

DATED 22 May 2001

13273

ENERGY TECHNIQUE plc

and

THE SUBSCRIBERS named in Schedule 1

SUBSCRIPTION AGREEMENT

We certify this document as a true copy of the original

17/7/2001 Eversheds

Eversheds
15 Colmore Row, Birmingham, B3 3AL



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AGREEMENT

DATED: 22nd May 2001

PARTIES:

- (1) **Energy Technique plc** (registered number 13273) whose registered office is at 47 Central Avenue, West Molesey, Surrey, KT8 2QZ (the "Company"); and
- (2) **The several persons** whose names and addresses are set out in Schedule "Subscriber").

OPERATIVE PROVISIONS:

1. Definitions and Interpretation

- 1.1 "Accounts" means the report and audited accounts of the Company and of the Group for the year ended on 31 March 2000;
- "Act" means the Companies Act 1985 (as amended);
- "Admission" in relation to securities, means their admission to the Official List of the UK Listing Authority and to trading on the London Stock Exchange;
- "Affiliate" means, with respect to any person, any other person that directly or indirectly controls, or is controlled by, or is under common control with, such person and for the purposes of this definition "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise;
- "Agreed Form" means, in relation to any document, the form of that document which has been initialled for the purpose of identification by or on behalf of the Subscribers and the Company with such changes as the Company and Cybertec on behalf of the Subscribers may agree;
- "business day" means a day, other than a Saturday or Sunday, on which banks are generally open for business in London;
- "Capital Reorganisation" means the subdivision of existing ordinary shares of 25p each in the Company into Ordinary Shares and Deferred Shares and the reduction of capital of the Company as described in more detail in the Circular;
- "Circular" means the circular (comprising Listing Particulars) in the Agreed Form to be issued by the Company;



"Company Solicitors" Eversheds, of 115 Colmore Row, Birmingham B3 3AL;

"Company Brokers" Beeson Gregory of the Registry Royal Mint Court, London EC3N 4LB

"Consideration" means the consideration payable by the Subscribers for the Subscription Shares pursuant to this agreement, comprising cash and the Consideration Shares in the proportions set out in Schedule 1;

"Consideration Shares" means:-

- (A) the new Cybertec Shares to be allotted to the Company credited as fully paid by way of part consideration for those of the Subscription Shares to be subscribed by Cybertec; and
- (B) the existing Cybertec Shares to be transferred to the Company free and clear of all liens, charges and other encumbrances by way of consideration for those of the Subscription Shares to be subscribed by Harrell

in each case, as detailed in Schedule 1;

"Code" means the City Code on Takeovers and Mergers.

"CREST" means the system enabling title to securities to be evidenced and transferred in dematerialised form operated by Crest Limited;

"Cybertec Shares" means ordinary shares of two pence each in Cybertec;

"Cybertec" means Cybertec Holdings Plc details of which are set out in Schedule 1;

"Deferred Shares" means the deferred shares of 24 pence each in the Company arising on implementation of the Capital Reorganisation;

"Directors" means the persons named as directors of the Company in the Circular;

"Disclosure Letter" the letter of even date from the Company's Solicitors to the Subscribers' Solicitors disclosing exceptions to the Warranties;

"Disposal Agreement" means the agreement in the Agreed Form and made between the Company and Eggshell 456 Limited on or around the date of this agreement relating to the sale of the Bensons heating business, as described in more detail in the Circular;

"EGM" means the extraordinary general meeting of the Company, notice of which is set out in the Circular;

"Group"	means the Company and its subsidiary undertakings;
"HHC"	means Harrell Hospitality Group, Inc., details of which are set out in Schedule 1;
"Interim Accounts"	means the unaudited consolidated financial statements of the Group for the six months ended on 30 September 2000, set out in Section B of Part II of the Circular;
"Letters of Appointment"	means the letters of appointment in the Agreed form to be entered into between the Company and each of Paul Barham and Stephen Komlosy as a condition to the completion of the Subscription.
"Listing Rules"	means those rules made under section 142 of the Act;
"London Stock Exchange"	means London Stock Exchange Plc;
"the Management Accounts"	the unaudited accounts of the Group for the period from 30 September 2000 until 31 March 2001, copies of which are annexed to the Disclosure Letter;
"Official List"	means the official list of the UK Listing Authority;
"Option Agreement"	means the agreements in the Agreed Form to be entered into between the Company and each of Geoffrey Dart, Paul Barham and Stephen Komlosy as a condition to completion of the Subscription;
"Ordinary Shares"	means ordinary shares of one penny each in the Company following implementation of the Capital Reorganisation;
"Panel"	the Panel on Takeovers and Mergers;
"Press Announcement"	means the press announcement in the Agreement Form;
"Relationship Agreement"	means the agreement in the Agreed Form to be entered into between the Company and the Subscribers on completion;
"Resolutions"	mean the resolutions set out in the notice of the EGM incorporated in the Circular;
Service Agreement"	means the agreement in the Agreed Form to be entered into between the Company and Geoffrey Dart, as a condition to completion of the Subscription;
"Subscribers Solicitors"	means Gouldens of 10 Old Bailey, London EC4M 7NG;

"Subscription"	means the subscription for the Subscription Shares pursuant to this Agreement;
"Subscription Shares"	means the 36,733,336 new Ordinary Shares to be subscribed by the Subscribers pursuant to this Agreement;
"subsidiary"	means a subsidiary as defined in section 736 of the Act;
"subsidiary undertaking"	means a subsidiary undertaking as defined in section 258 of the Act;
"UK Listing Authority"	means the Financial Services Authority in its capacity as a competent authority for the purposes of Part IV of the Financial Services Act 1986;
"Warranties"	means the warranties by the Company contained in Schedule 2 of the Agreement;

1.2 Any reference in this agreement, express or implied, to an enactment includes references to:

- (a) that enactment as re-enacted, amended, extended or applied by or under any other enactment (before or after the signature of this agreement);
- (b) any enactment which that enactment re-enacts (with or without modification); and
- (c) any subordinate legislation made (before or after the signature of this agreement) under that enactment, as amended, extended or applied as described in paragraph (a) above or under any enactment, referred to in paragraph (b) above;

and "enactment" includes any rule, regulation or requirement of the London Stock Exchange, the UK Listing Authority, the Securities and Investments Board, any recognised self regulating organisation and any other body or authority acting under the authority of any enactment passed in any jurisdiction.

