditor to the Scheme Supervisors in support of the Scheme Creditor's Scheme Claims stated on its Claim Form and submitted to the Scheme Supervisors so as to be received by them before the Bar Date in accordance with Clause 4.1.4(a); and (b) a Scheme Creditor to the Joint Administrators in support of the Scheme Creditors' Scheme Claims for the purpose of voting at the Scheme Creditors' Meetings where the Scheme Creditor is deemed to have submitted a Claim Form to the Scheme Supervisors so as to be received by the Scheme Supervisors before the Bar Date by the submission of its Form of Proxy, having made the Election referred to in Clause 4.2.3;
"Termination Date"	the date on which the event set out in Clause 10.1.1 of the Scheme is notified to Scheme Creditors;
"UK"	the United Kingdom;
"Unclaimed Distributions"	those distributions made by the Scheme Supervisors which are treated as unclaimed distributions in accordance with Clause 6.2.4; and
"Variation Order"	the order of Mr Justice Blackburne made on 28 June 2006 varying the terms of the Administration Orders to include the sanctioning under section 425 of the CA1985 of a compromise or arrangement in respect of

the Scheme Companies.

1.2 Interpretation

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

- 1.2.1 references to Parts, Clauses, and Schedules are references to the Parts, Clauses and Schedules, respectively of the Scheme;
- 1.2.2 references to a "person" include references to an individual, firm, partnership (whether as defined in the Partnership Act 1890, a limited liability partnership (or LLP) under the Limited Liability Partnership Act 2000 (or otherwise)), company, corporation, unincorporated body of persons or any state or state agency;
- 1.2.3 references to a statute or a statutory provision include the same as subsequently modified, amended or re-enacted from time to time;
- 1.2.4 the singular includes the plural and vice versa and words importing one gender shall include all genders;
- 1.2.5 headings to Parts, Clauses and Schedules are for ease of reference only and shall not affect the interpretation of the Scheme; and
- 1.2.6 references in the Scheme to a firm or company shall include any predecessor or successor of that firm or company whether by merger, demerger, amalgamation or otherwise.

1.3 The Scheme Companies

- 1.3.1 7CH was incorporated on 18 December 1997 with company number 03483227. The authorised share capital of 7CH is £5,307,961 divided into 10,792,000 'A' ordinary shares of 1 pence each, 1,301,000 'B' ordinary shares of 1 pence each, 16,000 Cumulative Redeemable Preference shares of US\$10 each, 4,000,000 Convertible Cumulative Redeemable Preference shares of 1 US cent each, 2,574,000 Convertible Participating Redeemable Preferred shares ('C' Preferred shares) of 1 pence each, 5,001,292 Redeemable Preferred shares of £1 each, 4,086,857 Convertible Participating Redeemable Preferred shares ('E' Preferred shares) of 1 pence each. As at 30 June 2001, 6,000,000 'A' ordinary shares of 1 pence each, 16,000 Cumulative Redeemable Preference shares of US\$10 each, 4,000,000 Convertible Cumulative Redeemable Preference shares of 1 US cent each, 2,574,000 Convertible Participating Redeemable Preferred shares ('C' Preferred shares) of 1 pence each, 5,001,292 Redeemable Preferred shares of £1 each, 3,882,514 Convertible Participating Redeemable Preferred shares ('E' Preferred shares) of 1 pence each had been issued and were fully paid and the remainder were unissued.

- 1.3.2 7CL was incorporated on 5 August 1997 with company number 03414943. The authorised share capital of 7CL is £100 divided into 100 ordinary shares of £1 each of which, as at 30 June 2001, 2 ordinary shares of £1 each had been issued and were fully paid and the remainder were unissued.
- 1.3.3 7CPL was incorporated on 10 December 1999 with company number 03891960. The authorised share capital of 7CPL is £100 divided into 100 ordinary shares of £1 each of which as at 30 June 2001, 1 ordinary share of £1 had been issued and was fully paid up and the remainder were unissued.
- 1.3.4 Pursuant to the Administration Orders, the Scheme Companies were placed into administration on 30 November 2002 and the Joint Administrators were appointed as joint administrators of the Scheme Companies.
- 1.3.5 The Settlement Agreements were entered into to agree the terms of a full and final settlement of all matters outstanding between the Scheme Companies, the Joint Administrators and Manpower and IBM so as to enable distributions to be made to creditors of the Scheme Companies.
- 1.3.6 The Joint Administrators have prepared the Scheme pursuant to and to reflect the terms of the Settlement Agreements.
- 1.3.7 The Administration Orders were varied by the Variation Order for the purpose of proposing the Scheme.

1.4 Other parties to the Scheme

- 1.4.1 Mr David Robert Thurgood, Andrew Lawrence Hosking and Simon Charles Morris have each given and not withdrawn their consent to act as Scheme Supervisors from the Effective Date and have agreed to be bound by the terms of the Scheme to the extent that the same applies to them as Scheme Supervisors.
- 1.4.2 Bruce Mackay, a Partner in the Business Recovery Group of Baker Tilly of 5 Old Bailey, London EC4M 7AF, whose Curriculum Vitae is at Appendix 2 to the Explanatory Statement, has given to the Joint Administrators (and has not withdrawn) his consent to act as Scheme Adjudicator from the Effective Date and has agreed to be bound by the terms of the Scheme to the extent that the same applies to him as Scheme Adjudicator.
- 1.4.3 The members of the Creditors' Committee shall be established pursuant to Clause 9.
- 1.4.4 Manpower, IBM and Avaya have agreed to appear by Counsel at the hearing of the petition to sanction the Scheme and to undertake to be bound by the Scheme whether in its present form or as modified in accordance with Clause 11.3 and to execute such documents and do all

such acts and things as may be necessary or desirable for the purposes of giving effect to the Scheme.

1.5 Purposes of the Scheme

The purposes of the Scheme are:

- (a) to effect a consolidation of the estates of 7CL and 7CPL so that the combined Available Distributable Assets of 7CL and 7CPL are available to fund distributions by the Scheme Supervisors to the Scheme Creditors of 7CL and 7CPL in respect of their Scheme Claims against 7CL and/or 7CPL in accordance with the provisions of the Scheme, in full and final settlement of those Scheme Claims;
- (b) to provide for distributions to be paid to the Scheme Creditors of 7CH in respect of their Scheme Claims against 7CH out of the Available Distributable Assets of 7CH in accordance with the provisions of the Scheme, in full and final settlement of those Scheme Claims; and
- (c) to implement the terms of the Settlement Agreements with Manpower and IBM so as to facilitate the payment to:
 - (i) Manpower, IBM and Avaya of the Manpower Distributions, IBM Distributions and Avaya Distributions respectively; and
 - (ii) the other Scheme Creditors of those dividends referred to in Clause 1.5 (a) and (b).

2. THE SCHEME

2.1 Condition Precedent and Effective Date

2.1.1 If the Scheme is not Approved in relation to all of the Scheme Companies, the Scheme shall be of no effect in relation to any Scheme Company.

2.1.2 Subject to Clause 2.1.1, the Scheme shall come into effect on the Effective Date in accordance with Clause 11.1.

2.2 Application of the Scheme

2.2.1 The Joint Administrators shall continue to collect in the Property of the Scheme Companies for the benefit of the Scheme Creditors.

2.2.2 The Scheme shall apply to all debts and liabilities of the Scheme Companies in respect of Scheme Claims.

2.3 Stay of proceedings

- 2.3.1 During the Scheme Period, no Scheme Creditor shall be permitted to commence or continue any Proceeding or other judicial, quasi-judicial, administrative or regulatory process whatsoever against any of the Scheme Companies, the Joint Administrators and/or the Scheme Supervisors or their respective Property in any jurisdiction whatsoever to establish the existence or amount of a Scheme Claim, or for the purpose of obtaining, securing or enforcing payment in whole or in part of any Scheme Claim.
- 2.3.2 If, and to the extent that, a Scheme Creditor obtains against any of the Scheme Companies, the Joint Administrators and/or the Scheme Supervisors or their respective Property, an order, judgment, decision or award of a court or tribunal in contravention of Clause 2.3.1, such order, judgment, decision or award shall not give rise to a Scheme Claim and shall be disregarded when determining the liability of the Scheme Companies to that Scheme Creditor in respect of such Scheme Claim under the Scheme.
- 2.3.3 If any Scheme Creditor takes any such action as is prohibited by Clauses 2.3.1 or 2.3.2 after the Effective Date, it shall be treated as having received on account of its Scheme Claim an advance distribution under the Scheme equal to the amount or gross value of any money, Property, benefit, or advantage obtained by it at the expense of the Scheme Companies, Joint Administrators, or the Scheme Supervisors, as the result of such action; and the extent, if any, to which it is entitled to participate in any payment under the Scheme shall be reduced accordingly.

