

FILOFAX GROUP LIMITED

COMPANY NUMBER: 175064

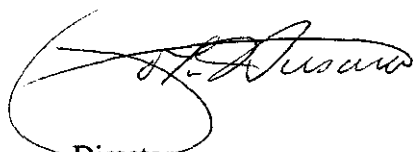
WRITTEN RESOLUTION OF THE SOLE MEMBER

DATED 25 APRIL 2001

Day Runner UK plc, being the sole Member of the above named Company hereby resolves as follows:

THAT the terms of the Third Further Amending Agreements to the Service Contracts of Christopher Brace and Michael Ball, copies of which are attached hereto and initialled for the purposes of identification, be and are hereby approved.

FOR: DAY RUNNER UK PLC


Director



This Third Further Amending Agreement is made on

April 2001

BETWEEN:-

(1) **FILOFAX GROUP LIMITED** whose registered office is at Waverley House, 7/12 Noel Street, London W1V 4NE ("the **Company**") and

(2) **MICHAEL BALL** of Mulberry House, Trumps Green Road, Virginia Water, Surrey GU25 4JA ("the **Director**")

WHEREAS:

The Director is employed by the Company under a service agreement dated 8 June 1998 (the "Service Agreement") as amended by an Amending Agreement dated 30 October 1998, a Further Amending Agreement dated 19 July 2000 and a Second Further Amending Agreement dated 18 January 2001. The parties now wish to amend the Service Agreement further in accordance with the terms of this Agreement. All such amendments in this Third Further Amending Agreement will take effect on the date of this Third Further Amending Agreement.

IT IS HEREBY AGREED AS FOLLOWS:

- 1 The definition of sale contained in Clause 3.3 of the Service Agreement as inserted by Clause 1.3 of the Second Further Amending Agreement dated 18 January 2001 is revoked and replaced by the following:

"Sale" means a sale of the Company or one of its holding companies (with or without Filofax Inc.), or the business of the Company, or one of its holding companies (with or without Filofax Inc.).

2. In the second line of Clause 4B.2 of the Service Agreement the word "employed" shall be amended so as to read "Employed".
3. A new Clause 4.B.4 shall be added to the Service Agreement as follows.

4.B.4 Enhanced Sale Bonus

In addition to any sums due under the Sale Bonus the following shall apply:

1) Subject to Clause 4.B.4(2) in the event of a Sale on or before 31 August 2001 at a sale price (calculated after deduction of the Funding Amount (as defined below) but adding back the amount of any debt assumed by the purchaser (the "Adjusted Sale Price")) of equal to or more than £15.6 million the Director shall be entitled to receive from the Company a bonus (the "Enhanced Sale Bonus") of that proportion of US\$200,000 (or sterling equivalent at the date of completion of the Sale) as agreed between the Director and Christopher Brace and notified in writing to the Company or failing such agreement in such proportion as the Base Salary of the Director bears to the

Base Salary of Christopher Brace as at the date of completion of the Sale (in such latter circumstance the determination by the Company of such proportion being final and binding on the parties). There shall be deducted from the Enhanced Sale Bonus all amounts of tax and employee national insurance contributions as the Company is required by law to deduct. The Company shall pay the Enhanced Sale Bonus to the Director on the date of completion of the Sale. The Director must be Employed at the date of completion of the Sale to be entitled to the Enhanced Sale Bonus.

For the purposes of Clause 4.B.4 "Funding Amount" will equal the aggregate of all sums provided after the date of this Agreement to the Company by the Bank Group or any of them or any third party by way of additional funding or facilities. For these purposes the amount of the facilities shall be the total amount due, payable and outstanding as at the date of the Sale under the terms of these facilities. "Bank Group" means each of Wells Fargo Bank, National Association, Bank of Scotland, Credit Agricole Indosuez, Mellon Bank, N.A., Oaktree Capital Management, LLC and National Westminster Bank plc.

For the purposes of Clause 4.B. the Director shall be "Employed" if he is an employee of the Company or in the event that the Director's employment has been terminated by the Company the Director shall be deemed to be "Employed" unless such termination was by reason of Clause 15.2 of the Service Agreement.

2) In the event that the Adjusted Sale Price is an amount at variance with the sum of £15.6 million (either higher or lower) then the Enhanced Sale Bonus otherwise due to the Director shall be varied (by way of increase in the event that the sum is greater than £15.6 million and decrease if less than £15.6 million) by a sum equivalent to 10% of the Enhanced Sale Bonus pro rata in proportion to each variance of £1 million.