1.3 References in this agreement to the Admission of any securities becoming effective are references to the decision of the UK Listing Authority to admit the securities to Official List becoming effective in accordance with the Listing Rules and the decision of the London Stock Exchange to admit the securities to trading on the London Stock Exchange becoming effective.

1.4 Any reference in this agreement to an uncertificated share, or to a share being held or issued in uncertificated form, shall mean a share which is, or will on issue be, recorded on the register of members of the Company as being held in uncertificated form, and any reference to a certificated share shall mean any share other than an uncertificated share.

1.5 The headings in this agreement do not affect its interpretation.

2. Agreement to subscribe

- 2.1 Subject to conditions set out in clause 6.4, each of the Subscribers shall subscribe for, and the Company shall allot and issue to it, that number of Subscription Shares set out against his name in Schedule 1 at a subscription price of three pence per Subscription Share payable on the date this agreement becomes unconditional in all respects.
- 2.2 The Subscription Shares will be allotted on terms that, when issued, they will rank *pari passu* in all respects with the existing issued Ordinary Shares (following implementation of the Capital Reorganisation), including the right to participate in full in all dividends and other distributions declared, paid or made after the date of this agreement.

3. Consideration

- 3.1 The consideration payable by the Subscribers for the Subscription Shares shall comprise:-
- (a) in the case of Cybertec, as to £230,354.80 in cash, and as to the balance of £182,000.00 by the allotment to the Company of 1,800,000 new Cybertec Shares calculated at a price of 10p per Cybertec Share ;
 - (b) in the case of HHC as to the whole £332,312 to be subscribed by Harrell, by the transfer to the Company of 3,323,120 existing Cybertec Shares based on a price of 10p per Cybertec Share; and
 - (c) in the case of all other Subscribers, the cash amount set opposite their respective names in Schedule 1.
- 3.2 Cybertec shall procure that the Consideration Shares to be allotted to the Company pursuant to Clause 3.1(a) shall be allotted on this agreement becoming unconditional in all respects and that such shares shall be allotted credited as fully paid and shall rank *pari passu* in all respects with the Cybertec Shares then in issue and Cybertec shall deliver to the Company a certificate for such Consideration Shares as soon as reasonably practicable thereafter.
- 3.3 HHC shall procure that the Consideration Shares to be transferred to the Company pursuant to clause 3.1(b) shall be transferred free and clear of all liens charges and other encumbrances whatsoever and on this agreement becoming unconditional:-
- (a) HHC shall deliver to the Company, or to the Company's Solicitors on its behalf, a duly executed transfer of the Consideration Shares; and
 - (b) surrender to Cybertec its share certificate for sufficient Cybertec Shares so as to enable Cybertec to issue a balancing certificate to HHC and a new certificate to the Company in respect of the Consideration Shares following registration of the transfer referred to in paragraph 3.3(a) above;
- 3.4 Cybertec and HHC reserve the right, in their absolute discretion, to satisfy the whole of the consideration for the Subscription Shares to be subscribed by them in cash, in which case, the consideration for such Subscription Shares shall be £412,354.80 and £332,312.00 respectively.

- 3.5 Each of the Subscribers shall procure that the cash consideration payable for Subscription Shares shall be paid in cleared funds to account referred to in clause 7 of this agreement on the day this agreement becomes unconditional in all respects.

4. Period between exchange and completion

- 4.1 During the period between the date of this agreement and the date on which all of the conditions referred to in clause 6.4 are satisfied or waived, the Company shall subject to the Directors fiduciary duties under general law, the Code and Listing Rules:-

- (a) procure that each member of the Group shall carry on business only in the normal course and with a view to profit;
- (b) not permit the disposal of any of its business or assets except for those matters disclosed in the Circular or the incurring of any capital expenditure in excess of £5,000 without the prior written consent of Cybertec on behalf of the Subscribers; and
- (c) provide to the Investment Consortium promptly after any written request has been received such information relating to the business assets liabilities and affairs of the Group as Cybertec on behalf of the Investment Consortium may from time to time reasonably require.

- 4.2 During the period between the date of this agreement and the date on which all of the conditions referred to in clause 6.4 are satisfied or waived, the Company shall not do or permit anything to be done which is or would be in material breach of the Warranties.

5. Warranties

- 5.1 The Company warrants to each Subscriber that each of the statements set out in Schedule 2 is true and accurate as at the date hereof.
- 5.2 The Warranties are given subject only to those matters fairly disclosed in the Disclosure Letter and no information of which any Investor has actual or constructive knowledge shall prejudice any claim under the Warranties made by any Investor or its successors in title, nor operate to reduce any amount recoverable thereunder.
- 5.3 Where any of the Warranties or any provision or disclosure made or referred to in the Disclosure Letter is qualified by the expression "to the best of the knowledge, information and belief of the Company" or "so far as the Company is aware" or any similar expression referable to the Company, then (unless clearly not admitted by the context) that paragraph shall be deemed to include an additional warranty to the effect that the statement has been made after due and careful enquiry of the directors of the Company and S McNeice, P Grimmer, P Cambell, J Tufo, M Reid and A Broadbridge.
- 5.4 Each of the Subscribers confirms to the Company that at the date of this Agreement that they are not aware of any matter, fact circumstance or event which does or which may render any of the Warranties untrue or inaccurate.