3. AVAILABLE DISTRIBUTABLE ASSETS

3.1 Consolidation of the administration estates of 7CL and 7CPL

- 3.1.1 With effect from the Effective Date, the Joint Administrators, the Scheme Supervisors and the Scheme Adjudicator will treat (and the Scheme Creditors will agree to such treatment) the Property and Scheme Claims of 7CL and 7CPL as if they comprised a single estate. Accordingly, with effect from the Effective Date for the purposes of:
- (a) the Joint Administrators' obligations under Clause 2.2.1;
 - (b) the notification or deemed notification by Scheme Creditors of their Scheme Claims against 7CL and/or 7CPL in accordance with Clause 4.1.1(a);
 - (c) the agreement or, if necessary, adjudication of Scheme Claims against 7CL and/or 7CPL in accordance with Clauses 5 and 7;
 - (d) the set-off of any liabilities owed by Scheme Creditors to 7CL and 7CPL in accordance with Clause 4.5;

- (e) the payment of those distributions provided for in Clause 3.3 in respect of Scheme Claims against 7CL and/or 7CPL; and
- (f) the indemnities in favour of the Scheme Adjudicator and Scheme Supervisors in Clauses 7.3 and 8.4, respectively; and

the Joint Administrators, Scheme Supervisors, Scheme Adjudicator and Scheme Creditors agree to:

- (a) the treatment of the Property of 7CL and 7CPL as if that Property belonged to 7CL and 7CPL jointly;
- (b) the Scheme Claims of 7CL and/or 7CPL constituting liabilities owed jointly by 7CL and 7CPL;
- (c) the treatment of any liabilities owed by Scheme Creditors to 7CL and/or 7CPL constituting liabilities owed to 7CL and 7CPL jointly for the purpose of set off under Clause 4.5; and
- (d) the distributions referred to in Clause 3.3, insofar as they relate to Scheme Claims against 7CL and/or 7CPL, being payable from the aggregated Available Distributable Assets of 7CL and 7CPL; and
- (e) the indemnity obligations in Clauses 7.3 and 8.4 insofar as they relate to 7CL and/or 7CPL being met from the Property of 7CL and 7CPL as if that Property belonged in aggregate to 7CL and 7CPL jointly.

3.2 Receipt of Available Distributable Assets

3.2.1 The Joint Administrators shall pay the net proceeds of all assets of the Scheme Companies to the Scheme Supervisors for the purpose of enabling them to make those distributions provided under the Scheme having first paid or provided for in full the Administration Costs, Pre-Scheme Costs and Scheme Costs.

3.2.2 The Scheme Supervisors shall hold all Available Distributable Assets for the purpose of applying the same in accordance with the terms of the Scheme.

3.3 Application of Available Distributable Assets

3.3.1 The Available Distributable Assets of 7CL and 7CPL shall be applied by the Scheme Supervisors as follows:

- (a) first, to the extent necessary, to discharge or make provision for any outstanding or future Administration Costs and Pre-Scheme Costs which are attributable to 7CL and 7CPL in accordance with their applicable order of priority whether arising by agreement, statute or otherwise;

- (b) second, in payment of or provision for the Scheme Costs attributable to 7CL and 7CPL;
- (c) third, in payment of or provision for liabilities of 7CL and 7CPL to their Preferential Creditors; and
- (d) fourth, to the extent there are any Available Distributable Assets remaining after payment or provision is made pursuant to Clauses 3.3.1(a), (b) and (c), towards payment of the Admitted Scheme Claims of 7CL and 7CPL through those distributions set out in Clause 3.3.3, subject to Clause 2.3.3.

3.3.2 The Available Distributable Assets of 7CH shall be applied by the Scheme Supervisors as follows:

- (a) first, to the extent necessary to discharge or make provision for any outstanding or future Administration Costs and Pre-Scheme Costs which are attributable to 7CH in accordance with their applicable order of priority whether arising by agreement, statute or otherwise;
- (b) second, in payment of or provision for the Scheme Costs attributable to 7CH;
- (c) third, in payment of or provision for liabilities of 7CH to its Preferential Creditors; and
- (d) fourth, to the extent there are any Available Distributable Assets of 7CL and 7CPL remaining after payment or provision is made pursuant to Clauses 3.3.2(a), (b) and (c), towards payment of the Admitted Scheme Claims of 7CH through those distributions set out in Clause 3.3.4 subject (if applicable) to Clause 2.3.3.

3.3.3 The Available Distributable Assets of 7CL and 7CPL shall be applied in making the following distributions to the following persons:

- (a) a first distribution (the **"First 7CL/7CPL Dividend"**) to all Scheme Creditors of 7CL and 7CPL (with the exception of Manpower and IBM) out of the Available Distributable Assets of 7CL and 7CPL rateably on the Admitted Scheme Claims of 7CL and 7CPL. The monies representing the First 7CL/7CPL Dividend to which but for this Clause 3.3.3(a) Manpower and IBM would have been entitled shall be retained by the Scheme Supervisors and distributed in accordance with Clause 3.3.3(b);
- (b) a second distribution (the **"Second 7CL/7CPL Dividend"**) to all Scheme Creditors of 7CL and 7CPL (with the exception of Manpower and IBM) from the moneys representing the First 7CL/7CPL Dividend which but for Clause 3.3.3(a) Manpower and IBM would have been entitled to, (and which the Scheme

Supervisors retained), rateably on the Admitted Scheme Claims of 7CL and 7CPL; and

- (c) a third distribution (the "**Third 7CL/7CPL Dividend**") to all Scheme Creditors of 7CL and 7CPL (with the exception of Manpower, IBM, Avaya and 7CH) from the amount of £450,000 agreed to be paid by Manpower to the Scheme Supervisors for payment of the Third 7CL/7CPL dividend rateably on the Admitted Scheme Claims of 7CL and 7CPL.

3.3.4 The Available Distributable Assets of 7CH shall be applied in making the following distributions to the following persons:

- (a) a first distribution (the "**First 7CH Dividend**") to all Scheme Creditors of 7CH (including Manpower and IBM) out of the Available Distributable Assets of 7CH representing 7CH's entitlement under the Loan to the First 7CL/7CPL Dividend, rateably on the Admitted Scheme Claims of 7CH save that:
 - (i) the Scheme Supervisors will retain an amount of £100,000 in respect of Manpower's entitlement to the First 7CH Dividend; and
 - (ii) the Scheme Supervisors will retain an amount of £50,000 in respect of IBM's entitlement to the First 7CH Dividend;
- (b) a second distribution (the "**Second 7CH Dividend**") to all Scheme Creditors of 7CH (including Manpower and IBM) out of the Available Distributable Assets of 7CH representing 7CH's entitlement under the Loan to the Second 7CL/7CPL Dividend, rateably on the Admitted Scheme Claims of 7CH; and
- (c) a third distribution (the "**Third 7CH Dividend**") to all Scheme Creditors of 7CH (excluding Manpower and IBM) out of the moneys representing the £150,000 in aggregate referred to in Clauses 3.3.4(a)(i) and (ii) above, and which but for those Clauses, Manpower and IBM would have been entitled to (and which moneys the Scheme Supervisors retained) rateably on the Admitted Scheme Claims of 7CH.

3.3.5 For the avoidance of doubt, distributions by the Scheme Supervisors to Scheme Creditors under the Scheme shall only be payable in respect of Admitted Scheme Claims.

4. SUBMISSION OF SCHEME CLAIMS

4.1 The Bar Date

- 4.1.1 Subject to the provisions of Clause 4.1.3 in respect of Administration Agreed Claims, no Scheme Creditor of any of the Scheme Companies

shall be entitled to receive any payment under the Scheme or otherwise, in respect of any Scheme Claim which it may have (but such Scheme Creditor shall be bound by the Scheme) unless, before the Bar Date, the Scheme Supervisors shall:

- (a) have received a Claim Form by hand, courier, Post, or in Electronic Form in accordance with Clause 11.5 in respect of such Scheme Claim from or on behalf of such Scheme Creditor in accordance with Clauses 4.2.8 and (if appropriate) 4.2.9; or
- (b) be deemed to have received a Claim Form in respect of such Scheme Claim from or on behalf of such Scheme Creditor by virtue of that Scheme Claim having been notified to the Joint Administrators on that Scheme Creditor's Form of Proxy, with the Scheme Creditor having made the Election as referred to in Clause 4.2.3.

4.1.2 Subject to Clause 4.1.3 in respect of Administration Agreed Claims, the value of any Scheme Claim of any Scheme Creditor which is not notified to the Scheme Supervisor in the manner described in Clause 4.1.1 shall be deemed to be zero and shall be deemed to have been satisfied in full under the Scheme. Accordingly, such a Scheme Creditor shall not be entitled to receive any payment under Clause 6 (or otherwise) in respect of any such Scheme Claim (but in all respects any such Scheme Creditor shall nevertheless be bound by the Scheme).

4.1.3 To the extent to which the Joint Administrators or Scheme Supervisors possess contact details for the relevant Scheme Creditor, the Scheme Supervisors shall treat any Administration Agreed Claims as if they had been notified to the Scheme Supervisors on a Claim Form before the Bar Date.

4.1.4 Each Scheme Creditor must provide Supporting Information in respect of its Scheme Claim:

- (a) to the Scheme Supervisors at the same time as returning its Claim Form so as to be received by the Scheme Supervisors before the Bar Date in accordance with Clause 4.1.1(a); or
- (b) if the Scheme Creditor makes the Election under Clause 4.2.3 to the Joint Administrators at the same time as returning its Form of Proxy in accordance with Clause 4.1.1(b).

unless such Supporting Information has previously been provided by the Scheme Creditor to the Joint Administrators.

