

QUAYLE MUNRO HOLDINGS PLC

Incorporated and Registered in Scotland under the Companies Act 1985
Registered No. 72014

Registered Office:
8 Charlotte Square
Edinburgh
EH2 4DR
9 July 2007

To: The holders of Ordinary Shares of 10p each in the share capital of Quayle Munro Holdings PLC (“the Company” or “QMH”) and, for information only, to the holders of options over Ordinary Shares

Dear Shareholder

ACQUISITION OF NEW BOATHOUSE CAPITAL LIMITED (“NBC”)

NEW BOARD APPOINTMENTS

TRADING UPDATE AND PROPOSED FINAL DIVIDEND OF 20p PER SHARE FOR THE YEAR ENDED 30 JUNE 2007

DECLARATION OF A SPECIAL DIVIDEND OF 150p PER SHARE

We announced today the completion on 6 July 2007 of the acquisition by QMH of NBC for a total consideration of £7,368,754 comprising £2,084,314 in cash and the issue of £596,940 in Unsecured Floating Rate Loan Notes 2012 and 375,000 Ordinary Shares. The closing bid price of an Ordinary Share at completion on 6 July 2007 was 1250p. Further details are contained in the paragraph below headed “Principal Terms of the Acquisition”.

Although the acquisition of NBC does not require shareholder approval, given its significance to the Company we have decided to write this letter to you. Accordingly, the purpose of this letter is to:

- (1) set out the reasons for acquiring NBC;
- (2) provide you with information on NBC’s business; and
- (3) give you details of resultant changes to the Company’s Board.

The letter also gives a trading update on the financial year which ended on 30 June 2007 and announces the prospective final dividend and the declaration of a special dividend.

BACKGROUND ON NBC

NBC was, until the acquisition, a privately owned and wholly independent, FSA regulated corporate finance advisory firm based in West London. It was formed in 2000 by Peter Norris, and has developed around a core of independent client advisory relationships.

NBC’s clients are mostly privately owned companies often with the continued personal involvement of founder entrepreneurs; they range in size from start-ups to large international corporations. The client base covers a wide range of industry sectors including consumer goods and services, healthcare, telecommunications, financials and technology. NBC’s professional team currently comprises nine full time senior professionals, a number of whom have legal or accounting qualifications.

Peter Norris has over 30 years’ corporate finance and international capital markets experience. He joined Barings from university as a graduate trainee in 1976. In 1984 he moved to Goldman Sachs, before returning to Barings in 1987 to head its corporate finance business in South East Asia, headquartered in

Hong Kong. On returning to London in 1992, he was appointed to undertake a restructuring of that group’s global securities business, as chief executive officer of Baring Securities. In 1994 he became chief executive officer of Barings Investment Banking Group charged with integrating the banking, securities and corporate finance divisions of the group. Three months after his appointment, in February 1995, the derivatives trading fraud in Barings’ Singapore operations was revealed which led to the group’s financial collapse. Peter Norris immediately accepted responsibility as chief executive for the failure of the group and resigned all his positions, leaving the group shortly after its purchase by the Dutch group ING. In 1996 he started a corporate finance consultancy practice, culminating in the formation of NBC at the end of 2000. The other directors of NBC have individual personal experience of investment banking and corporate finance of between 10 and 30 years. Further details on the other directors of NBC who are joining the Board of the Company are set out under the heading ‘Directors and New Directors’ below.

Since its formation NBC has shown steady growth although revenues have fluctuated depending on the receipt of large fees from major clients. Turnover for the years ended 31 December reported in the audited accounts is as follows:

2004	£1,742,672
2005	£3,508,648
2006	£2,836,827

A list of some of the transactions underlying these revenue figures is set out in Appendix I to this letter.

In respect of NBC’s current financial year which started on 1 January 2007 turnover (as extracted from unaudited management accounts) to the end of May was £1,557,766 compared with £574,804 for the same period in 2006.

Because of a policy to pay bonuses at levels determined principally by an assessment of the amount of liquid working capital required to be retained in the business, there have been fluctuations in profits before tax as reported in the audited accounts:

2004	£118,270
2005	£339,763
2006	£70,144

If adjustments were made to historic figures (i) to take account of a proposed remuneration scheme to be implemented following the acquisition and (ii) to add back consultancy fees paid to P&T Norris which will cease after the acquisition, adjusted profits before tax would be as follows:

2004	£660,230
2005	£1,294,139
2006	£1,045,001

Net assets reported in the audited accounts of NBC at 31 December 2006 were £729,693.