- 5.5 The Company shall notify the Subscribers as soon as reasonably practicable on becoming aware at any time prior to the Admission of the Subscription Shares becoming effective of anything which indicates:
- (a) that any of the Warranties was at the date of this agreement untrue ; or
 - (b) that, if any of the Warranties were to be repeated at any time prior to the Admission of the Subscription Shares becoming effective by reference to the facts and circumstances then existing, it would then be untrue ; or
 - (c) a material breach by the Company of any of the other terms of this agreement.
- 5.6 Save for carrying on the business of the Group in the ordinary course, any requirements under the Code, Listing Rules or under general law the Company will not cause or, so far as it is able, permit, and will procure that none of its subsidiaries will cause or, so far as it is able, permit, any event to occur at any time after the date of this agreement and prior to the Admission of the Subscription Shares becoming effective which would cause any of the Warranties to be breached, untrue or inaccurate if the Warranties were repeated at that time by reference to the facts and circumstances then existing.
- 5.7 The Warranties shall remain in force after completion of the arrangements contemplated by this agreement.
- 5.8 The liability of the Company under the Warranties shall be limited in the manner set out in Schedule 3.
- 5.9 Cybertec hereby warrants to the Company as follows:
- (a) that Cybertec has all the necessary power and authority under its Memorandum and Articles of Association to enter into this agreement and perform its obligations hereunder;
 - (b) that Cybertec has all necessary power and authority to create, allot and issue the Cybertec Shares without any additional authority, sanction or consent required from members of Cybertec or any class of them (as the case may be); and
 - (c) that the Consideration Shares to be allotted to the Company by Cybertec pursuant to this agreement will, on allotment, be issued credited fully paid and will rank pari passu in all respects with all other existing issued shares in the capital of Cybertec and that the legal and beneficial interest of those Consideration Shares will be freely transferable by the Company in accordance with the Articles of Association of Cybertec which contain no restrictions on transferability, save for certain discretions reserved to the board of Cybertec to refuse to register transfers in certain limited circumstances.
- 5.10 HHC hereby warrants to the Company as follows:-
- (a) that HHC has all the necessary power under its Memorandum and Articles of Association to enter into this Agreement and perform its obligations hereunder;

- (b) that HHC has all necessary power and authority to transfer the Consideration Shares to be transferred to the Company by HHC pursuant to this agreement without any additional authority, sanction or consent required from members of HHC or any class of them; and
 - (c) that the Consideration Shares to be transferred to the Company by HHC pursuant to this agreement will be transferred free and clear of all lien, charges and other encumbrances of whatever nature and that the legal and beneficial interest in those Consideration Shares will be freely transferable by the Company in accordance with the Articles of Association of Cybertec which contain no restrictions on transferability;
- 5.11 The liability of each of Cybertec and HHC in respect of the warranties set out in Clauses 5.9 to 5.10 above shall be limited to the value of the Subscription Shares issued to each of them calculated as at the date of this Agreement.

6. Conditions and Termination

- 6.1 Subject to clause 6.5, no party shall have any further rights or obligations under this agreement if any of the circumstances mentioned in subclause 6.2 occurs and before the Admission of the Subscription Shares becomes effective, and after consultation with the Company (to the extent practicable), Cybertec (on behalf of all the Subscribers) serves on the Company a notice (a "termination notice") which states that the Subscribers are bringing this clause into operation and sets out reasonable details of the main events or matters which it considers are relevant for the purposes of subclause 6.2.
- 6.2 Those circumstances are if:
- (a) the Company does not publish the Press Announcement through the Regulatory News Service of the London Stock Exchange (or, if such news service is not operational, the release of the Press Announcement to the London Stock Exchange) before 8.00 a.m. on 2001 and despatch the Circular and accompanying proxy form on that day; or
 - (b) any of the Warranties are untrue or misleading in any respect which is material in the context of the Group; or
 - (c) an event has occurred, on or after the date of this agreement and in the light of that event any of the Warranties would be untrue in any respect which is material in the context of the Group were they to be repeated at any time prior to the Admission of the Subscription Shares becomes effective by reference to the facts and circumstances then existing; or
 - (d) the Company fails to comply with any obligation under this agreement or otherwise relating to Subscription and such failure to comply is material in the context of the Group
- 6.3 A termination notice may be served by the method prescribed by clause 13.
- 6.4 The obligations of the Subscribers under this agreement are conditional on:

- (a) the UK Listing Authority agreeing (and not having withdrawn such agreement) to admit the Subscription Shares to the Official List and the London Stock Exchange agreeing to admit the Subscription Shares to trading (subject only to the passing of the Resolutions and allotment on or before 3.00 p.m. on 2001, or such later date, not being later than 3.00 p.m. on 30 June 2001 as Cybertec (on behalf of the Subscribers) and the Company may agree);
- (b) the Resolutions being passed at the EGM without amendment;
- (c) the Capital Reorganisation becoming effective, (subject in case of any reduction of capital only, to the sanction of the Court) for the avoidance of doubt, the failure or refusal of the Court to sanction any reduction of capital shall not constitute a non fulfilment of any condition of the Agreement nor shall it be grounds for termination of this Agreement;
- (d) the Disposal Agreement having been completed in accordance with its terms;
- (e) each of Geoffrey Dart, Paul Barham and Stephen Komlosy having been appointed as additional directors of the Company, subject only to Admission of the Subscription Shares becoming effective by 8.00 a.m. on 2001;
- (f) the Service Agreement, Letters of Appointment, the Relationship Agreement and the Option Agreements having been duly executed by the parties and having come into effect, subject to Admission of the Subscription Shares becoming effective by 8.00 a.m. on 2001;
- (g) a report having been prepared by KPMG in relation to the value of the Consideration Shares in accordance with section 108 of the Act and such report having been delivered to the Company and to the Subscribers Solicitors (on behalf of Cybertec and HHC);
- (h) the Admission of the Subscription Shares becoming effective by 8.00 a.m. on 2001 or such later date, not being later than 8.00 a.m. on 30 June 2001 as Cybertec and the Company may agree.