4.2 Claim Forms

4.2.1 Within 14 days of the Effective Date, the Scheme Supervisors shall send by Post (in accordance with Clause 11.5) to each Scheme Creditor of which they are aware:

- (a) notice that the Scheme has become effective and of the Effective Date and the Bar Date: and
 - (b) a copy of the Claim Form which shall require its submission before the Bar Date.
- 4.2.2 In respect of any Scheme Creditor who has an Administration Agreed Claim, the Scheme Supervisors shall send written confirmation of the amount of that Administration Agreed Claim with the Scheme Creditor's Claim Form under Clause 4.2.1.
- 4.2.3 A Scheme Creditor which completes and returns a Form of Proxy to the Joint Administrators in connection with voting at the Scheme Creditors' Meetings in accordance with the General Notes and Instructions for Completion of the Form of Proxy may, in the manner directed in those documents, elect to treat the Form of Proxy, as if it were that Scheme Creditor's Claim Form (the "**Election**"). If an Election is made by a Scheme Creditor, the Scheme Supervisors shall treat such Form of Proxy as if it were a Claim Form and the Scheme Creditor shall not be required to (but may) submit a separate Claim Form before the Bar Date. The Form of Proxy of a Scheme Creditor who makes an Election and returns the Form of Proxy in the manner described in this Clause shall be deemed for all purposes of the Scheme as that Scheme Creditor's Claim Form returned to the Scheme Supervisor on the Effective Date.
- 4.2.4 Without prejudice to Clause 4.2.1, at any time prior to the Bar Date the Scheme Supervisors shall, within 14 days after receipt of a request from a Scheme Creditor or person claiming to be a Scheme Creditor, send by Post (or, at the Scheme Supervisor's absolute discretion, by Electronic Form or by courier) to that Scheme Creditor or person, copies of those documents referred to in Clause 4.2.1.
- 4.2.5 In respect of any Scheme Creditor or person referred to in Clause 4.2.4 the Scheme Supervisors will not incur any liability in the event that any documentation referred to in Clauses 4.2.1 does not reach the Scheme Creditor or person in sufficient time to enable it to file a Claim Form before the Bar Date.
- 4.2.6 In addition, the Scheme Supervisors shall within 14 days after the Effective Date, cause to be advertised once, in the newspapers and publications listed in Clause 11.6 (unless no edition of that newspaper or publication will be published within that 14 day period, in which case as soon as reasonably practicable thereafter), a notice:
 - (a) that the Scheme has become effective, of the Effective Date and the Bar Date and confirmation that the Claim Form may be obtained from the Scheme Supervisors at the address set out in Clause 11.5, free of charge;

- (b) calling for Scheme Creditors (or persons claiming to be Scheme Creditors) to complete and submit a Claim Form together with all Supporting Information (unless such Supporting Information has previously been provided by the Scheme Creditors to the Joint Administrators) so as to be received by the Scheme Supervisors before the Bar Date in accordance with Clause 4.1.1(a); and
- (c) calling for any person believing himself to be a Scheme Creditor who has not received any of the documents referred to in Clause 4.1.1 to contact the Scheme Supervisors as soon as possible.

4.2.7 It is the sole responsibility of Scheme Creditors to verify the accuracy of any information provided by the Scheme Supervisors in relation to Administration Agreed Claims under Clause 4.2.2. Unless a Scheme Creditor has amended, altered and/or added to that information in its Claim Form submitted to the Scheme Supervisors so as to be received by them before the Bar Date, such information shall thereafter be binding on the Scheme Creditor.

4.2.8 At any time before (but not after) the Bar Date, a Scheme Creditor shall be entitled to amend, add to or alter any Claim Form sent by it to the Scheme Supervisors so long as its amended Claim Form is received by the Scheme Supervisors prior to the Bar Date.

4.2.9 After the Bar Date, Scheme Creditors will not be entitled to amend or provide further information in respect of a Scheme Claim, except in response to a request for information from the Scheme Supervisors and/or the Scheme Adjudicator.

4.3 Reasonable Assistance

4.3.1 During the Scheme Period, Scheme Creditors shall provide to the Scheme Supervisors all reasonable assistance required by the Scheme Supervisors in connection with the Scheme. In particular, the Scheme Supervisors shall be entitled to require Scheme Creditors to provide the following information at the cost and expense of the Scheme Creditor:

- (a) fully particularised details of how and when a Scheme Claim arose, of any contract pursuant to which the Scheme Claim arose and of the quantum of the Scheme Claim; and
- (b) legible copies of all contracts, orders, judgments, decisions, awards and closings which are relevant to the Scheme Claim and all other items required to be provided to the Scheme Companies pursuant to the terms of the contract between the Scheme Companies and the Scheme Creditor, together with such other Supporting Information as the Scheme Supervisors shall reasonably require.

4.4 Admissible Interest on Scheme Claims

- 4.4.1 All Scheme Claims in respect of the Scheme Companies shall be determined as at the Effective Date.
- 4.4.2 For the purpose of agreeing, or if necessary adjudicating Scheme Claims, there shall be included as part of the relevant Scheme Claim any interest to which a Scheme Creditor is entitled arising out of a contract, judgement, decree or otherwise for a period or periods prior to and ending on the Effective Date and which would be admissible to prove against the relevant Scheme Company if an order for the compulsory winding up of that Scheme Company had been made by the Court immediately upon the discharge of the Administration Orders on the Effective Date.
- 4.4.3 No payment shall be made under the Scheme in respect of any part of a Scheme Claim which represents interest which is not admissible interest pursuant to Clause 4.4.2.
- 4.4.4 Any distributions made by the Scheme Supervisors to Scheme Creditors in accordance with Clause 6 shall be applied first to discharge any capital sum in respect of a Scheme Claim before the discharge of admissible interest, unless a Scheme Creditor elects otherwise by notice in writing to the Scheme Supervisors.
- 4.4.5 Any payments made under the Scheme in respect of any part or parts of a Scheme Claim which represents admissible interest pursuant to Clause 4.4.2 shall be made net of any deduction or withholding for or on account of tax.

4.5 Set-off

- 4.5.1 Where before the Effective Date there have been mutual credits, mutual debts or other mutual dealings between:

- (a) 7CL and 7CPL and those companies' Scheme Creditors; or
- (b) 7CH and its Scheme Creditors;

the Scheme Supervisors shall take an account of what is due from 7CL and 7CPL or 7CH (as the case may be) and such respective Scheme Creditors in respect of such mutual dealings (excluding, for the avoidance of doubt, any mutual credits, mutual debts or other mutual dealings between the Scheme Companies and Scheme Creditors after the date of the Administration Orders) and the amounts due from 7CL and 7CPL or 7CH (as the case may be) shall be set off against the amounts due from such respective Scheme Creditors, in each case on the same basis as if Rule 4.90 of the IR1986 applied. Only the balance (if any) of the amount which is the subject of such set-off shall be treated as an Admitted Scheme Claim against 7CL and 7CPL or 7CH (as the case may be) for the purposes of the Scheme.

4.5.2 Where such amounts are denominated in different currencies, the Scheme Supervisors shall calculate the amount of such set-off by reference to the closing mid-point spot rate of exchange in London quoted by the Financial Times for the purchase of Sterling in the relevant currencies as at the Effective Date or if no such rate is published in the Financial Times, the closing mid-point spot rate for that currency quoted by Barclays Bank Plc.

4.5.3 No Scheme Claim which has been assigned to a person after the Effective Date or which was assigned to him prior to that date but after he had notice of the Scheme may be applied in extinguishing or reducing any liability of that person to any Scheme Company.

4.6 Currency of payment

Any cash amount payable to a Scheme Creditor under the Scheme in respect of an Admitted Scheme Claim owed to such Scheme Creditor shall be paid in Sterling. Any Scheme Claim denominated in a currency other than Sterling will be converted into Sterling at the closing mid-point spot rate of exchange published in the Financial Times for the purchase of such currency as at the Effective Date or, if no such rate is published in the Financial Times, in respect of that currency as at the Effective Date, the closing mid-point spot rate for that currency as at the Effective Date quoted by Barclays Bank Plc.

5. ADMISSION OF SCHEME CLAIMS

5.1 Admission of Scheme Claims

5.1.1 A Claim Form may be admitted by the Scheme Supervisors either for the whole amount claimed by the Scheme Creditor or for part of that amount. The Scheme Supervisors may reject a Claim Form in whole or in part for any reason under any applicable law. If they do so, they shall prepare a written statement of their reasons for so doing and send it as soon as reasonably practicable to the Scheme Creditor.

5.1.2 The Scheme Supervisors may estimate the value of any Scheme Claim which, by reason of its being subject to any contingency or for any other reason, does not bear a certain value.

5.1.3 The Scheme Supervisors shall in respect of estimating the value of any Scheme Claim apply the appropriate rules and procedures as would be applied as if an order for the compulsory winding up of the Scheme Companies had been made by the Court immediately upon the discharge of the Administration Orders on the Effective Date.

5.1.4 Where the Scheme Supervisors have estimated the value of a Scheme Claim pursuant to Clause 5.1.2 and 5.1.3, they shall inform the Scheme Creditor of the estimated value of any Scheme Claim in writing as soon as reasonably practicable following their estimation of such a Scheme Claim.

- 5.1.5 In relation to each Scheme Claim of which notice is given to the Scheme Supervisors in accordance with Clause 4.1.1 the Scheme Supervisors shall use their reasonable endeavours to reach agreement with the Scheme Creditor or Scheme Creditors concerned before the expiration of 90 days from the date on which the Claim Form has been received by the Scheme Supervisors (or is deemed to have been received by the Scheme Supervisors under Clause 4.2.3) or within 90 days of the Effective Date, whichever is later, as to the admissible amount in respect of such Scheme Claim after taking into account any available set-off, deductions, or counterclaim, and shall notify the Scheme Creditor of the Scheme Supervisors' decision as appropriate.
- 5.1.6 For the purposes of Manpower receiving the Manpower Distributions Manpower's Admitted Scheme Claim against:
- (a) 7CL/7CPL shall be £2,505,890; and
 - (b) 7CH shall be £2,505,890.
- 5.1.7 For the purposes of IBM receiving the IBM Distributions, IBM's Admitted Scheme Claim against:
- (a) 7CL/7CPL shall be £3,319,000; and
 - (b) 7CH shall be £1,200,000;
- 5.1.8 For the purposes of Avaya receiving the Avaya Distributions, Avaya's Admitted Scheme Claim against:
- (a) 7CL/7CPL shall be £607,698; and
 - (b) 7CH shall be £607,698.