BACKGROUND TO THE ACQUISITION

QMH has experienced very satisfactory growth in recent years, founded on a successful investment record and a well-regarded advisory business based primarily on the Public Finance Initiative (“PFI”). On 2 May 2007 QMH announced the potential termination of a major investment management contract for The PFI Infrastructure Company plc (“PFICo”) and a trading update which referred to a diminishing pipeline of new PFI advisory mandates and the potential reduction of repetitive fee income from the early termination of the PFICo management contract. In the short term, therefore, QMH’s professional revenue has been expected to decline.

Your Board has been conscious of an increasing reliance on a specialist activity, namely in the PFI and Public Private Partnerships (“PPP”) market as adviser to public authorities and, more significantly, to bidding syndicates. In addition, the marketplace generally has been tightening both in respect of the pricing of secondary PFI investments and in the availability of participations in bidding syndicates promoting special purpose companies to hold infrastructure investments. The Board therefore decided some time ago to seek an appropriate acquisition to return to activities which some years ago were the mainstay of QMH, namely general corporate finance. These activities naturally support opportunities for investment in specialist private equity situations which have been the foundation of the Company’s capital growth since it was first listed in 1993.

After a number of detailed conversations, NBC was selected as a suitable opportunity for acquisition based on the calibre of the individuals concerned and the nature and scope of the NBC business. The Board believes that QMH's speciality in the public sector will be complemented by the developing practice of NBC and by the skills of its directors, particularly its chief executive Peter Norris.

PRINCIPAL TERMS OF THE ACQUISITION

The total consideration of £7,368,754 for the acquisition comprises:

- (1) The payment of £2,084,314 in cash;
- (2) The issue of £596,940 of Unsecured Floating Rate Loan Notes 2012, which bear a coupon linked to Bank of Scotland base rate; and
- (3) The issue of 375,000 new Ordinary Shares of 10p each ("Consideration Shares") at the closing bid-market price of 1250p on Friday 6 July 2007.

Included in the above consideration of cash and Loan Notes is a sum of £250,000 in respect of NBC's fixed asset investments. The Consideration Shares will rank *pari passu* with the existing Ordinary Shares save that they will not rank for the final dividend for the financial year ended 30 June 2007.

A balance sheet of NBC will be prepared as at 30 June 2007 and if the net assets, excluding fixed asset investments, of NBC exceed £800,000, additional consideration will be paid on a £1 per £1 basis to be satisfied in cash and/or Loan Notes, subject to a £10,000 *de minimis*. If the net assets of NBC, excluding fixed asset investments, are below £800,000 the vendors will reimburse QMH on a £1 per £1 basis, subject to a £10,000 *de minimis*.

Application has been made for the Consideration Shares to be admitted to trading on AIM, and it is expected that dealings will commence on 16 July 2007.

There are special provisions in respect of any vendor who, after the transaction, leaves the employment of the QMH group as a "Bad Leaver". A Bad Leaver who leaves in the first year following the acquisition will relinquish 60% of the Consideration Shares issued to him. A Bad Leaver who leaves in the second year following the acquisition will relinquish 30% of the Consideration Shares issued to him. The Consideration Shares subject to these Leaver provisions are subject to lock-in arrangements for the periods during which the Bad Leaver provisions apply.

STRATEGY FOLLOWING THE ACQUISITION

The underlying aim of the QMH group as enlarged by the acquisition will be to maintain QMH's historic record of growth in respect of both its investment assets and its professional activities.

This should be achieved by QMH building on the expertise and client base of NBC to develop professional activities both in London and in Edinburgh, giving independent advice to both private and public companies and to public authorities and by seeking new investment opportunities with a view to capital growth.

The principal reason for the acquisition is to extend the professional capacity of the QMH group. It is likely that the work of the enlarged group at the public/private sector interface, and its investment management activities, will be based in Edinburgh and that its private sector corporate finance activities will be concentrated in London.

The existing professional resources of QMH in Edinburgh will be enhanced by a stronger presence in London which should assist both in winning prospective new investment management business to take the place of PFICo and in pursuing mandates in PFI/PPP, debt advisory and tertiary education. The availability of skilled teams in each location should widen QMH's geographical coverage, particularly in England.

It is believed that the progress of NBC's business will be significantly assisted by the asset base and substantial liquidity of QMH and by greater public awareness following the acquisition.

It is intended that NBC will become in due course a wholly owned subsidiary of Quayle Munro Limited ("QML") and will carry on trading under the Quayle Munro name and under the Quayle Munro regulatory procedures.