3) In the event that a part only of the Company or business of the Company is sold to a third party which, if the whole had been sold would comprise a Sale, or in the event that there is a material alteration in the structure of the business which has or may have the effect of materially changing the consideration payable on the Sale then the parties to this Agreement shall negotiate appropriate and equitable amendments to Clause 4.B.4 in good faith.

4. Clause 15.10

Clause 15.10 of the Service Agreement shall be deleted.

For the avoidance of doubt the following Clauses are revoked:

Service Agreement dated 8 June 1998 – Clause 15.10
Amending Agreement dated 30 October 1998 – Clause 2.1;
Further Amending Agreement dated 19 July 2000 – Clause 3; and
Second Further Amending Agreement dated 18 January 2001 – Clause 3

A new Clause 15.10 shall be added to the Service Agreement as follows:

15.10.1 Subject to Clause 15.10.4 on the earlier to occur of 15th July 2001 and a Change of Control (as defined below) of the Company, the Director shall be entitled to receive from the Company a sum (the "Change of Control Bonus") which is equal

to 12 months of the Base Salary of the Director at the rate then payable, and the monetary equivalent of 12 months employer pension contributions, insurance benefits and use of the company car all as due to the Director in accordance with the terms of his Service Agreement. There shall be deducted from the Change of Control Bonus all amounts of tax and employee national insurance contributions as the Company is by law required to deduct. Subject to Clause 15.10.5 for the purpose of this Clause a person shall have Control of the Company if he or it holds directly or indirectly shares which together with shares held by any persons acting in concert with him or it carry 30% or more of the voting rights of the Company and "Change of Control" shall be interpreted accordingly. Words and phrases defined in the City Code on Takeovers and Mergers shall have the same meaning in this Clause.

15.10.2 On the date of this Agreement the Company shall pay the sum of £92,153 (which sum is net of tax and employee national insurance contributions) in respect of the Change of Control Bonus (the "Escrow Amount") into an escrow account with a firm of solicitors to be nominated by the parties, to be held in such account in accordance with the terms of the instruction letter set out in Schedule 1. The signing by the Company of the instruction letter in the form of Schedule 1 and the provision by the Company of confirmation of the occurrence of a Payment Event (as defined in and in accordance with the instruction letter in the form set out in Schedule 1) and that the Director remained "Employed" shall constitute the satisfaction by the Company of its entire obligations under this Clause 15.10. For the avoidance of doubt where the Company is obliged to confirm or certify a matter in accordance with the instruction letter set out in Schedule 1 then it shall not unreasonably withhold or delay such confirmation or certification and if the Company has not responded to a request for such certification within 7 days then the certification shall be deemed to have been given and the Payment Event shall be deemed to have occurred and the Director deemed to have been Employed at the relevant date.

15.10.3 In the event that the Base Salary of the Director is increased by agreement between the parties at any time up to the date on which the Change of Control Bonus is due then the Escrow Amount shall be increased (and the Company shall make such payments into the escrow account) as appropriate so that the Escrow Amount accords with the entitlement of the Director to the Change of Control Bonus.

15.10.4 In the event that there has been no Change of Control of the Company as at 15 July 2001, and a liquidator has been appointed in respect of the Company, the payment to be made to the Director under Clause 15.10 shall be reduced by 50% and the Company shall be entitled to withdraw an amount equal to 50% of the Escrow Amount from the escrow account established in accordance with Clause 15.10.2. For the avoidance of doubt this payment shall be due to the Director regardless of any change to his employment status resulting from the appointment of the liquidator.

15.10.5 For the purposes of Clause 15.10, the sale or transfer of the Company to any of its holding companies or to the Bank Syndicate (for the purposes of this Agreement

"Bank Syndicate" shall mean Wells Fargo National Association and certain lenders) shall not constitute a Change of Control.

15.10.6 For the purposes of Clause 15.10 the Director shall be "Employed" if he is an employee of the Company or in the event that the Director's employment has been terminated by the Company the Director shall be deemed to be "Employed" unless such termination was by reason of Clause 15.2 of the Service Agreement.