5.2 Referral to Scheme Adjudicator

- 5.2.1 Where a Scheme Creditor is dissatisfied with the Scheme Supervisors' decision in respect of any Scheme Claim (or amounts of set off, deductions or counterclaim), the matter may be referred by the Scheme Creditor to the Scheme Adjudicator as a Disputed Scheme Claim within 30 days of the decision by the Scheme Supervisors in accordance with Clause 5.1.5 for determination by the Scheme Adjudicator in accordance with this Clause 5 and Clause 7.2.
- 5.2.2 Where the Scheme Creditor does not refer the Disputed Scheme Claim to the Scheme Adjudicator within 30 days of notification by the Scheme Supervisors in accordance with Clause 5.2.1, the Scheme Creditor shall be deemed to have accepted the Scheme Supervisors' decision as final and binding in relation to such Scheme Claim.
- 5.2.3 On any Disputed Scheme Claim referred to the Scheme Adjudicator for determination, the Scheme Adjudicator shall within 90 days from the date on which such Scheme Claim was referred to him by the

Scheme Creditor certify in writing to the Scheme Supervisors and the Scheme Creditor what he considers to be the admissible amount in respect of such Scheme Claim after taking into account any available set-off, counterclaim or deduction.

5.2.4 The Scheme Adjudicator shall direct whether his remuneration and the costs and expenses incurred by him shall be paid by the Scheme Creditor concerned, or by the Scheme Supervisors, as he shall think just.

5.2.5 If the Scheme Adjudicator directs that his remuneration, costs and expenses shall be paid in full or in part by the Scheme Supervisors, they shall be discharged as a Scheme Cost. If he directs that they are to be paid in full or in part by the relevant Scheme Creditor, for the purpose of determining whether such Scheme Creditor is entitled to participate in any distribution under the Scheme, such Scheme Creditor shall be treated as having received on account an advance distribution under the Scheme equal to the amount the Scheme Adjudicator has directed he should pay. To the extent there is any sum due to be paid to the Scheme Adjudicator which cannot be met as an advance distribution under the Scheme and is otherwise paid as a Scheme Cost, the relevant Scheme Creditor shall be liable to the Scheme Supervisors to discharge such shortfall in full.

5.2.6 To the extent permitted by law, a certificate given by the Scheme Adjudicator in relation to a Disputed Scheme Claim shall be final.

5.3 Settlement or Compromise

The Scheme Supervisors may, if they consider it in the best interests of the Scheme Creditors to do so, enter into any settlement, compromise or arrangement with any Scheme Creditor after the Effective Date and make such payments in respect thereof subject to Clause 6.1.4.

5.4 Assignments

No assignments of a Scheme Claim after the date upon which the Scheme Supervisors notify Scheme Creditors to submit Claims Forms in accordance with Clause 4.2.1 shall be recognised by the Scheme Supervisors for the purposes of distributions under the Scheme, unless the Scheme Supervisors have received from the relevant parties in writing notice of such assignment and, in the case of an Admitted Scheme Claim, such notice of assignment must specify the Sterling amount of the Admitted Scheme Claim so assigned.

6. SETTLEMENT OF SCHEME CLAIMS

6.1 Distribution to Scheme Creditors

- 6.1.1 The Available Distributable Assets shall be applied by the Scheme Supervisors in accordance with the applicable order of application as set out in Clauses 3.1 to 3.3.
- 6.1.2 The Scheme Supervisors shall, at their absolute discretion, determine the dates upon which Distributions shall be paid to Scheme Creditors in respect of Admitted Scheme Claims.
- 6.1.3 The date of any Distribution to Scheme Creditors as determined in accordance with Clause 6.1.2 shall be notified to Scheme Creditors by advertisement in accordance with Clause 11.6. Any Distributions to Scheme Creditors shall be dispatched not less than 15 business days and not more than 60 business day following the date of such notification.
- 6.1.4 Notwithstanding any other provision of this Scheme, the Scheme Supervisors ~~may make any interim or final Distribution or~~ Distributions to any Scheme Creditor at any time after the Effective Date upon agreement being reached as between the Scheme Supervisors and such Scheme Creditor as to the value of that Scheme Creditor's Admitted Scheme Claim. In such a case the Scheme Supervisors shall ensure that any distribution or distributions paid to Scheme Creditor does not in aggregate represent a greater percentage of that Scheme Creditor's Admitted Scheme Claim than the aggregate percentage dividend payable on other Scheme Creditors' Admitted Scheme Claims against the relevant Scheme Company.

6.2 Method of Distribution

- 6.2.1 Subject to Clause 6.2.2, any Distributions to Scheme Creditors shall be dispatched by cheque in favour of the Scheme Creditor concerned, or to such other person as the Scheme Creditor may direct to the Scheme Supervisors in writing, and sent by Post on the Distribution Dates at the risk of such Scheme Creditor to the last known address of the Scheme Creditor or to such other address as the Scheme Creditor may from time to time notify the Scheme Supervisors in writing. Any direction to the Scheme Supervisors in accordance with this Clause 6.2.1 (and/or assignment pursuant to Clause 5.4) received after the date of notification of a Distribution under Clause 6.1.3 shall not be recognised by the Scheme Supervisors for the purpose of Distributions under this Scheme.
- 6.2.2 The Scheme Supervisors may, at their sole discretion and option and with the Scheme Creditor bearing all risk, cost and expense of the same, make any payment of cash by wire transfer in immediately available funds to such bank account as the Scheme Creditor shall direct the Scheme Supervisors in writing.

- 6.2.3 The Distributions to Scheme Creditors shall be deemed to have been dispatched on the day that the cheque is posted or wire transfer instruction given to the relevant bank (as the case may be). Payment of any such cheque by the banker on whom it is drawn shall be good discharge and satisfaction of the moneys in respect of which it was drawn and receipt of the amount of such wire transfer into such account shall be good discharge and satisfaction of the moneys in respect of which it was paid.
- 6.2.4 If a Scheme Creditor to whom a cheque has been dispatched in accordance with Clause 6.2.1 has not presented it for payment before it expires (such expiry date being 6 months from the date of issue), such failure to present the cheque will be deemed to be a discharge of the Scheme Companies' obligations to that Scheme Creditor in respect of that payment unless the Scheme Creditor has notified the Scheme Supervisors within 12 months of dispatch of the cheque and subsequently demonstrates satisfactory evidence that the cheque has been lost or destroyed in which case the Scheme Supervisors will issue a further cheque. The amount represented by an unpresented cheque shall in all respects be treated as an Unclaimed Distribution in respect of which Clause 6.3 shall apply.

6.3 Unclaimed Distributions

- 6.3.1 Subject to Clause 6.3.2, any Unclaimed Distribution to a Scheme Creditor shall be released to such Scheme Creditor upon the presentation of proof to such entitlement by such Scheme Creditor in a form reasonably acceptable to the Scheme Supervisors.
- 6.3.2 At the expiration of 12 months from a Distribution Date, a Scheme Creditor who fails to claim an Unclaimed Distribution shall be deemed to have waived his rights to that distribution pursuant to the Scheme. The amount of such Unclaimed Distribution shall thereafter be added to the Available Distributable Assets to be retained by the Scheme Supervisors for a further distribution to Scheme Creditors and the Scheme Supervisors shall not be obliged to take into account the Scheme Claim of such Scheme Creditor when calculating any further distribution to the Scheme Creditors after the Distribution Date.
- 6.3.3 Notwithstanding Clause 6.3.2, where Unclaimed Distributions are insufficient to justify, in the Scheme Supervisors' absolute discretion, the cost of a further distribution to Scheme Creditors, the Scheme Supervisors shall pay the sums representing Unclaimed Distributions either to one or more charities selected by the Scheme Supervisors, or to a duly appointed liquidator of the Scheme Companies (if any), in either case in the absolute discretion of the Scheme Supervisors. The Scheme Supervisors may do any act or thing or enter into any arrangements to give effect to this Clause.

7. SCHEME ADJUDICATOR

7.1 Office

- 7.1.1 The Scheme Adjudicator shall be appointed by the Scheme Supervisors with the consent of the Creditors' Committee at such time as the Scheme Supervisors deem appropriate.
- 7.1.2 The Scheme Adjudicator shall be an individual who is duly qualified in the reasonable opinion of the Scheme Supervisors to discharge the functions and powers of the Scheme Adjudicator, as applicable, under the Scheme and who has had no previous involvement in or connection with the Scheme Companies, the Joint Administrators or the Scheme Supervisors or their respective advisers in relation to the business and affairs of the Scheme Companies. The Scheme Adjudicator shall have the powers, rights and duties conferred upon him by the Scheme. The first Scheme Adjudicator shall be Bruce Mackay, a Partner in the Business Recovery Group of Baker Tilly of 5 Old Bailey, London EC4M 7AF, whose Curriculum Vitae is at Appendix 2 to the Explanatory Statement
- 7.1.3 The office of Scheme Adjudicator shall be vacated if the appointee to that office shall:
- (a) die, become bankrupt or mentally disordered;
 - (b) be convicted of an indictable offence;
 - (c) resign his office by 21 days' notice in writing to the Scheme Supervisors; or
 - (d) be removed for good cause by the Scheme Supervisors or the Creditors' Committee.
- 7.1.4 In the event of a vacancy in the office of the Scheme Adjudicator, the Scheme Supervisors with the consent of the Creditors' Committee shall forthwith appoint as a replacement Scheme Adjudicator a person who is qualified so to act pursuant to Clause 7.1.2 and not disqualified from acting under Clause 7.1.3.