6.5 If a termination notice is served, or if any of the conditions set out in clause 6.4 are not fulfilled by the specified time or date or shall have become incapable of being fulfilled by 30th June 2001 and have not been waived by Cybertec on behalf of the Subscribers, each Subscriber and the Company shall be released from its obligations under this agreement (so that no party shall have any claims against the other for costs, damages, compensation or otherwise) except:

- (a) in respect of any previous breach of any provision of this agreement other than the Warranties; and
- (b) the provisions of clause 1, clauses 6.5 and 6.6 and 11 to 14 shall continue to apply,

so that if this clause applies, the Subscribers shall not be able to bring any claim against the Company under the Warranties.

- 6.6 If the Subscribers' obligations are terminated under any of the above provisions of this clause the Company shall as soon as practicable announce that fact to the London Stock Exchange and notify the UK Listing Authority.
- 6.7 Subject to clause 6.9 the Company shall be entitled to terminate this Agreement if any of the circumstances mentioned in clause 6.8 occur, and if after consultation with Cybertec and the other Subscribers the Company serves a notice (a "termination notice") in the manner prescribed in clause 13 which states that the Company is bringing this clause into operation.
- 6.8 These circumstances are if:
- a) any of the warranties referred to in clauses 5.9 or 5.10 are untrue or misleading in any respect which is material in the context of the Subscription; or
 - (b) an event has occurred, or is likely to occur, on or after the date of this Agreement and in the light of that event any of the warranties in clause 5.9 or 5.10 would be untrue or misleading in any respect which is material in the context of the Subscription were they to be repeated at any time prior to Completion.
 - (c) the Subscribers fail to comply with any obligations under this Agreement or otherwise relating to the Subscription and such failure to comply is material in the context of the Subscription.
 - (d) Cybertec Shares cease to be traded on the OFEX market or on another recognised investment exchange in the United Kingdom.
- 6.9 If a termination notice is served, each Subscriber and the Company shall be released from their obligations under this Agreement (so that no party shall have any claim against the other for cost, damages, compensation or otherwise) except the provisions of clauses 10 to 14 shall continue to apply.

7. Allotment and Payment

Following satisfaction (or waiver by Cybertec on behalf of the Subscribers) of the conditions set out in clause 6.4 (other than the condition in clause 6.4(h)):

- (a) the Company shall:
 - (i) deliver to the Subscribers at the offices of the Subscribers' Solicitors a duly executed letter from the Company in the form set out in Schedule 4, dated the date of delivery ; and
 - (ii) allot, conditional only upon Admission of the Subscription Shares becoming effective, the Subscription Shares to the Subscribers in the proportions set out against their names in Schedule 1 ; and
 - (iii) deliver to the Subscribers confirmation from the Company's registrar that the relevant Subscription Shares have been credited to the CREST accounts of each Subscriber specified in Schedule 1 in disabled form

and that upon Admission of those securities becoming effective, such securities will automatically become enabled in CREST; and

- (b) each Subscriber will send or procure there is sent by telegraphic transfer the subscription money on the date this agreement becomes wholly unconditional to the account of the Company's solicitors, National Westminster Bank plc, at Colmore Row Birmingham, Sort Code: 60 02 35, Account Number: 01300601; and
- (c) Cybertec shall procure that Consideration Shares which are to be allotted by it pursuant to clause 3.1(a) will be allotted to the Company and Cybertec will procure that an announcement is made confirming the allotment of those Cybertec Shares as soon as practicable on Newstrack.
- (d) HHC will deliver to the Company, or to the Company's Solicitors on its behalf, an executed stock transfer form in respect of those Consideration Shares being transferred to the Company by HHC pursuant to clause 3.1(a).

8. Confirmations

Each of the Subscribers confirms to the Company that:-

- 8.1 the existing employment rights including pension rights of the management and employees of the Group will be safeguarded;
- 8.2 following completion of the Disposal Agreement, it is their current intention to assist the Company and the existing Directors in focussing on the development of the air conditioning activity and undertaking of Benson Environmental Limited conducted at West Moseley and Basingstoke;
- 8.3 save for this Agreement and the Relationship Agreement, there is in force no agreement, understanding arrangement relating to the ongoing relationship of the Subscribers as regards their holding of Ordinary Shares in the Company nor is any such agreement, understanding or arrangement currently contemplated in the future; and
- 8.4 so far as the Subscribers are aware, there are no agreements in force between any Subscriber or Affiliate and any one or more of the existing shareholders of the Company or any person connected with any one or more of such shareholders.