5. Clause 3.3

Clause 3.3 of the Service Agreement shall be amended as follows:

On the date of this Agreement the Retention Bonus shall be the sum of £21,600, (which sum is net of tax and employee national insurance contributions) which sum shall be paid into an escrow account with a firm of solicitors to be nominated by the parties and held in such account in accordance with the terms of the instruction letter set out as Schedule 2. The signing by the Company of the instruction letter in the form of Schedule 2 and the provision by the Company of confirmation that the Director remained Employed (in accordance with the instruction letter in the form set out in Schedule 2) shall constitute the satisfaction by the Company of its entire obligations under this Clause 3.3. For the avoidance of where the Company is obliged to confirm or certify a matter in accordance with the terms of the instruction letter in the form set out in Schedule 2, it shall not unreasonably withhold or delay such confirmation or certification and if the Company has not responded to a request for such certification within 7 days then the certification shall be deemed to have been given and the Director shall be deemed to have been Employed on the relevant date. For the purposes of this Clause the Director shall be "Employed" if he is an employee of the Company or in the event that the Director's employment has been terminated by the Company the Director shall be deemed to be "Employed" unless such termination was by reason of Clause 15.2 of the Service Agreement.

6. Clause 15.9

A new sentence shall be added to the end of Clause 15.9 of the Service Agreement as follows:

This Clause 15.9 shall be without prejudice to the entitlement of the Director to the Retention Bonus, the Enhanced Sale Bonus and the Change of Control Bonus who shall remain Employed for the purposes of those provisions until the end of the notice period that would otherwise have applied.

- 7 The Director agrees to act as a director of each of the Company, Day Runner UK Limited, Filofax Inc and DRBG UK Limited for the duration of his employment under this Service Agreement without any further compensation. The Company undertakes to maintain appropriate Directors and officers' liability insurance in respect of such appointments in accordance with the existing group policy.
- 8 Except as otherwise amended by agreement between the parties, in all other respects the Service Agreement dated 8 June 1998, the Amending Agreement dated 30 October 1998, the Further Amending Agreement dated 19 July 2000 and Second Further Amending

Agreement dated 18 January 2001 remain enforceable in accordance with their terms and for the avoidance of doubt listed below are the terms which continue in force:

The Service Agreement dated 8 June 1998: All Clauses except Clause 15.10

The Amending Agreement dated 30 October 1998: Clauses 2.2, 4

The Further Amending Agreement dated 19 July 2000: Clauses 1.1, 1.2, 2.1, 2.2 ; and

The Second Further Amending Agreement dated 18 January 2001: Clauses 1.1, 1.3, 2.1, 2.2, 3.1, 4.

IN WITNESS whereof the parties hereto have executed this Agreement as a deed on the day and year first above written

SIGNED as a DEED)
And **DELIVERED** by)
MICHAEL BALL)
In the presence of:-

EXECUTED and DELIVERED)

As a **DEED** by)
FILOFAX GROUP LIMITED)
Acting by two Directors/ a Director)
and the Secretary)

SCHEDULE 1
[TO BE TYPED ON FILOFAX GROUP LIMITED NOTEPAPER]

Dear Sirs

We refer to the Third Further Amending Agreement (the "Agreement") dated [] entered into between Filofax Group Limited and Michael Ball, a copy of which is attached.

In accordance with Clause 4 of the Agreement we have transferred the amount of £92,153 (the "Escrow Amount") into your client account with Royal Bank of Scotland plc, Account Number 20341109 (sort code 15-10-00) (the "Account"), such sum to be held in escrow in accordance with the following irrevocable instructions. The Escrow Amount may be varied by additional payments from Filofax Group Limited only in accordance with the provisions of the new Clause 15.10.3 added by the Agreement or as a result of a reduction authorised by paragraph 2 of this letter.

1. Subject to paragraph 2 the Escrow Amount (as varied from time to time) is to be held in escrow in the Account pending:

- (i) the occurrence of a Payment Event (as defined below); and
 - (ii) the receipt by you of written confirmation from us that Mr. Ball is Employed as defined in the relevant part of the Agreement on the date of the Payment Event,

and thereafter to the order of Michael Ball and once held to Mr. Ball's order you are hereby authorised to deal with that sum as he may direct.

2. In the event of the application of Clause 15.10.4 (as certified by the liquidator) of the Service Agreement (as defined in the Agreement) you are instructed to hold to our order and to release to us a sum equal to 50 per cent. of the Escrow Amount and the sum due to Mr. Ball shall be reduced accordingly.