7.2 Disputed Scheme Claims

- 7.2.1 The Scheme Adjudicator shall be responsible for the adjudication and the determination of Disputed Scheme Claims referred to him pursuant to Clause 5.2.
- 7.2.2 In relation to any matter which is referred to the Scheme Adjudicator, the Scheme Adjudicator shall consider the papers and documents before him and shall within 21 days after referral of the Disputed Matter to him send a notice (in accordance with Clause 11.5) to the person concerned stating whether he requires:

- (a) further written explanations, documents, data or information from the Scheme Creditor and/or Scheme Supervisors, in which case the relevant person or persons shall within 21 days after deemed receipt of such notice provide the Scheme Adjudicator with the required written explanations, documents, data or information and send a copy to the other party or parties to the dispute who may within 14 days of receipt of the copy send additional explanations, documents, data or information to the Scheme Adjudicator and shall send a copy to the other party or parties to the dispute; and/or
- (b) the Scheme Supervisors and/or the Scheme Creditor (or its duly authorised representative) to appear before and address the Scheme Adjudicator on any matters he shall determine, in which case the Scheme Supervisors and/or the relevant Scheme Creditor (or its duly authorised representative) shall appear on such date, which shall be within 21 days after deemed receipt of such notice, as the Scheme Adjudicator shall prescribe. At the discretion of the Scheme Adjudicator such appearance shall be either:
 - (i) at such single place as the Scheme Adjudicator may prescribe; or
 - (ii) by way of simultaneous attendance and participation by the Scheme Adjudicator at such prescribed place and by the Scheme Creditor and the Scheme Supervisors (as the case may be) at such other place or places as the Scheme Adjudicator shall determine (provided that all persons attending shall be able to see and hear and be seen and heard by means of audio visual links by all other persons attending).

7.2.3 In exercising his powers under this Clause 7.2, the Scheme Adjudicator:

- (a) may set such time limits (and/or vary any time periods) as he may consider reasonable and fair in all circumstances; and
- (b) shall be entitled to prescribe and lay down such procedures or provisions as he, in his absolute discretion, deems appropriate for the purposes of assisting him in reaching his decision.

7.2.4 If any person concerned fails to provide some or all of the written explanations, further documents, data or information in accordance with sub-Clause 7.2.2(a) or fails to appear before the Scheme Adjudicator in accordance with sub-Clause 7.2.2(b), the Scheme Adjudicator shall adjudicate upon the relevant Disputed Matter as he sees fit on the basis of the information then available to him.

- 7.2.5 In adjudicating on any Disputed Matter, the Scheme Adjudicator shall act as an expert and not as an arbitrator.
- 7.2.6 In relation to adjudicating upon Disputed Matters under this Clause 7.2, the Scheme Adjudicator shall be entitled to consult with such advisers, including legal advisers, accountants and experts, as he may deem appropriate, including for the purpose of obtaining legal advice or legal opinion in connection with any Disputed Matters.
- 7.2.7 Without prejudice to any of the provisions of this Clause 7.2, the Scheme Adjudicator shall be responsible for the adjudication of any issues of fact, law, liability and quantum in relation to Disputed Scheme Claims (including disputes relating to Supporting Information).
- 7.2.8 Subject to any directions which may be given by the Scheme Adjudicator in accordance with Clauses 5.2.4 and 5.2.5, the Scheme Supervisors shall pay such remuneration to such Scheme Adjudicator for the exercise and performance of his powers, duties and functions under the Scheme as may be agreed between such Scheme Adjudicator and the Scheme Supervisors. Such agreed amounts shall be paid as a Scheme Cost.
- 7.2.9 To the extent permitted by law, no Scheme Creditors shall be entitled to challenge the validity of any act done or permitted to be done in good faith and with due care by the Scheme Adjudicator in pursuance of the provisions of the Scheme or the exercise or performance by him in good faith and with due care of any power, duty or function conferred upon or entrusted to him for the purpose of the Scheme and no such Scheme Adjudicator shall be liable for any loss unless any such loss is attributable to his own negligence, default, breach of duty, breach of trust, fraud or dishonesty.

7.3 Indemnity

- 7.3.1 Subject to the CA1985, each Scheme Adjudicator shall be entitled to an indemnity out of the Available Distributable Assets against:
- (a) all Proceedings brought or made against him in respect of any act done or omitted to be done in relation to Scheme Claims by him in good faith, without default, fraud, dishonesty or wilful breach of duty or trust in the course of performing his duties and functions under the Scheme; and
 - (b) all costs, charges, expenses and liabilities properly incurred by the Scheme Adjudicator in the course of performing his duties and functions under the Scheme.
- 7.3.2 Without prejudice to the generality of Clause 7.3.1 each Scheme Adjudicator shall be entitled to an indemnity out of the Available Distributable Assets:

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

7.4 Insurance

The Scheme Supervisors may (insofar as it is practicable) purchase and maintain for each Scheme Adjudicator insurance against any liability in respect of which he is indemnified under the Scheme.

7.5 Costs

The Scheme Supervisors may pay all costs, charges, expenses and liabilities properly incurred by the Scheme Adjudicator in defending proceedings of the nature described in Clause 7.3.2.

8. SCHEME SUPERVISORS

8.1 Qualification, Appointment, Resignation and Removal

- 8.1.1 The Scheme Supervisors shall have the powers, duties and functions conferred upon them by the Scheme.
- 8.1.2 A Scheme Supervisor shall be any individual who is duly qualified in the reasonable opinion of the Scheme Companies to discharge the function of a Scheme Supervisor under the Scheme. The initial Scheme Supervisors shall be David Robert Thurgood, Andrew Lawrence Hosking and Simon Charles Morris all of Grant Thornton UK LLP, Grant Thornton House, Molten Street, London NW1 2EP.
- 8.1.3 The Scheme Supervisors or any of them, may resign their appointment at any time giving not less than 21 days' notice in writing to the Creditors' Committee or such shorter period as may be agreed by the Creditors' Committee.
- 8.1.4 The office of Scheme Supervisor shall be vacated if an appointee to that office shall:
 - (a) die, become bankrupt or mentally disordered;
 - (b) be convicted of an indictable offence; or
 - (c) resign his office by 21 days notice in writing to the Scheme Supervisors.

8.1.5 In the event of a vacancy in the office of a Scheme Supervisor, the Creditors' Committee shall, if require, forthwith appoint as a replacement Scheme Supervisor a person who is suitably qualified so to act pursuant to Clause 8.1.2 and not disqualified from acting under Clause 8.1.4.

8.2 Power to Act Jointly or Severally

Where more than one person has been appointed as a Scheme Supervisor, the functions and powers of the Scheme Supervisors under the Scheme may be performed and exercised jointly or severally and any act required to be done by the Scheme Supervisors pursuant to the Scheme may be done by all or any one or more of them.

8.3 Functions and Powers

8.3.1 The Scheme Supervisors shall supervise and ensure the carrying out of the Scheme.

8.3.2 Without prejudice to the generality of Clause 8.3.1, in carrying out their functions and powers under the Scheme, the Scheme Supervisors shall be entitled:

- (a) to agree Scheme Claims and pay Admitted Scheme Claims in accordance with the Scheme;
- (b) to have full access at all times to all books, papers and other documents of the Scheme Companies whether such books, papers and other documents are held by the Joint Administrators or otherwise;
- (c) to delegate to any persons (being either a partner or an employee in the same firm as a Scheme Supervisor or any other person) all or any of the functions, powers, rights, authorities and discretions conferred upon the Scheme Supervisors under the Scheme and from time to time to revoke any such delegation, provided that the Scheme Supervisors shall be personally responsible for any act or omission of any such employee or delegate to the same extent as if they had expressly authorised it;
- (d) to be remunerated for the carrying out of such functions and powers to be reimbursed for all expenses properly incurred by them in connection with this Clause 8.3.2;
- (e) to convene a meeting of Scheme Creditors, if appropriate; and
- (f) to do all other things incidental to the exercise of the functions and powers referred to in this Clause 8.3.2.

8.3.3 With effect from the date of discharge of the Administration Orders, if prior to the Termination Date, in addition to the specific powers set out in Clause 8.3.2, the Scheme Supervisors shall be entitled to:

- (a) take possession of, collect and get in all the Property (of whatever nature) to which the Scheme Companies are or appear to be entitled;
- (b) realise the remaining Property of the Scheme Companies and apply it for the benefit of the Scheme Creditors in accordance with the Scheme;
- (c) do all things which may be expedient or necessary for the protection of the Property (or any property or assets that appear to belong to the Scheme Companies);
- (d) bring or defend any Proceedings in the name and on behalf of the Scheme Companies or continue any Proceedings already commenced in the name of or on behalf of the Scheme Companies;
- (e) be remunerated for the carrying out of such functions and powers and to be reimbursed for all expenses properly incurred by them in connection with this Clause 8.3.3;
- (f) do all acts and to execute in the name on behalf of the Scheme Companies any deed, receipt or other document and to use the Scheme Companies seal;
- (g) borrow and to make any payment which is necessary or incidental to the performance of their functions and to give a valid discharge for amounts received by the Scheme Companies;
- (h) to the extent that the Court has jurisdiction, apply, or to cause the Scheme Companies to apply, to the Court for directions in relation to any particular matter arising in the course of the Scheme; and
- (i) do all other things incidental to the exercise of the functions and powers referred to in this Clause 8.3.3.

8.3.4 The Scheme Supervisors shall be entitled to employ and remunerate accountants, actuaries, lawyers and other professional advisers or agents in connection with the conduct of their functions and powers under the Scheme.

8.3.5 Any function of or power conferred on the Scheme Companies 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 Scheme Companies shall not be exercisable except with the consent of the Scheme Supervisors, which may be given either generally or in relation to particular cases.