9. Lock-In Arrangement

- 9.1. Each of Cybertec and HHC severally undertake to the Company (in order to ensure an orderly market in the Company's shares) that for a period of 12 months from the date of this Agreement (the "Relevant Period") each will not, directly or indirectly transfer, sell or otherwise dispose of the legal or beneficial ownership of any of the Subscription Shares allotted to Cybertec or HHC without the written consent of the Company or the Company's Brokers ("the Locked in Shares") save:-

- 9.1.1 in the event of an intervening court order;

- 9.1.2 or in acceptance of a general offer made to shareholders of the Company in accordance with the Code to acquire all the Ordinary Shares (other than any such shares which are already owned by the person making such offer or any person(s) acting in concert with it) which has become or been declared unconditional in all respects; or
 - 9.1.3 pursuant to any compromise or arrangement under section 425 of the Act providing for the acquisition by any person (or group of persons acting in concert) of 50% or more of the equity share capital of the Company which has been recommended by the Directors; or
 - 9.1.4 pursuant to any scheme of reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company; or
 - 9.1.5 to the execution of an irrevocable undertaking to accept a general offer made to shareholders of the Company (or to all such shareholders other than the offeror and/or any body corporate controlled by the offeror and/or any persons acting in concert with the offeror) to acquire all the issued Ordinary Shares (other than any shares which are already owned by the person making such offer and any other person acting in concert with him) and which offer has been or is recommended by the board of directors of the Company or where such irrevocable commitment is expressed to be conditional upon such general offer being recommended or
 - 9.1.6 in circumstances where the Company consents in writing to such disposal.
- 9.2. Each of Cybertec and HHC hereby severally undertakes to the Company that, in order to preserve an orderly market in the Ordinary Shares, they will effect any sales of Subscription Shares permitted by the Company or the Company's Brokers under clause 9.1 during the Relevant Period through the Company's Brokers (or the Company's nominated broker from time to time) or any other broker at that time
- 9.3 The restrictions contained in clause 9.1 shall not apply to a transfer or disposal by Harrell or Cybertec to a company which is its ultimate holding company or any of its subsidiaries or subsidiary undertakings, or to any subsidiary or subsidiary undertaking of its ultimate holding company PROVIDED THAT:
- (a) any such transferee(s) shall first undertake to be bound by the restrictions of this Agreement by the execution of a Deed of Adherence in or substantially in the form set out in Schedule 5 to this Agreement; and
 - (b) in the event that any such transferee(s) cease(s) to be an ultimate holding company or a subsidiary undertaking of such a person or of an ultimate holding company any such interest the Subscription Shares will first be transferred to its respective ultimate holding company or any of its respective subsidiaries or any subsidiary of its respective ultimate holding company and be held subject to the restrictions of this Agreement.
- 9.4 The restrictions contained in Clause 9.1 shall cease to apply in the event a notice of a claim by either of Cybertec or HHC against the Company for a breach of the Warranties is delivered to the Company in accordance with clause 5.4.

10. The Capital Reorganisation

- 10.1 As soon as reasonably practicable following the passing of the Resolutions, the Company will present a petition to the Court seeking its approval of the reduction of the Company's share capital (by the cancellation of the Deferred Shares) in the manner described in the Circular and use its reasonable endeavours to ensure that an order of the Court approving the said reduction of capital and cancellation of Deferred Shares is granted as soon as reasonably practicable.
- 10.2 The Company will on request by any Subscriber confirm in writing the status of the application to the Court referred to in clause 10.1 above.

11. Publicity, announcements and confidentiality

- 11.1 The Company covenants with each of the Subscribers that without the prior consent of that Subscriber it will not, and will not permit any other person to, make any announcement or statement concerning, nor publicise in any way, that Subscriber's connection (or that of any Affiliate of that Subscriber) with the Company nor any other information or opinion concerning the Subscriber (or its Affiliate) except;
- (i) where the announcement, statement or publicity merely repeats information contained in the Circular or other announcement, statement or publicity issued by the Company in compliance with this clause; or
 - (ii) to the extent the Company is required by law, the London Stock Exchange, the UK Listing Authority, the Panel or any other recognised stock exchange or any other regulatory authority to issue such announcement, statement or publicity and provided the Company has, where reasonably practicable, consulted the Subscriber in advance as to the contents and form of the announcement, statement or publicity and taken into account the reasonable representations of the Subscriber in relation thereto.
- 11.2 The terms of this Agreement shall be confidential to the parties and each party (shall in so far as he is able to procure that the Company shall not) without the prior consent of the other parties make any announcement concerning it or otherwise disclose or divulge any information concerning the subscription including any of the terms of this Agreement, save to the extent (if any) required by law, the Code, the Listing Rules and any other regulatory authority.

12. Miscellaneous

- 12.1 Time is to be of the essence as regards times, dates and periods fixed in this agreement or altered by mutual agreement in writing.
- 12.2 Nothing in this agreement excludes or restricts any right or remedy under the general law (including the Act) of the Subscribers or any person who acquires or agrees to acquire any of the Subscription Shares.
- 12.3 No Subscriber shall be liable for the default of another Subscriber under this agreement.

12.4 The Company undertakes to the Subscribers that, until this agreement either terminates or is completed, it will not solicit any investment by any person in the Company other than as contemplated by the Circular.

12.5 This agreement may be executed in any number of counterparts all of which, taken together, shall constitute one and the same agreement and any party may enter into this agreement by executing a counterpart.

13. Notices

13.1 Any notice or other document to be served under this agreement may be delivered or sent by facsimile process to the party to be served as follows:

(a) in the case of any of the Subscribers, to the Subscribers' Solicitors at :

10 Old Bailey
London
EC4M 7NG
Fax : 44 (0)20 7583 6777

marked for the attention of Simon Allport

(b) in the case of the Company, to Rob Unsworth at the Company's registered office

Fax : 0208 941 7780

marked for the attention of Rob Unsworth

or at such other address or to such other addressee as it may have notified to the other parties in accordance with this clause.

13.2 In proving service of a notice or document, it shall be sufficient to prove that delivery was made or that the facsimile message was properly addressed and despatched as the case may be.