DIRECTORS AND NEW DIRECTORS

With effect from close of business today Peter Norris, Simon Bullivant, Francis Coles and Tim Guinness will join the Board of the Company. Stephen Bell and Andrew Watson will step down from the Board also with effect from today. Both Stephen Bell and Andrew Watson have made significant contributions to the growth of QMH's professional business since joining the group in 2001 and 2004 respectively and will continue to do so as senior executives and directors of QML.

Peter Norris, in view of his experience and expertise, will be appointed Chief Executive and Jo Elliot will be appointed Deputy Chief Executive.

Following the acquisition, the new Board of the Company is:

Ian Jones	Executive Chairman
Peter Norris	Chief Executive
Jo Elliot	Deputy Chief Executive
Anthony Ostrowski	Finance Director
Simon Bullivant	Executive
Francis Coles	Executive
Moray Watt	Executive
Brian Finlayson	Non-executive
Tim Guinness	Non-executive
Ian McLean	Non-executive
Donald Sutherland	Non-executive

The CVs of the new directors of the Company are as follows:

Peter Michael Russell Norris (aged 52)

Peter Norris's background is described in more detail in the paragraph headed 'Background on NBC' above. After leaving Barings in 1995, Peter established a successful corporate finance consultancy, P&T Norris, constructed around the needs of a group of owner-entrepreneurs, which became the core business of NBC following its formation in 2000. He graduated from Oxford University in 1976 with a first class degree in Modern History and Modern Languages.

Simon Muntton Bullivant (aged 38)

Simon Bullivant is a lawyer with seven years' experience at Macfarlanes. He qualified in the corporate department where he specialised in all aspects of general corporate work, including disposals and acquisitions, joint ventures, start ups, group reorganisations and management buy-outs. He left Macfarlanes in 2001 to join NBC. Simon graduated from Oxford University in 1991 with a degree in Modern History.

(Richard) Francis Townsend Coles (aged 49)

Francis Coles has 26 years' investment banking and capital markets experience, having joined Barings in 1981 where he worked on all aspects of the bank's continental Europe business. In 1994 he became Managing Director, responsible for Barings' New York based Latin American Corporate Finance Group. In 1997 he was appointed Head of European Equity Capital Markets at Santander Investment. In 2000, he joined Peter Norris and others to form NBC. Francis Coles graduated from Oxford University in 1980 with a first class degree in Modern Languages and is a fluent speaker of French, German, Spanish, Italian and Portuguese.

Timothy Whitmore Newton Guinness (aged 60)

After obtaining an MBA at MIT, Tim Guinness worked for ten years as a corporate financier at Barings and then co-founded and built up Guinness Flight Hambro Asset Management, which was sold to Investec in 1998. In November 2002 Tim established a new asset management firm, Guinness Atkinson Asset Management LLC, which invests in Asian equities, energy industry equities and equities reflecting themes such as innovation, globalisation, communications and technology, principally for US mutual fund clients. In 2000 he joined Peter Norris to form NBC. Tim graduated from Cambridge University in 1968 with a degree in Engineering.

Further information on the new directors of the Company is set out in Appendix II to this letter.

MANAGEMENT

As Executive Chairman I will have overall responsibility for integration of the enlarged group following the acquisition working closely with the Chief Executive, the Deputy Chief Executive and the Finance Director, and we will together form the senior management committee.

Integration of the existing QMH business and NBC's business will take place in due course.

CURRENT TRADING AND PROSPECTS

We advised in a trading update announced on 2 May 2007 that there would be certain cash receipts following the acquisition of PFICo by Infrastructure Investors LP ("I²"). QMH has now sold its shareholding in PFICo and received the sale proceeds of £3.7 million. We are in discussions with I² concerning the on-going provisions of investment management services and financial management services and the payment of the incentive fee due under our existing arrangements with PFICo. We hope to be in a position to announce the conclusions of these negotiations in the near future and are confident that suitable arrangements can be agreed.

In respect of other professional revenue it has already been announced that there is currently a somewhat lower forward workload, and it remains to be seen how long this will continue. Profits in QMH for the year ended 30 June 2007 will be boosted significantly by provision for the incentive fee and it must therefore be anticipated that profits for the year ending 30 June 2008 will be lower than in 2007 notwithstanding the acquisition of NBC. However, if extraordinary items and profits from the realisation of investments are excluded we anticipate that following the acquisition profits before tax and earnings per share for the financial year ending on 30 June 2008 will be higher than in the previous year.