8.4 Responsibility and Indemnity

- 8.4.1 In carrying out their functions and exercising their powers under the Scheme, the Scheme Supervisors shall act bona fide and with due care and diligence in the interests of the Scheme Creditors as a whole and they shall use their powers under the Scheme for the purpose of ensuring that the Scheme is operated in accordance with its terms.
- 8.4.2 The Scheme Supervisors shall act as agents for the Scheme Companies (without personal liability) in respect of all functions and powers conferred on them in accordance with Clause 8.3.
- 8.4.3 In this Clause 8.4, "Employee" means any partner in the same firm as a Scheme Supervisor, or any person employed, whether under a contract of service or a contract for services, by that firm or by any company owned by that firm, in connection with the conduct of their functions and powers under the Scheme.
- 8.4.4 To the extent permitted 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 and the Scheme Supervisors shall not be liable for any loss unless such loss is attributable to their own negligence, default, breach of duty, breach of trust, fraud or dishonesty (or to that of any Employee).
- 8.4.5 To the extent permitted 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 any Employee in accordance with and to implement the provisions of the Scheme if exercised in accordance with and to implement the provisions of the Scheme and no Employee shall be liable for any loss unless such loss is attributable to this own negligence, default, breach of duty, breach of trust, fraud or dishonesty.
- 8.4.6 Subject to the CA1985 and to any directions which may be given by the Scheme Adjudicator in accordance with Clauses 5.2.4 and 5.2.5 each Scheme Supervisor (in his capacity as such) and each Employee shall in relation to the Scheme be entitled to an indemnity out of the Available Distributable Assets of the Scheme Companies in respect of:
 - (a) all proceedings brought or made against such Scheme Supervisor (or Employee) in respect of any act done or omitted to be done in relation to the Scheme Companies by such

Scheme Supervisor (or Employee) in good faith without negligence, default, breach of duty, breach of trust, fraud or dishonesty in the course of the implementing the Scheme in accordance with its terms; and

- (b) all costs, charges, expenses and liabilities properly incurred by such Scheme Supervisor (or Employee) in carrying out his functions and powers (or the functions for which such Employee is employed by the Scheme Supervisors) in the course of implementing the Scheme in accordance with its terms.

8.4.7 Without prejudice to the generality of Clause 8.4.6, each such person as is expressed to be entitled to an indemnity in accordance with that Clause (in the capacity in which he is entitled to such an indemnity) shall be entitled to an indemnity out of the Available Distributable Assets:

- (a) against any liability incurred by him in defending any Proceedings, whether civil or criminal, in respect of any negligence, default, breach of duty, breach of trust, fraud or dishonesty in relation to the Scheme Companies in which judgment is given in his favour or in which he is acquitted; or
- (b) in connection with any application in any such Proceedings in which relief is granted to him by a court from liability for negligence, default, breach of duty, breach of trust, fraud or dishonesty in relation to the Scheme.

9. THE CREDITORS' COMMITTEE

9.1 Constitution of the Creditors' Committee

9.1.1 There shall be a single Creditors' Committee for the purposes mentioned in the Scheme.

9.1.2 The Creditors' Committee shall consist of not less than three nor more than five Committee Members unless the Scheme Supervisors in consultation with the Creditors' Committee decide otherwise, subject to Clauses 9.1.3 and 9.2.

9.1.3 Subject to Clause 9.2, the following shall be eligible for appointment as Committee Members:

- (a) any Scheme Creditor or authorised representative of any one or more Scheme Creditors (whether an individual, a body corporate or a partnership); and
- (b) any other person with the written consent of the Scheme Supervisors.

9.2 Membership of the Creditors' Committee

- 9.2.1 The initial Creditors' Committee shall consist of those persons who are members of the Creditors' Committee appointed for the purpose of the Scheme Companies' administration.
- 9.2.2 The Creditors' Committee may resolve at any time, by a majority of two-thirds of the Committee Members present at a meeting of the Creditors' Committee, to appoint any person (subject to the value of that person's Scheme Claim or the Scheme Claim of the person for whom he is authorised to act under Clause 9.1.3 being in excess of £5,000 on the date of such appointment) who is eligible to be so appointed to be a Committee Member, whether to fill a vacancy or as an additional Committee Member, but so that the total number of Committee Members shall not exceed the maximum number specified in Clause 9.1.2.
- 9.2.3 No person shall be appointed as a Committee Member at any meeting of Scheme Creditors unless the value of that person's Scheme Claim or the Scheme Claim of the person for whom he is authorised to act under Clause 9.1.3 is in excess of £5,000 on the date of his recommendation pursuant to Clause 9.2.3(a) or his proposal pursuant to Clause 9.2.3(b) and:
- (a) he is recommended by the Creditors' Committee; or
 - (b) not less than seven and not more than fourteen clear days before the date appointed for the meeting, a notice executed by a Scheme Creditor qualified to vote at the meeting has been given to all members of the Creditors' Committee of the intention to propose that person for appointment together with a written notice signed by that person of his willingness to be appointed.

9.3 Ceasing to be a Committee Member

The office of a Committee Member shall be vacated if that Committee Member:

- 9.3.1
- (a) resigns by notice in writing addressed to the chairman of the Creditors' Committee (the "**Chairman**"); or
 - (b) is removed from office by a resolution of the Creditors' Committee; or
 - (c) is convicted of an indictable offence; or
 - (d) subject to Clause 9.1.3(b), ceases to be (or is found never to have been) a Scheme Creditor or an authorised representative of a Scheme Creditor; or

- (e) 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;

9.3.2 in the case of an individual:

- (a) dies, become bankrupt or mentally disordered; or
- (b) is convicted of an indictable offence; or
- (c) becomes disqualified from acting as a director under the law of any jurisdiction to which he is subject;

9.3.3 in the case of a body corporate or partnership, is dissolved; or

9.3.4 in the case of a person appointed with the consent of the Scheme Supervisors under Clause 9.1.3(b) has his written consent under Clause 9.1.3(b) revoked by the Scheme Supervisors.

9.4 Appointment of nominated representatives and alternates

9.4.1 Each Committee Member which is a body corporate or a partnership may, by notice in writing to the Chairman, appoint a senior executive or other senior employee as its representative to represent that Committee Member at any meeting of the Creditors' Committee.

9.4.2 Any Committee Member who is an individual may, by notice in writing to the Chairman, appoint a senior executive or other senior employee as an alternate to attend and vote in his place at any meeting of the Creditors' Committee.

9.4.3 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.

9.5 Revocation and termination of appointment of nominated representatives and alternates

9.5.1 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 Chairman.

9.5.2 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 dies, becomes bankrupt, mentally disordered 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.

9.6 Proceedings of the Creditors' Committee

- 9.6.1 Subject to the provisions of the Scheme, the Creditors' Committee may regulate its proceedings as it sees fit.
- 9.6.2 The Committee Members may from time to time elect the Chairman who shall preside at their meetings and if a Scheme Supervisor is present at any such meeting, he may be so elected. If no Chairman is elected or if at any meeting a Chairman previously elected is not present within 15 minutes after the time appointed for holding the meeting, the Committee Members or their nominated representatives or alternates present may choose one out of their number to be Chairman of the meeting.
- 9.6.3 The Creditors' Committee shall meet as necessary and at least once in every 6 months (unless otherwise agreed by the Creditors' Committee) following the Effective Date for the purpose of receiving a written or oral report from the Scheme Supervisors on the progress of the Scheme. The Creditors' Committee shall hold such further meetings as shall seem desirable for the purpose of performing its functions under the Scheme.
- 9.6.4 The Scheme Supervisors may summon and any Committee Member may at any time request the Chairman to summon a meeting of the Creditors' Committee.
- 9.6.5 The Chairman shall call a meeting of the Creditors' Committee as soon as practicable after receiving a request to do so in accordance with Clause 9.6.4.
- 9.6.6 Written notice of any Creditors' Committee meeting, setting out the time and place of the meeting (which shall be in London) and indicating the nature of the business to be transacted at such meeting, shall be given to each Committee Member.
- 9.6.7 Subject to Clause 9.6.12, the quorum necessary for the transaction of business shall be two Committee Members. If a quorum, is not present within half an hour 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 the Chairman of the meeting may reasonably determine and the Committee Members present at any such adjourned meeting shall constitute a quorum.

- 9.6.8 The Creditors' Committee may act notwithstanding any vacancy in its body but if, and so long as, the number of Committee Members is less than three, the continuing Committee Members may act for the purpose of convening a meeting of Scheme Creditors, filling the vacancy or vacancies in the number of Committee Members or filling any vacancy in the office of Chairman, but for no other purpose. If the number of Committee Members does fall below three, the continuing Committee Members shall so act for the purposes set out in this Clause 9.6.8 as soon as reasonably practicable.
- 9.6.9 Each Committee Member shall have one vote. Except as otherwise provided, matters arising at any meeting shall be decided by a majority of votes of the Committee Members attending at such meeting and entitled to vote and voting on such matter.
- 9.6.10 The Scheme Supervisors shall be entitled to attend, and speak, and/or make written submissions, but not to vote, at all meetings of the Creditors' Committee, unless otherwise agreed by the Creditors' Committee.
- 9.6.11 A resolution in writing signed by all Committee Members for the time being shall be as valid and effective as if passed at a meeting of the Creditors' Committee duly convened and held.
- 9.6.12 Committee Members and a Scheme Supervisor may participate in a meeting of the Creditors' Committee by conference telephone or similar equipment if all persons participating in the meeting are at all material times able to hear and speak to each other. A person participating in this way shall be deemed to be present in person at the meeting and in the case of a Committee Member shall be counted in the quorum and entitled to vote. All business transacted in this way by the Creditors' Committee shall be deemed to be validly and effectively transacted at a meeting of the Creditors' Committee.
- 9.6.13 The Chairman shall cause proper minutes to 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 or by the Scheme Supervisors.

9.7 Validation

- 9.7.1 All acts done by a Committee Member, nominated representative or alternate at any meeting of the Creditors' Committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of the Committee Member or any person acting as aforesaid, or that any of them were disqualified, be as valid as if every such person had been duly appointed and qualified.