14. Governing law

This agreement is governed by and shall be construed in accordance with the laws of England and each of the parties hereby irrevocably submits to the jurisdiction of the English courts.

AS WITNESS the hands of the duly authorised representatives of the parties on the date which appears first on page 1.

SIGNED on behalf of)
ENERGY TECHNIQUE plc)
by)

✓ *Frank Kelley*

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SIGNED on behalf of
ENERGY TECHNIQUE plc
by

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Rm Munro
please sign here.

SIGNED on behalf of
CYBERTEC HOLDINGS plc
by

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SIGNED on behalf of
HARRELL HOSPITALITY GROUP INC.
by

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SIGNED on behalf of
BASKERVILLE HOLDINGS LIMITED
by

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SIGNED by VINCENT TCHENGUIZ

)

SIGNED by MICHAEL CONNELL

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SIGNED by GERARD THOMPSON

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SIGNED on behalf of
ENERGY TECHNIQUE plc
by

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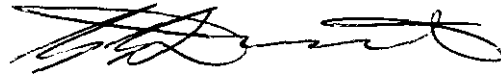
SIGNED on behalf of
CYBERTEC HOLDINGS plc
by

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SIGNED on behalf of
HARRELL HOSPITALITY GROUP INC.
by

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SIGNED on behalf of
BASKERVILLE HOLDINGS LIMITED
by

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SIGNED by VINCENT TCHENGUIZ

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SIGNED by MICHAEL CONNELL

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SIGNED by GERARD THOMPSON

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SIGNED on behalf of
CYBERTEC HOLDINGS plc
by

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SIGNED on behalf of
HARRELL HOSPITALITY GROUP INC.
by

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 SIGNED by VINCENT TCHENGUIZ

)



SIGNED by MICHAEL CONNELL

)

SIGNED by GERARD THOMPSON

)

SIGNED on behalf of
ENERGY TECHNIQUE plc
by Leigh Stimpson

)
)
)



SIGNED on behalf of
CYBERTEC HOLDINGS plc
by

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SIGNED on behalf of
HARRELL HOSPITALITY GROUP INC.
by

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SIGNED by VINCENT TCHENGUIZ)

SIGNED by MICHAEL CONNELL)



SIGNED by GERARD THOMPSON)

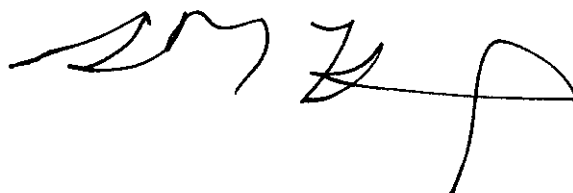
SIGNED on behalf of)
CYBERTEC HOLDINGS plc)
by)

SIGNED on behalf of)
HARRELL HOSPITALITY GROUP INC.)
by)

SIGNED by VINCENT TCHENGUIZ)

SIGNED by MICHAEL CONNELL)

SIGNED by GERARD THOMPSON)

A handwritten signature in black ink, appearing to be 'G. Thompson', written over a horizontal line.

SCHEDULE 1

Subscriber	Number of Subscription Shares	Consideration
Harrell Hospitality Group Inc. 16475 Dallas Parkway Suite 410 Addison, Texas 75001, USA.	11,077,066	3,323,120 Consideration Shares
Cybertec Holdings plc Rosedale House Rosedale Road Richmond, Surrey TW9 2SZ	13,745,160	as to £230,354.80 in cash and as to the balance of £182,000 in 1,820,000 Consideration Shares
Baskerville Holdings Limited 14/15 Mount Havelock Douglas Isle of Man IM1 2QG	3,176,296	£95,288.88 in cash
Vincent Tchenguiz 18 Upper Grosvenor Street, London W1K 7PW United Kingdom	4,764,444	£142,933.32 in cash
Michael Connell 26 North Street, Liverpool LT2 9RU United Kingdom	3,176,296	£95,288.88 in cash
Gerard Thompson 14 Herbert Cresent, London SW18 4HB United Kingdom	794,074	£23,822.22 in cash

SCHEDULE 2

WARRANTIES

- (1) All statements of fact contained in the Press Announcement and the Circular are true and accurate in all material respects relating to the Company, the Group its directors or employees and are not misleading and all expressions of opinion, intention and expectation expressed in them are honestly held and fairly made by the Company and each of the Directors on reasonable grounds and there are no other facts known relating to the Company, the Group its directors or employees (or which on reasonable enquiry could be known) to the Company or any of the Directors the omission of which would make any statement in the Press Announcement or the Circular misleading or which would affect the import of any information contained therein.
- (2) All statements of fact contained in any other press announcement or any supplementary prospectus made or published by the Company relating to the Company, the Group its directors or employees before the Admission of the Subscription Shares becomes effective will be true and accurate in all material respects and not misleading and all expressions of opinion, intention or expectation expressed in it will be honestly held and fairly made by the Company and each of the Directors on reasonable grounds after due and proper consideration and there will be no other facts relating to the Company, the Group its directors or employees known (or which on reasonable enquiry could be known) to the Company or any of the Directors the omission of which would make any statement in any announcement or supplementary prospectus misleading or which would affect the import of any information contained therein.
- (3) The Circular contains all information which investors and their professional advisers would reasonably require and reasonably expect to find there for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company and of the rights attaching to Subscription Shares, having regard to the matters specified in section 146(3) of the Act, and contains particulars required to comply with all statutory and other legal provisions of the United Kingdom which are relevant in the context of publication of the Circular and the rules and requirements of the Listing Authority, the Listing Rules and the City Code on Takeovers and Mergers.
- (4) The Accounts give a true and fair view of the state of affairs of the Company and of the Group as at the date to which those accounts were prepared and of the profit and loss of the Group for the period ended on that date and were prepared in accordance with the requirements of the Companies Act 1985 and with generally accepted accounting principles and practices consistently applied during the relevant financial period and the preceding financial period. The Interim Accounts give a true and fair view of the state of affairs of the Group as at the date to which the Interim Accounts were prepared and the profit and loss of the Group for the period ended on that date and were prepared in accordance with generally accepted accounting principles and practices consistently applied during the relevant financial period and the preceding financial period.