The unlisted investment portfolio in QMH continues to perform well. Since the trading update announced on 2 May 2007, Morris Group's unaudited accounts for the year ended 31 March 2007 have become available and show operating profits somewhat higher than previously indicated, with profit before tax but after shareholder loan stock interest of £25.4 million and after tax of £18.0 million. Submersible Television Surveys Limited and AMG Systems Limited continue to trade in excess of budgetary expectations.

Your Board has carried out a revised valuation of the unlisted portfolio based on their understanding of the current performance of the underlying investee companies, and this has produced an incremental increase in value of QMH's balance sheet of approximately £3 million. This increase is only an estimate and may be varied by summer trading or other intervening factors and will be subject to audit.

PROPOSED FINAL DIVIDEND OF 20p PER SHARE

In view of continued satisfactory trading in the six months which ended on 30 June 2007, it is the Board's intention to recommend to Shareholders an increased final dividend of 20p per Ordinary Share (compared with 14.7p for the previous year) which is expected to be paid in November 2007 immediately following the Company's annual general meeting. Details of the dividend timetable will be issued in September 2007 with the Company's annual results. The Consideration Shares will not rank for the final dividend.

DECLARATION OF A SPECIAL DIVIDEND OF 150p PER SHARE

It has been our policy for a number of years for QMH to make special dividend payments when natural cash generation significantly exceeds the need for working or investment capital. Following the various realisations which have occurred over the last few years and notwithstanding special dividends totalling 175p per share paid over 2001/2005, cash has once again risen to substantial levels. Accordingly, the Board has declared a special dividend of 150p per Ordinary Share to be paid at the same time as the final dividend for the current financial year. Details of payment including the ex-dividend date will be issued in September with the Company's annual results. The Consideration Shares will rank *pari passu* with the existing Ordinary Shares in respect of the special dividend.

Yours sincerely

I Q Jones
Chairman

APPENDIX I

FURTHER INFORMATION ON NBC

The following are examples of transactions involving NBC since 2004:

January to May 2007

<i>Sector</i>	<i>Client</i>	<i>Deal Type</i>	<i>Details</i>
Media & Publishing	Art & Commerce	Sale	Art & Commerce – NBC advised shareholders on the sale of the business to IMG Group
Fashion & Leisure	Cath Kidston Limited	Advice to Management	Cath Kidston Ltd – NBC advised management on the design and implementation of a management incentive scheme
Media & Publishing	Eagle Moss Publishing Group	Sale	Eagle Moss Publishing Group Ltd – NBC advised shareholders on the sale of the company to a trade buyer with financial backing from a private equity firm
Financial Services	Prime Rate Capital Management LLP	Equity Fundraising	Prime Rate Capital Management LLP – NBC advised founders on raising equity to launch the company
Media & Publishing	The Wisden Group	Sale	The Wisden Group – NBC advised the Wisden Group on the sale of The Wisden Cricketer, the world's leading cricket magazine, and The Oldie
Fashion & Leisure	Stephen Webster Limited	Development Capital	Stephen Webster Limited – NBC advised the luxury jeweller in connection with a development capital investment by Yucaipa Global Fund LLP

2006

<i>Sector</i>	<i>Client</i>	<i>Deal Type</i>	<i>Details</i>
Fashion & Leisure	LGCK Limited	Demerger	LGCK Limited – Demerger of Cath Kidston Limited and Lulu Guinness Holdings Limited. NBC advised on the overall structure and implementation of the transaction, including sale of partly paid shares, debt-for-equity swap and rights issue
Telecoms, IT & Online	The Bunker Secure Hosting	Placement	The Bunker Secure Hosting – NBC advised the company on raising private equity growth capital. Foresight Venture Partners were the equity providers
Telecoms, IT & Online	Virgin Group	Private Equity Sale	Trainline – NBC advised Virgin Group on the sale of its online train ticket retailing business, thetrainline.com. NBC advised on all aspects of the deal, and ran the auction process that resulted in the sale of the business to Exponent Private Equity
Healthcare & Fitness	Virgin Active	Refinancing	Virgin Active – NBC advised Virgin Active on a releveraging of its South African subsidiary and assisted with the tax efficient structuring of repatriating proceeds to the UK
Healthcare & Fitness	Virgin Active	Acquisition	Virgin Active – NBC advised Virgin Active on its acquisition of Holmes Place's UK business in a transaction that valued the enlarged group at £650m. NBC also advised on the ongoing shareholder arrangements resulting from the new minority interest in Virgin Active
Telecoms, IT & Online	Virgin Group	Takeover	Virgin Mobile – NBC advised Virgin Group on the takeover by NTL of its quoted subsidiary, Virgin Mobile