9.8 Expenses

- 9.8.1 The Scheme Supervisors shall pay all the reasonable costs of summoning meetings of the Creditors' Committee (irrespective of who requests the meeting) and the reasonable out of pocket expenses of the Committee Members and the Scheme Supervisors in attending Creditors' Committee Meetings and all the reasonable costs of sending out all notices to be given by the Creditors' Committee under the Scheme, out of the Available Distributable Assets.

9.9 Functions of the Creditors' Committee

- 9.9.1 The Creditors' Committee shall be responsible for overseeing the implementation of the Scheme including, without limiting the generality of the foregoing, providing their views on any matter pertaining to the Scheme as and when requested to do so by the Scheme Supervisors.
- 9.9.2 The Creditors' Committee shall, so far as it is able, ensure that there is a Scheme Supervisor in office at all times throughout the Scheme Period.
- 9.9.3 The Creditors' Committee may from time to time resolve what information it is desirable to seek from the Scheme Supervisors concerning the operation of the Scheme and other matters concerning the affairs of the Scheme Companies and the Creditors' Committee may request any one Committee Member to apply in writing to, and receive from, the Scheme Supervisors all such information. Nothing in this Clause 9.9.3 shall require the Scheme Supervisors to provide to the Creditors' Committee information the release of which they determine would be detrimental to the interests of the Scheme Companies and/or the Scheme Creditors as a whole, or any information which the Scheme Companies (or any of its agents) are under a legal duty not to disclose. If the Scheme Supervisors refuse to provide information in accordance with this Clause 9.9.3 they must give the Chairman of the Creditors' Committee reasons for their decision.
- 9.9.4 Each member of the Creditors' Committee shall be entitled at any time to raise questions or to request a meeting with the Scheme Supervisors in connection with the performance of his responsibilities as a Committee Member and, subject to their duties under the Scheme, the Scheme Supervisors shall use reasonable endeavours, in so far as it is cost-effective for them to do so, to respond to such questions or to comply with any such request for a meeting.
- 9.9.5 The Scheme Supervisors shall seek the approval of the Creditors' Committee in respect of their fees as required by Clause 11.2.3.

9.10 Duties of Committee Members

- 9.10.1 Each member of the Creditors' Committee shall, in performing his functions as such, act bona fide in the interests of the Scheme Creditors as a whole.
- 9.10.2 Each Committee Member shall use all reasonable endeavours to avoid conflicts of interest in performing his duties under the Scheme. It shall be the duty of each Committee Member who is in any way, whether directly or indirectly, interested in a contract, arrangement or proposed contract or arrangement with a Scheme Company to declare (or procure that its nominated representative or his alternate shall declare) the nature of its or his interest at a meeting of the Creditors' Committee (other than a general conflict arising as a result of the status of the Committee Member as a Scheme Creditor or any contract or arrangement between the Committee Member existing prior to the Effective Date). 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 IA1986) of a specified company or firm and is to be regarded as interested in any contract with that company or firm shall be deemed a sufficient declaration of interest in relation to any such contract or arrangement.
- 9.10.3 Each Committee Member shall (and shall procure that any nominated representative, its officers and employees or any alternate shall) preserve the confidentiality of all information concerning the Scheme Companies and the operation of the Scheme obtained in its or his capacity as a Committee Member, and shall use such information only for the purpose of performing its or his responsibilities and functions under the Scheme unless in each case it or he shall have obtained the prior written approval of the Scheme Supervisors or shall have obtained such information in any other capacity or unless the law or any regulatory authority requires otherwise.
- 9.10.4 Notwithstanding Clause 9.10.3, each nominated representative and alternate shall be entitled to report to the Committee Member appointing him or an entity which is an associate of that Committee Member (within the meaning of section 435 of the IA1986) on the proceedings of the Creditors' Committee and, so far as necessary for that purpose, to disclose confidential information of and relating to the Scheme Companies to those officers and employees of that Committee Member who need to know it in connection with the performance of its responsibilities as a Committee Member and to their advisers, provided that such information does not to his knowledge relate to any matter where such appointor has an interest in conflict with the Scheme Companies (other than a general conflict arising as the result of the status of the Committee Member as a Scheme Creditor or as a result of any contract or arrangement between the Scheme Companies and such Committee Member existing prior to the Effective Date).

10. TERMINATION OF THE SCHEME

10.1 Termination Date

10.1.1 With the exception of Clauses 1.1, 1.2, 2.2.2, 5.2.5, 7.2.9, 7.3, 7.4, 8.4, 9.7, 9.10.3, 10.3, and 11.2, the Scheme shall cease to have effect on the date that the Scheme Supervisors notify the Scheme Creditors (by advertisement in accordance with Clause 11.6) that all Scheme Costs have been paid and that there are no further Available Distributable Assets or Unclaimed Distributions available for distribution in accordance with the Scheme.

10.2 Liquidation Event

10.2.1 If any of the Scheme Companies shall become subject to a Liquidation Event and the Scheme has not otherwise terminated in accordance with Clause 10.1, the Scheme shall not terminate and shall continue in full force and effect.

10.2.2 In the event of any inconsistency between the provisions of the Scheme and the IA1986 or the IR1986 as they apply to the Scheme Companies following a Liquidation Event in accordance with Clause 10.2.1, for the purposes of the Scheme the provisions of the Scheme shall prevail.

10.2.3 If following a Liquidation Event the Scheme is terminated in accordance with Clause 10.1, or if a Liquidation Event takes place after the Scheme is terminated in accordance with Clause 10.1, the following provisions shall apply:

- (a) in any case in which the admissible amount of a Scheme Claim has been agreed or otherwise determined (whether pursuant to Clause 5 or 7 or otherwise) such agreement or determination shall be binding on the Scheme Companies and the Scheme Creditor concerned for the purpose of ascertaining the amount for which that Scheme Creditor is entitled to prove in a winding up;
- (b) the assets of the Scheme Companies shall be applied in the following order of priority:
 - (i) first, in discharge of all liabilities of the Scheme Company that are given preference in the winding up of the Scheme Company by virtue of the IA1986;
 - (ii) second, in discharge of all liabilities proved in the winding up of the Scheme Company in respect of all Claims against the Scheme Company (which shall include without limitation, Administration Costs, Pre-Scheme Costs and Scheme Costs) other than Scheme Claims; and

- (iii) as to any balance, by way of distribution to the Scheme Creditors in accordance with Clause 3.3, provided that such distribution to Scheme Creditors (including for this purpose creditors with Scheme Claims who by reason of Clauses 4.1 and 4.2 were (or would have been) precluded from participating in any distributions) is *pari passu* in accordance with the amount for which they are entitled to prove in respect of their Scheme Claims in the winding up of the Scheme Company; and
- (c) to the extent that a Scheme Creditor has received a distribution under the Scheme, the entitlement of each Scheme Creditor to participate in the winding up of the Scheme Company shall be determined as follows:
 - (i) such Scheme Creditor shall be treated as having proved in the winding up for the amount for which he actually proves in the winding up increased by the aggregate amount (the "**Scheme Amount**") of payments, converted into sterling at the rate of exchange prevailing in the winding up, received by him under Clause 3.3 or treated by Clause 2.3.3 as having been so received under Clause 3.3;
 - (ii) such Scheme Creditor shall be treated as having received by way of dividend in the winding up an amount equal to the Scheme Amount and shall not be entitled to any dividend in the winding up unless and until all the Scheme Creditors proving in the winding up have received an equivalent percentage dividend; and
 - (iii) such Scheme Creditor shall be entitled to receive dividends in the winding up of the Scheme Company (calculated by reference to the amount for which he is treated as having proved as aforesaid) *pari passu* with all the Scheme Creditors of the Scheme Company.

10.3 Completion of the Scheme and Releases

- 10.3.1 Upon the Scheme Supervisors notifying the Scheme Creditors, in accordance with clause 10.1.1, that all Scheme Costs have been paid and that there are no further Available Distributable Assets or Unclaimed Distributions available for distribution, the Scheme shall be complete and, save in relation to any fraud, dishonesty or misfeasance, and so far as the law permits, all obligations and liabilities of the Scheme Companies, the Scheme Supervisors and the Joint Administrators (and each of them) in connection with or pursuant to the Scheme shall cease and be released absolutely. Any such obligation which has not been fulfilled in accordance with the Scheme by the Termination Date shall nonetheless be deemed to have been

correctly and fully performed, and no Scheme Creditor shall have any claim in respect of it or any loss arising from it.

10.3.2 Following the Termination Date, no Scheme Creditor shall be entitled to make any claim or receive payment in respect of a Scheme Claim.

11. GENERAL SCHEME PROVISIONS

11.1 Effective Date

The Scheme shall become effective as soon as an office copy of the Sanction Orders has been delivered for registration to the Registrar of Companies as required by section 425(3) of the CA1985.

11.2 Costs

11.2.1 The Administration Costs Pre-Scheme Costs, Scheme Costs and any liabilities of the Scheme Companies to Preferential Creditors shall be discharged from the Available Distributable Assets in accordance with the applicable order of application of Available Distributable Assets as set out in Clause 3.3.

11.2.2 The Scheme Supervisors may from time to time at their absolute discretion and without the prior consent of the Creditors' Committee withdraw appropriate funds from the Available Distributable Assets to discharge the Scheme Costs.

11.2.3 Notwithstanding the provision of 11.2.2 the Scheme Supervisors shall obtain the consent of the Creditors' Committee to the payment of any fees to themselves during the Scheme Period.

11.3 Modifications

The Joint Administrators may, at any hearing to sanction the Scheme, consent on behalf of all Scheme Creditors to any modification of the Scheme or any terms or conditions which the Court may think fit to approve or impose and which would not directly or indirectly have a materially adverse effect on the interests of the Scheme Creditors under the Scheme.