- (5) Since 30 September 2000 and except as disclosed in the Circular, the business of the Group has been carried on in the ordinary and usual course, there has been no material adverse change in the financial or trading position of the Group and no contracts or commitments of an onerous or unusual nature or for the acquisition or disposal of any business, company or asset have been entered into by any member of the Group which are of material importance in the context of the issue of the Subscription Shares.
- (6) Since 30 September 2000, no member of the Group has carried out any transaction otherwise than in conformity with its constitutional documents.
- (7) Except as disclosed in the Circular no member of the Group is engaged in any legal or arbitration or similar proceedings or in any governmental, regulatory or similar investigation which may have, or have had during the twelve months immediately preceding the date of this agreement, a significant effect on the financial position of the Group or which, individually or collectively, are or will be of material importance in relation to the issue of the Subscription Shares and so far as it is aware the Company is not aware that any such proceedings, investigations or inquiries are pending or threatened, nor are there any circumstances known to the Company or any of the Directors (having made all reasonable enquiries) which are likely to give rise to any such proceedings, investigations or inquiries.
- (8) No circumstances have arisen or, so far as the Company or any of the Directors is aware, are likely to arise such that any indebtedness in respect of borrowed money or any share capital of any member of the Group is or will, or would with the giving of notice, lapse of time, or the satisfaction of any other condition or the making of any determination, become repayable or redeemable before its stated maturity or the date of redemption and no person to whom any indebtedness in respect of borrowed money is owed by any member of the Group which is repayable on demand has demanded or threatened to demand repayment.
- (9) The Company has power under its memorandum and articles of association to implement the Subscription (including to create, allot and issue the Subscription Shares in accordance with this agreement) without any authority, sanction or consent by members of the Company or any class of them (apart from the Resolutions) and except as disclosed in the Circular there are no other consents required by the Company for the implementation of the Subscription (including the allotment and issue of the Subscription Shares) which have not been unconditionally obtained.
- (10) The implementation of the Subscription (including the creation, allotment and issue of the Subscription Shares) will comply with the Companies Act 1985, the Listing Rules, the City Code on Takeovers and Mergers and the Act, all other relevant laws and governmental or other regulations of the United Kingdom and the terms of all agreements to which any member of the Group is a party or by which any of them or their assets is bound will not result in any adjustment or variation of any contract to which any member of the Group is party or otherwise affect the rights enjoyed or benefits derived by any party under such contract otherwise than to an extent not materially adverse in the context of the subscription by the Subscribers of the Subscription Shares.

- (11) So far as the Company or any of the Directors are aware, no circumstances have arisen such that any person would be entitled either to terminate any contract to which the Company or any member of the Group is a party or to make any claim under any provision contained in any such contract imposing any penalty in respect of late or other failure in performance and which, in either case, would have a material adverse effect on the financial or trading position of the Group or otherwise be material in the context of the subscription by the Subscribers of the Subscription Shares.
- (12) No member of the Group has taken any action nor have any steps or legal proceedings been threatened against them nor, so far as the Company or any of the Directors (having made all reasonable enquiries) are aware, have any other steps or legal proceedings been taken or started for their winding up or dissolution, or for any of them to enter into any arrangement or composition for the benefit of creditors, or for the appointment of a receiver, administrator, trustee or similar officer of any of them, or any of their respective properties, revenues or assets.
- (13) Save as disclosed in the Accounts the Company has at all times complied with limits on the borrowing powers exercisable by the Directors under its memorandum and articles of association.
- (14) Due compliance has been made with all material legal requirements relating to the formation of the Company and all members of the Group.
- (15) Save as disclosed in the Circular, there are no options, rights of pre-emption or rights to acquire any shares of the Company or of any other member of the Group.
- (16) There are no companies, undertakings, partnerships or joint ventures in existence whose results are not consolidated with the results of the Group, but whose default would affect the indebtedness or increase the contingent liabilities of the Group to an extent which would have a material adverse effect on the financial or trading position of the Group or would otherwise be material to the Subscribers as subscribers of the Subscription Shares.
- (17) All the assets and undertakings of the Group are and have at all material times been insured in such manner and for such amounts as would be normal for businesses such as those carried on by the Group and all such insurance policies are currently in full force and effect and, so far as the Company or any of the Directors are aware, nothing has been done or omitted to be done which could make any policy of insurance void or voidable.
- (18) All information an index of which is attached to the Disclosure Letter given by the Directors or by other employees of the Group to Milsted Langdon in connection with or for the purpose of preparation of the Due Diligence Report was when supplied given in good faith and in the honest and reasonable belief that the same was correct in all material respects and not misleading at the time the information was supplied and any events which have occurred since such information was supplied and which the Directors are aware would make such information incorrect or misleading is fully described in the Disclosure Letter.