2005

<i>Sector</i>	<i>Client</i>	<i>Deal Type</i>	<i>Details</i>
Telecoms, IT & Online	find.co.uk	Sale	find.co.uk – NBC advised shareholders on the sale of the company to an external management team backed by private equity houses Electra Partners and Fleming Family & Partners
Telecoms, IT & Online	NetBanx	Sale	NetBanx – NBC advised NetBanx and its shareholders on its sale to NETELLER, a leading online money transfer service provider
Telecoms, IT & Online	Netkonect	Sale	Netkonect – NBC advised Netkonect shareholders on the sale of the company to Mistral Internet
Media & Publishing	Next Fifteen	Acquisition	Next Fifteen – NBC acted as financial advisor to Next Fifteen, an AIM listed PR consultancy, on its acquisition of Lexis PR
Fashion & Leisure	Soho House	Shareholder restructuring; equity and debt refinancing	Soho House – NBC managed all three elements of the transaction: shareholder restructuring and raising new equity (carried out via a scheme of arrangement) as well as arranging a new bank debt facility
Financial Services	SPARCK Hypotheken	Equity Raise	SPARCK Hypotheken – NBC advised the founding shareholder of a Dutch non-conforming mortgage lender on a first round equity financing
Healthcare & Fitness	Virgin Group	Acquisition	Virgin Active – NBC advised the Virgin Group on its acquisition of the majority stake held by Bridgepoint Capital. In addition, NBC also advised on a restructuring of the group-wide management incentive arrangements
Transport	Virgin Express	Restructuring	Virgin Express – NBC advised the company on post merger restructuring including delisting and minority buyout issues

2004

<i>Sector</i>	<i>Client</i>	<i>Deal Type</i>	<i>Details</i>
Healthcare & Fitness	Body IQ	Equity raise	Body IQ – NBC was a co-seed investor alongside Virgin Group. Advised on equity financing
Fashion & Leisure	Deliverance	MBO	Deliverance – NBC advised Active Private Equity on its acquisition of the food distribution company via a management buyout
Healthcare & Fitness	Drew Scientific	Hostile takeover	Drew Scientific – NBC acted as adviser to Drew (LSE quoted) on a distressed sale to Escalon Medical Corp via a contested offer
Fashion & Leisure	Hotel du Vin	Sale	Hotel du Vin – NBC advised shareholders on the sale of the business to MWB PLC
Media & Publishing	JBCP	Sale	John Brown Citrus Publishing – NBC advised selling shareholders on the sale of JBCP to the current management team who were backed by private equity house, Bridgepoint Capital
Healthcare & Fitness	ORI International	Structured financing	ORI International – NBC advised a consortium on transaction structuring and equity/debt fundraising for a diagnostic and treatment centre under DoH Wave 1, the only ISTC to be externally financed
Telecoms, IT & Online	Trainline	Merger	Trainline – NBC advised shareholders of Trainline on merger with Qjump and related debt and equity restructuring
Transport	Virgin Express	Sale	Virgin Express – NBC advised Virgin Express Holdings PLC on the merger of its Belgian subsidiary Virgin Express NV with SN Airholdings for a 30% equity interest. This made the SN Airholdings group Belgium's largest operator from Zaventem Airport
Telecoms, IT & Online	Virgin Group	IPO	Virgin Mobile – NBC advised the Virgin Group on the flotation of Virgin Mobile. The role included management of competing banks and advice on corporate, tax and ownership components of the transaction

APPENDIX II

INFORMATION ON THE NEW DIRECTORS

- 1.1 The new directors of the Company hold or have held over the past 5 years the following directorships and partnerships:

Tim Guinness

Current directorship/partnership

Guinness Atkinson Asset Management Inc
(Delaware)
Guinness Asset Management Limited
New Boathouse Capital Limited
Brompton Bicycle Limited
Guinness Atkinson Funds Inc (US)
Investec Extra Income Trust PLC (in MVL)
GFEIT Securities Limited (in MVL)
Investec High Income Trust plc
Investec High Income Securities plc
Investec High Income Trading Limited
SR Europe Investment Trust PLC
Frankrate Limited
Atlantis Japan Growth Fund Limited
(Guernsey)