3. A Payment Event shall be the earlier to occur of:

- (i) a Change of Control (as defined in the Agreement); and
 - (ii) 15th July 2001.

4. The following conditions shall apply to the Account;

- 4.1. All instructions for the withdrawal of monies from the Account shall be signed by ANY ONE PARTNER of Stephenson Harwood (as solicitor to Filofax Group Limited) as scheduled overleaf who shall remain irrevocably instructed by Filofax Group Limited to act in such capacity for the purpose of giving effect to the Agreement.

- 4.2. All interest accruing to the Account shall be paid gross of tax and credited to Filofax Group Limited on a monthly basis.

4.3. Statements shall be supplied to Stephenson Harwood whenever reasonably requested, and each of Filofax Group Limited and Mr Ball shall be entitled to receive copies of such statements.

4.4. Any alteration to the partners signing on behalf of Stephenson Harwood will be advised to you by any one partner of Stephenson Harwood scheduled below.

4.5. Any alteration to the partners signing on behalf of Stephenson Harwood will be advised to you by any one partner of Stephenson Harwood scheduled overleaf.

This Escrow Agreement shall be governed by and construed in accordance with English Law and the parties hereto submit to the non-exclusive jurisdiction of the English courts.

Yours faithfully

For and on behalf of
Filofax Group Limited

.....

Schedule of Partners
signing for Stephenson Harwood

FULL NAME:

.....

.....

SCHEDULE 2
[TO BE TYPED ON FILOFAX GROUP LIMITED NOTEPAPER]

Dear Sirs

We refer to the Third Further Amending Agreement (the "Agreement") dated [] entered into between Filofax Group Limited and Michael Ball, a copy of which is attached.

In accordance with Clause 5 of the Agreement we have transferred the amount of £21,600 (the "Escrow Amount") into your client account with Royal Bank of Scotland plc, Account Number 20341109 (sort code 15-10-00) (the "Account"), such sum to be held in escrow in accordance with the following irrevocable instructions. The Escrow Amount may be varied by additional payments from Filofax Group Limited only in accordance with the provisions of the Agreement.

1. The Escrow Amount is to be held in escrow in the Account pending:
 - (i) the occurrence of the Payment Date (as defined below); and
 - (ii) the receipt by you of written confirmation from us that Mr Ball is Employed as defined in the relevant part of the Agreement on the Payment Date,

and thereafter to the order of Michael Ball and once held to Mr. Ball's order you are hereby authorised to deal with that sum as he may direct.

2. The Payment Date shall be 30th April 2001

3. The following conditions shall apply to the Account;

- 3.1. All instructions for the withdrawal of monies from the Account shall be signed by ANY ONE PARTNER of Stephenson Harwood (as solicitor to Filofax Group Limited) as scheduled overleaf who shall remain irrevocably instructed by Filofax Group Limited to act in such capacity for the purpose of giving effect to the Agreement.
- 3.2. All interest accruing to the Account shall be paid gross of tax and credited to Filofax Group Limited on a monthly basis.
- 3.3. Statements shall be supplied to Stephenson Harwood whenever reasonably requested, and each of Filofax Group Limited and Mr Ball shall be entitled to receive copies of such statements.
- 3.4. Any alteration to the partners signing on behalf of Stephenson Harwood will be advised to you by any one partner of Stephenson Harwood scheduled overleaf.
- 3.5. Any alteration to the partners signing on behalf of Stephenson Harwood will be advised to you by any one partner of Stephenson Harwood scheduled below.

This Escrow Agreement shall be governed by and construed in accordance with English Law and the parties hereto submit to the non-exclusive jurisdiction of the English courts.

Yours faithfully

For and on behalf of
Filofax Group Limited

.....

Schedule of Partners
signing for Stephenson Harwood

FULL NAME:

.....

.....

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This Third Further Amending Agreement is made on

April 2001

BETWEEN:-

(1) FILOFAX GROUP LIMITED whose registered office is at Waverley House, 7/12 Noel Street, London W1V 4NE ("the **Company**") and

(2) CHRISTOPHER BRACE of 21 Ludlow Way, London N2 0JZ ("the **Director**")

WHEREAS:

The Director is employed by the Company under a service agreement dated 1st July 1997 (the "Service Agreement") as amended by an Amending Agreement dated 30 October 1998, a Further Amending Agreement dated 19 July 2000 and a Second Further Amending Agreement dated 18 January 2001. The parties now wish to amend the Service Agreement further in accordance with the terms of this Agreement. All such amendments in this Third Further Amending Agreement will take effect on the date of this Third Further Amending Agreement.