- (19) All proper and necessary books of account, ledgers, minute books, registers and records have been properly and accurately kept in all material respects and completed by the Company and accurately present and reflect in accordance with generally accepted accounting principles and standards and as required by law the assets and liabilities (actual and contingent) of the Company and all transactions to which it is or has been a party.
- (20) The Management Accounts have been prepared in accordance with generally accepted accountancy practice and principles consistently applied (and on a basis consistent with that upon which the Accounts (and all management accounts of the Company for the preceding twenty four months) were prepared) and adequately reflect in all material respects the assets and liabilities (whether actual or contingent) and the state of the financial affairs of the Company at the dates to which they have been prepared and of its results over the period from 30 September 2000 to the date ended thereon.
- (21) To the best of the knowledge, information and belief of the Company, each member of the Group has all intellectual property rights necessary to enable it to operate its business lawfully and, to the best of the knowledge, information and belief of the Company, none of the operations of the businesses of any member of the Group infringes any right of any kind vested in any other party and the Company and each other member of the Group has taken reasonable steps to register or otherwise protect all intellectual property rights currently in use by it which are material to its business.
- (22) To the best of the knowledge, information and belief of the Company, neither the Company nor any other member of the Group has any material environmental liabilities and the Company is not aware of any facts or circumstances which would give rise to material environmental liabilities.
- (23) The Group has complied in all material respects with its obligations under all legally binding statutes, regulations, orders and/or codes of practice (in force at Completion) which protect or relate to the protection of the environment and/or the health and well being of individuals and/or other living creatures. Without limiting the foregoing none of the properties owned or used by any member of the Group at Completion is situate on, or adjoins contaminated or reclaimed or filled land and neither those properties nor the business of the Group carried on there or require the Group to obtain any licence under the Environmental Protection Act 1990 and related legislation, in force at Completion.
- (24) The Company is in exclusive possession of each of the properties owned or used by members of the Group. The properties detailed in the Circular comprise the only properties occupied by the Group. To the best of the information, knowledge and belief of the Company, there are no covenants, restrictions or stipulations or outgoings affecting each of the properties which are of an onerous or unusual nature. There are no subsisting allegations of any breach of any obligations, conditions and covenants in any leases relating to any of the properties or their present use.

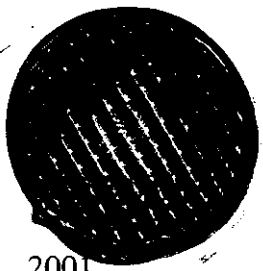
SCHEDULE 3

LIMITATIONS ON LIABILITY

The liability of the Company under the Warranties shall be limited as follows:-

1. no claim under the Warranties ("a relevant claim") may be made unless written notice of the claim concerned has been given to the Company before the date three months following the publication of the audited report and accounts of the Company for the year ended 31 March 2002;
2. no relevant claim may be made against the Company unless and until the aggregate amount of all relevant claims shall exceed £5,000 although (subject to paragraph 3 below) once such limit is exceeded the full amount of all such relevant claims and any other relevant claims shall be recoverable;
3. the maximum aggregate liability of the Company under all relevant claims shall not exceed £1,102,000 plus the aggregate amount of any costs charges and expenses incurred in bringing or enforcing any claim(s) or rights in respect thereof;
4. no relevant claim may be made in respect of any liability to the extent that the same has already been satisfied pursuant to another relevant claim;
5. If any potential claim under the Warranties arises by reason of a liability of the Company which is contingent only, then the Company will be under no obligation to make payment in respect of the relevant claim until such time as the relevant claim ceases to be contingent and becomes actual but in the meantime the Subscribers shall be entitled to give notice under paragraph 1 and serve proceedings and do such acts as may be required to preserve their rights against the Company under this Agreement.
6. Upon the Subscribers becoming aware that matters have arisen which will give rise to a relevant claim, the Subscribers will as soon as reasonably practicable notify the Company in writing of the potential claim and will provide reasonable details of the matters which will or are likely to give rise to such a relevant claim;
7. The Subscribers shall forthwith reimburse to the Company an amount equal to any sum paid in respect of any claim for breach of Warranties which is subsequently recovered by or paid to the Subscribers or any company in their respective groups from any third party less any costs and expenses irrevocably incurred by the Subscribers in connection therewith.
8. The Company shall not be liable in respect of a claim to the extent that:-
 - 8.1 such liability would not have arisen but for something voluntarily done or omitted to be done by the Subscribers or the Company after Completion otherwise than in the ordinary and proper course of the business of the Company as carried on at Completion and other than a voluntary act or omission necessary to comply with any law or regulation;

- 8.2 the subject matter giving rise to the claim is specifically provided, allowed or reserved in the Management Accounts provided always that full details of such provisions, allowances or reservations are set out in the Disclosure Letter;
- 8.3 the liability arises as a result of any change in the accounting reference date or in the accounting principles, practices or bases of the Company introduced or having effect after Completion except where such change is required in order to ensure that the Company complies with all relevant Accounting Standards which should have been applied;
- 8.4 the liability relating to the subject of the claim is actually recovered by the Company or the Subscribers under any policy of insurance;
- 9. Nothing herein shall in any way diminish the Subscribers common law duty to mitigate their loss.

SCHEDULE 5ADS
NLC

2001**THIS DEED OF ADHERENCE** is made on

22 May

By [NAME] of [ADDRESS] ("Covenantor")

In favour of Energy Technique plc whose registered office is at 47 Central Avenue, West Molesey, Surrey, KT8 2QZ ("Company"), and is supplemental to clause 8 of the subscription agreement ("Subscription Agreement") dated [DATE] 2001 and made between the Company (1) and [NAMES] (2)

NOW THIS DEED WITNESSES as follows:

1. The Covenantor hereby confirms that he or it has been supplied with a copy of the Subscription Agreement and hereby covenants with the Company to observe, perform and be bound by all the terms of clause 8 of the Subscription Agreement as if he or it were a party thereto and named therein.
2. This Deed shall be governed by and construed in accordance with English law.

THIS DOCUMENT has been executed as a deed by the Covenantor and delivered on the date stated at the beginning of this Deed.