Past directorship/partnership

Investec Asset Management Limited
Investec Asset Management Asia Limited
(Cayman Islands)
Investec International Money Market Fund
Limited (Jersey)
Investec Asset Management Pacific Limited
(Hong Kong)
Investec Global Strategy Fund Limited
(Guernsey)
Investec International Accumulation Fund
Limited (Guernsey)
Investec Select Funds plc (Ireland)
The Grocer's Investment Company Limited
Grocer's Hall Limited

Peter Norris

Current directorship/partnership

Virgin Active Group Limited
The Food Doctor Limited
John Brown Enterprises Limited
Virgin Life Care Investments Limited
Lulu Guinness Limited
Bob Book Limited
Virgin Active Holdings (SA) Limited
Lulu Guinness Holdings Limited
Cath Kidston Limited
New Boathouse Capital Limited
Virgin Active Group Investments Limited
Virgin Active Investments Limited

Past directorship/partnership

Bramley Road Limited
John Brown Publishing Group Limited
Screen West Limited
Ivanhall Limited

Simon Bullivant

Current directorship/partnership

New Boathouse Capital Limited

Past directorship/partnership

None

Francis Coles

Current directorship/partnership

New Boathouse Capital Limited
Feet First (Europe) Limited

Past directorship/partnership

None

Save as disclosed in paragraphs 1.2 to 1.4 below the above new directors:

- 1.1.1 do not have any unspent convictions relating to indictable offences;
 - 1.1.2 have not had a bankruptcy order made against them or entered into any individual voluntary arrangements;
 - 1.1.3 have not been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors where the director was a director at the time of or within 12 months preceding such events;
 - 1.1.4 have not been a partner of a firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement where the director was a partner at the time of or within 12 months preceding such events;
 - 1.1.5 have not had any asset belonging to them made the subject of a receivership or been a partner of a partnership whose assets have been placed in a receivership where the director was a partner at the time of or within 12 months preceding such events; and
 - 1.1.6 have not been publicly criticised by any statutory or regulatory authority (including any recognised professional body) or ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 1.2 Tim Guinness was a director of Ferranti & Craig which went into insolvent liquidation in October 1985. No criticism was received from any statutory or regulatory body in connection with Mr Guinness's conduct as a director of this company.
- 1.3 In February 1995, Peter Norris was chief executive officer of the Investment Banking Group of Barings Plc, which was destroyed by the Leeson fraud in Singapore. Mr Norris resigned all functions forthwith and left the employment of Barings three months later, after assisting in an insolvency process and transfer of the business to ING.
- Subsequently, Mr Norris was criticised by an inquiry by the Board of Banking Supervision and by a report by Inspectors appointed by the Singaporean Minister of Finance.
- In 1996, Mr Norris, who had been senior executive officer of Baring Securities, agreed to a three year exclusion from the SFA's Register of Directors. There was no finding of lack of fitness or propriety.
- In 1998, Mr Norris accepted a four year disqualification as a director of UK companies to settle proceedings brought by the DTI under the Company Directors' Disqualification Act, 1996. There was no finding of impropriety.
- In 1996, an action was brought by the auditors of the Barings group against various directors and officers of the group, including Mr Norris. This action was dropped by the auditors in 1998.
- In 1996, an action was brought by Perpetual noteholders of Barings Plc against former directors of Barings Plc, including Mr Norris. This action has been struck off.
- 1.4 Simon Bullivant was a director of Gallopgate Limited, a retailer of postcards, which went into creditors' voluntary liquidation on 18 August 2000. There was a creditors' shortfall of less than £100,000. No criticism was received from any statutory or regulatory body in connection with Mr Bullivant's conduct as a director of this company.
- 1.5 Each of the new executive directors of the Company has entered into a service contract under which their employment commences with immediate effect and which is terminable on 6 months' notice by either side. The annual salary of each of the new executive directors in terms of their service contracts is as follows:

Peter Norris:	£225,000
Simon Bullivant:	£100,000
Francis Coles:	£100,000

- 1.6 As part of the consideration for the acquisition of NBC by QMH, the new directors of QMH who were each shareholders of NBC have been allotted on 6 July 2007 the following Ordinary Shares:

<i>New Director</i>	<i>Number of Ordinary Shares allotted</i>	<i>Percentage holding of enlarged issued share capital</i>
Peter Norris	153,750	3.68%
Simon Bullivant	30,000	0.72%
Francis Coles	26,250	0.63%
Tim Guinness	22,500	0.54%
In addition, Peter Norris is a trustee of the Peter Norris Children's Trust and of the John Brown Trust which, together, have been allotted Consideration Shares	71,250	1.70%