IT IS HEREBY AGREED AS FOLLOWS:

- 1 The definition of sale contained in Clause 3.3 of the Service Agreement as inserted by Clause 1.3 of the Second Further Amending Agreement dated 18 January 2001 is revoked and replaced by the following:

"Sale" means a sale of the Company or one of its holding companies (with or without Filofax Inc.), or the business of the Company, or one of its holding companies (with or without Filofax Inc.).

2. In the second line of Clause 4B.2 of the Service Agreement the word "employed" shall be amended so as to read "Employed".
3. A new Clause 4.B.4 shall be added to the Service Agreement as follows.

4.B.4 Enhanced Sale Bonus

In addition to any sums due under the Sale Bonus the following shall apply:

- 1) Subject to Clause 4.B.4(2) in the event of a Sale on or before 31 August 2001 at a sale price (calculated after deduction of the Funding Amount (as defined below) but adding back the amount of any debt assumed by the purchaser (the "Adjusted Sale Price")) of equal to or more than £15.6 million the Director shall be entitled to receive from the Company a bonus (the "Enhanced Sale Bonus") of that proportion of US\$200,000 (or sterling equivalent at the date of completion of the Sale) as agreed between the Director and Michael Ball and notified in writing to the Company or failing such agreement in such proportion as the Base Salary of the Director bears to the Base Salary of Michael Ball as at the date of completion of the Sale (in such latter

circumstance the determination by the Company of such proportion being final and binding on the parties). There shall be deducted from the Enhanced Sale Bonus all amounts of tax and employee national insurance contributions as the Company is required by law to deduct. The Company shall pay the Enhanced Sale Bonus to the Director on the date of completion of the Sale. The Director must be Employed at the date of completion of the Sale to be entitled to the Enhanced Sale Bonus.

For the purposes of Clause 4.B.4 "Funding Amount" will equal the aggregate of all sums provided after the date of this Agreement to the Company by the Bank Group or any of them or any third party by way of additional funding or facilities. For these purposes the amount of the facilities shall be the total amount due, payable and outstanding as at the date of the Sale under the terms of these facilities. "Bank Group" means each of Wells Fargo Bank, National Association, Bank of Scotland, Credit Agricole Indosuez, Mellon Bank, N.A., Oaktree Capital Management, LLC and National Westminster Bank plc.

For the purposes of Clause 4.B. the Director shall be "Employed" if he is an employee of the Company or in the event that the Director's employment has been terminated by the Company the Director shall be deemed to be "Employed" unless such termination was by reason of Clause 15.2 of the Service Agreement.

2) In the event that the Adjusted Sale Price is an amount at variance with the sum of £15.6 million (either higher or lower) then the Enhanced Sale Bonus otherwise due to the Director shall be varied (by way of increase in the event that the sum is greater than £15.6 million and decrease if less than £15.6 million) by a sum equivalent to 10% of the Enhanced Sale Bonus pro rata in proportion to each variance of £1 million.

3) In the event that a part only of the Company or business of the Company is sold to a third party which, if the whole had been sold would comprise a Sale, or in the event that there is a material alteration in the structure of the business which has or may have the effect of materially changing the consideration payable on the Sale then the parties to this Agreement shall negotiate appropriate and equitable amendments to Clause 4.B.4 in good faith.

4. Clause 15.10

Clause 15.10 of the Service Agreement shall be deleted.

For the avoidance of doubt the following Clauses are revoked:

Service Agreement dated 8 June 1998 – Clause 15.10

Amending Agreement dated 30 October 1998 – Clause 2.1;

Further Amending Agreement dated 19 July 2000 – Clause 3; and

Second Further Amending Agreement dated 18 January 2001 – Clause 3

A new Clause 15.10 shall be added to the Service Agreement as follows:

15.10.1 Subject to Clause 15.10.4 on the earlier to occur of 15th July 2001 and a Change of Control (as defined below) of the Company, the Director shall be entitled to receive from the Company a sum (the "Change of Control Bonus") which is equal to 12 months of the Base Salary of the Director at the rate then payable, and the

monetary equivalent of 12 months employer pension contributions, insurance benefits and use of the company car all as due to the Director in accordance with the terms of his Service Agreement. There shall be deducted from the Change of Control Bonus all amounts of tax and employee national insurance contributions as the Company is by law required to deduct. Subject to Clause 15.10.5 for the purpose of this Clause a person shall have Control of the Company if he or it holds directly or indirectly shares which together with shares held by any persons acting in concert with him or it carry 30% or more of the voting rights of the Company and "Change of Control" shall be interpreted accordingly. Words and phrases defined in the City Code on Takeovers and Mergers shall have the same meaning in this Clause.