11.4 Conflict

In the event of a conflict or inconsistency between the provisions of the Scheme, the CA1985 or the IR1986, for the purposes of the Scheme the provisions of the Scheme shall prevail.

11.5 Notices and Communications

Subject to the provisions of Clause 4, for the purpose of the Scheme any notices or other written communications required to be given or sent under or in relation to this Scheme (including any Claim Form or Supporting Information) must be given in writing and may be given or sent by the Scheme

Supervisors or, the Scheme Creditor concerned or the Scheme Adjudicator (as appropriate) in Electronic Form or by Post, hand or courier:

- (a) in the case of the Scheme Supervisors to the email address miriam.nichols@gtuk.com or daniel.rose@gtuk.com or, if by facsimile, to facsimile number +44(0)20 7383 4715 (marked for the attention of Miriam Nichols or Daniel Rose) or such other email address or facsimile number as the Scheme Supervisor may notify to one or more or all Scheme Creditors for the purpose of this Clause 11.5 or if by Post, hand or courier to Grant Thornton UK LLP, Grant Thornton House, Melton Street, London NW1 2ED (marked for the attention of Miriam Nichols or Daniel Rose);
- (b) in the case of Scheme Creditors, to the email address specified or provided (either explicitly or in the course of previous communications) by the Scheme Creditor concerned (the use of which the Scheme Creditors hereby consent to) or, if by facsimile, to the last facsimile number of which the Scheme Supervisors are aware or if by Post, hand or courier to such Scheme Creditor's last known address of which the Scheme Supervisors are aware; and
- (c) in the case of the Scheme Adjudicator to the email address bruce.mackay@bakertilly.co.uk or, if by facsimile, to facsimile number +44 (0)207 002 8891 (marked for the attention of Bruce Mackay), or such other email address or facsimile number as the Scheme Adjudicator may notify to one or more or all Scheme Creditors for the purpose of this Clause 11.5 or if by Post, hand or courier to Bruce Mackay, Partner Business Recovery, Baker Tilly, 5 Old Bailey, London EC4M 7AF.

11.6 Any advertisements by the Scheme Supervisors in respect of the Scheme or notice (except such notice as is referred to in Clause 4.2), to be given under or in relation to the Scheme to all Scheme Creditors will be deemed to have been duly given to Scheme Creditors if it is advertised once in each of the following newspapers and publications:

- (a) CCF (Call Centre Focus);
- (b) The London Gazette;
- (c) The Independent;
- (d) The Liverpool Echo; and
- (e) The Western Mail.

11.7 Any such notices or other communication referred to in Clauses 11.5 and 11.6 to be given under the Scheme shall be deemed to have been served and received:

- (a) if delivered by hand or by courier on the first Business Day following delivery;
- (b) if sent by Post on the second Business Day after posting if the recipient is in the country of despatch, otherwise on the seventh Business Day after posting;
- (c) if advertised, when advertised in accordance with Clause 11.6;
- (d) if given by email, at the time the sender's computerised records so specify that such communication was successfully sent; and
- (e) if sent by facsimile upon production of a clear facsimile report confirming the facsimile was successfully sent.

11.8 In proving service by Post, the party seeking to rely upon such effective service must supply reasonable proof of having placed into the Post a properly stamped and addressed envelope containing the relevant notice, statement, documentation, information, form or other written communication.

11.9 For communication purposes, the Scheme Supervisors may, at their discretion, treat those acting on behalf of Scheme Creditors in the ordinary course (including, but not limited to professional advisers), ("Representatives") on the basis that those Representatives are fully authorised to represent the Scheme Creditor concerned.

11.10 Whilst the Scheme Supervisors take all reasonable precautions to ensure that no viruses are present in any email which it sends to a Scheme Creditor, it shall not be liable for any loss or damage arising from the opening or use by that Scheme Creditor of any email or attachments received from the Scheme Supervisors. Notwithstanding the provisions of Clause 11.5, any email received by the Scheme Supervisors from a Scheme Creditor which is found to contain any virus, harmful components or other disruptive program or device shall be deemed not to have been received. The Scheme Supervisors shall, however, as soon as reasonably practicable after becoming aware notify the relevant Scheme Creditor (in accordance with Clause 11.5) of the existence of any email sent by it which is found to contain a virus for the purposes of enabling it to be re-sent.

11.11 Extension of Time Limits

Except for the Bar Date, the Scheme Supervisors may, in their absolute discretion either generally or in respect of any particular Scheme Claim extend any time period referred to in this Scheme including the time:

- (a) within which the Scheme Supervisors are required to seek to reach agreement with a Scheme Creditor of its Scheme Claim pursuant to Clause 5.1.5; and
- (b) within which the Scheme Adjudicator is to provide his certificate pursuant to sub-Clause 5.2.3.

11.12 Governing Law and Jurisdiction

The Scheme shall be governed by, and construed in accordance with, the laws of England and Wales and the Scheme Creditors hereby agree that 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 the Explanatory Statement or any provision of the Scheme, or out of any action taken or omitted to be taken under the Scheme or in connection with the administration of the Scheme, and, for such purposes, the Scheme Creditors irrevocably submit to the jurisdiction of the Court provided, however, that nothing in this Clause 11.11 shall affect the validity of other provisions determining governing law and jurisdiction as between the Scheme Companies and any of its Scheme Creditors, whether contained in any contract or otherwise.

Dated this 9th day of October 2006

SCHEDULE 1

CLAIM FORM

7C LIMITED, 7C (PEMBROKE) LIMITED AND 7C (HOLDINGS) LIMITED (ALL IN ADMINISTRATION) (together, the "Scheme Companies")

You should carefully read (i) the Scheme at pages 44 to 92 of the Scheme Document (especially Clauses 4 and 5) and (ii) the instructions set out below. Claim Forms must be completed for every Scheme Claim save for Administration Agreed Claims.

Certain capitalised words and expressions are used in this Claim Form. These have the same meanings and should be construed in the same way as in Clause 1 of the Scheme (at pages 46 to 55 of the Scheme Document).

This Claim Form must be completed, and any Supporting Information provided, in accordance with the Scheme (especially Clause 4) and returned to the Scheme Supervisors, either:

- (i) by Post, by hand or by courier to the Scheme Supervisors of 7C Limited, 7C (Pembroke) Limited and 7C (Holdings) Limited c/o Grant Thornton UK LLP, Grant Thornton House, Melfton Street, London NW1 2EP marked for the attention of *Miriam Nichols or Daniel Rose*; or
- (ii) by facsimile at number + 44 (0)20 7383 4715, marked for the attention of *Miriam Nichols or Daniel Rose*; or
- (iii) by email (in a pdf format) to miriam.nichols@gtuk.com or daniel.rose@gtuk.com,

as soon as possible and, in any event, so as to be received by the Scheme Supervisors before the Bar Date. Please note that if a Claim Form is submitted by email or facsimile, the relevant Scheme Creditor is requested to submit a hard copy of that Claim Form with an original signature to the Scheme Supervisors (either by hand, by courier or by Post and to the address given above) within 7 days of the Bar Date.

After the Bar Date, no new or revised Claim Form(s) or Supporting Information will be accepted or considered except, in relation to Supporting Information only, in response to a request from the Scheme Supervisors or the Scheme Adjudicator for further information to be provided by the Scheme Creditor concerned.

If a Scheme Creditor does not complete and return a Claim Form so as to be received by the Scheme Supervisors before the Bar Date, and the Scheme Creditor did not make an Election on its Form of Proxy used in connection with voting at the Scheme Creditors' Meetings in accordance with Clause 4.1.1(b) of the Scheme, that Scheme Creditor's Scheme Claim (with the exception of its Administration Agreed Claims) will be valued at nil and the Scheme Creditor will not be entitled to share in the distributions made pursuant to the Scheme or able otherwise to seek or obtain payment from the Scheme Companies in any way.

If Scheme Creditors have more than one Scheme Claim and if they wish to make their Scheme Claims in different currencies, they should complete a separate Claim Form for each currency they wish to denominate their Scheme Claims. Scheme Creditors are asked to use photocopied pages as required.

CURRENCY IN WHICH SCHEME CLAIM(S) DENOMINATED:.....(State in words the currency of your Scheme Claim)

SCHEME CREDITOR'S NAME AND ADDRESS: [.....] OF [.....] (state name and address of Scheme Creditor)

A. SCHEME CLAIMS AGAINST THE SCHEME COMPANIES		£ (or specified Contract Currency stated above)
7C Limited and/or 7C (Pembroke) Limited	<ul style="list-style-type: none"> Aggregate amount of Scheme Claims owed by 7C Limited and/or 7C (Pembroke) Limited (both in administration) to you Amount owed by you to 7C Limited and/or 7C (Pembroke) Limited (both in administration) 	£..... £(.....)
	Net Total:	£.....
7C (Holdings) Limited	<ul style="list-style-type: none"> Amount of Scheme Claim owed by 7C (Holdings) Limited (in administration) to you Amount owed by you to 7C (Holdings) Limited (in administration) 	£..... £(.....)
	Net Total:	£.....

TO BE SIGNED AND COMPLETED BY THE SCHEME CREDITOR IN ORDER FOR THIS FORM TO BE VALID

To the best of my knowledge and belief the information on this Claim Form and any Supporting Information, as amended or otherwise, is correct.	
Signed:	Name:
Position/Capacity:	
For and on behalf of (Scheme Creditor name)	Date:

No 10111 of 2006

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

IN THE MATTERS OF:

7C (HOLDINGS) LIMITED (IN
ADMINISTRATION)

7C LIMITED (IN ADMINISTRATION)

7C (PEMBROKE) LIMITED (IN
ADMINISTRATION)

AND IN THE MATTER OF THE
COMPANIES ACT 1985

ORDER



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Ref: 21187/21293/05153700
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