15.10.2 On the date of this Agreement the Company shall pay the sum of £131,743 (which sum is net of tax and employee national insurance contributions) in respect of the Change of Control Bonus (the "Escrow Amount") into an escrow account with a firm of solicitors to be nominated by the parties, to be held in such account in accordance with the terms of the instruction letter set out in Schedule 1. The signing by the Company of the instruction letter in the form of Schedule 1 and the provision by the Company of confirmation of the occurrence of a Payment Event (as defined in and in accordance with the instruction letter in the form set out in Schedule 1) and that the Director remained "Employed" shall constitute the satisfaction by the Company of its entire obligations under this Clause 15.10. For the avoidance of doubt where the Company is obliged to confirm or certify a matter in accordance with the instruction letter set out in Schedule 1 then it shall not unreasonably withhold or delay such confirmation or certification and if the Company has not responded to a request for such certification within 7 days then the certification shall be deemed to have been given and the Payment Event shall be deemed to have occurred and the Director deemed to have been Employed at the relevant date.

15.10.3 In the event that the Base Salary of the Director is increased by agreement between the parties at any time up to the date on which the Change of Control Bonus is due then the Escrow Amount shall be increased (and the Company shall make such payments into the escrow account) as appropriate so that the Escrow Amount accords with the entitlement of the Director to the Change of Control Bonus.

15.10.4 In the event that there has been no Change of Control of the Company as at 15 July 2001, and a liquidator has been appointed in respect of the Company, the payment to be made to the Director under Clause 15.10 shall be reduced by 50% and the Company shall be entitled to withdraw an amount equal to 50% of the Escrow Amount from the escrow account established in accordance with Clause 15.10.2. For the avoidance of doubt this payment shall be due to the Director regardless of any change to his employment status resulting from the appointment of the liquidator.

15.10.5 For the purposes of Clause 15.10, the sale or transfer of the Company to any of its holding companies or to the Bank Syndicate (for the purposes of this Agreement "Bank Syndicate" shall mean Wells Fargo National Association and certain lenders) shall not constitute a Change of Control.

15.10.6 For the purposes of Clause 15.10 the Director shall be "Employed" if he is an employee of the Company or in the event that the Director's employment has been terminated by the Company the Director shall be deemed to be "Employed" unless such termination was by reason of Clause 15.2 of the Service Agreement.

5. Clause 3.3

Clause 3.3 of the Service Agreement shall be amended as follows:

On the date of this Agreement the Retention Bonus shall be the sum of £28,080, (which sum is net of tax and employee national insurance contributions) which sum shall be paid into an escrow account with a firm of solicitors to be nominated by the parties and held in such account in accordance with the terms of the instruction letter set out as Schedule 2. The signing by the Company of the instruction letter in the form of Schedule 2 and the provision by the Company of confirmation that the Director remained Employed (in accordance with the instruction letter in the form set out in Schedule 2) shall constitute the satisfaction by the Company of its entire obligations under this Clause 3.3. For the avoidance of where the Company is obliged to confirm or certify a matter in accordance with the terms of the instruction letter in the form set out in Schedule 2, it shall not unreasonably withhold or delay such confirmation or certification and if the Company has not responded to a request for such certification within 7 days then the certification shall be deemed to have been given and the Director shall be deemed to have been Employed on the relevant date. For the purposes of this Clause the Director shall be "Employed" if he is an employee of the Company or in the event that the Director's employment has been terminated by the Company the Director shall be deemed to be "Employed" unless such termination was by reason of Clause 15.2 of the Service Agreement.

6. Clause 15.9

A new sentence shall be added to the end of Clause 15.9 of the Service Agreement as follows:

This Clause 15.9 shall be without prejudice to the entitlement of the Director to the Retention Bonus, the Enhanced Sale Bonus and the Change of Control Bonus who shall remain Employed for the purposes of those provisions until the end of the notice period that would otherwise have applied.

- 7 The Director agrees to act as a director of each of the Company, Day Runner UK Limited, Filofax Inc and DRBG UK Limited for the duration of his employment under this Service Agreement without any further compensation. The Company undertakes to maintain appropriate Directors and officers' liability insurance in respect of such appointments in accordance with the existing group policy.
- 8 Except as otherwise amended by agreement between the parties, in all other respects the Service Agreement dated 8 June 1998, the Amending Agreement dated 30 October 1998, the Further Amending Agreement dated 19 July 2000 and Second Further Amending Agreement dated 18 January 2001 remain enforceable in accordance with their terms and for the avoidance of doubt listed below are the terms which continue in force:

The Service Agreement dated 8 June 1998: All Clauses except Clause 15.10

The Amending Agreement dated 30 October 1998: Clauses 2.2, 4

The Further Amending Agreement dated 19 July 2000: Clauses 1.1, 1.2, 2.1, 2.2 ; and

The Second Further Amending Agreement dated 18 January 2001: Clauses 1.1, 1.3, 2.1, 2.2, 3.1, 4.

IN WITNESS whereof the parties hereto have executed this Agreement as a deed on the day and year first above written

SIGNED as a DEED)
And **DELIVERED** by)
CHRISTOPHER BRACE)
In the presence of:-

EXECUTED and DELIVERED)

As a **DEED** by)
FILOFAX GROUP LIMITED)
Acting by two Directors/ a Director)
and the Secretary)

SCHEDULE 1
[TO BE TYPED ON FILOFAX GROUP LIMITED NOTE PAPER]

Dear Sirs

We refer to the Third Further Amending Agreement (the "Agreement") dated [] entered into between Filofax Group Limited and Christopher Brace, a copy of which is attached.

In accordance with Clause 4 of the Agreement we have transferred the amount of £131,743 (the "Escrow Amount") into your client account with Royal Bank of Scotland plc, Account Number 20341109 (sort code 15-10-00) (the "Account"), such sum to be held in escrow in accordance with the following irrevocable instructions. The Escrow Amount may be varied by additional payments from Filofax Group Limited only in accordance with the provisions of the new Clause 15.10.3 added by the Agreement or as a result of a reduction authorised by paragraph 2 of this letter.

1. Subject to paragraph 2 the Escrow Amount (as varied from time to time) is to be held in escrow in the Account pending:

- (i) the occurrence of a Payment Event (as defined below); and
 - (ii) the receipt by you of written confirmation from us that Mr. Brace is Employed as defined in the relevant part of the Agreement on the date of the Payment Event,

and thereafter to the order of Christopher Brace and once held to Mr. Brace's order you are hereby authorised to deal with that sum as he may direct.

2. In the event of the application of Clause 15.10.4 (as certified by the liquidator) of the Service Agreement (as defined in the Agreement) you are instructed to hold to our order and to release to us a sum equal to 50 per cent. of the Escrow Amount and the sum due to Mr. Brace shall be reduced accordingly.

3. A Payment Event shall be the earlier to occur of:

- (i) a Change of Control (as defined in the Agreement); and
 - (ii) 15th July 2001.

4. The following conditions shall apply to the Account;

- 4.1. All instructions for the withdrawal of monies from the Account shall be signed by ANY ONE PARTNER of Stephenson Harwood (as solicitor to Filofax Group Limited) as scheduled overleaf who shall remain irrevocably instructed by Filofax Group Limited to act in such capacity for the purpose of giving effect to the Agreement.

- 4.2. All interest accruing to the Account shall be paid gross of tax and credited to Filofax Group Limited on a monthly basis.

4.3. Statements shall be supplied to Stephenson Harwood whenever reasonably requested, and each of Filofax Group Limited and Mr Brace shall be entitled to receive copies of such statements.

4.4. Any alteration to the partners signing on behalf of Stephenson Harwood will be advised to you by any one partner of Stephenson Harwood scheduled below.

4.5. Any alteration to the partners signing on behalf of Stephenson Harwood will be advised to you by any one partner of Stephenson Harwood scheduled overleaf.

This Escrow Agreement shall be governed by and construed in accordance with English Law and the parties hereto submit to the non-exclusive jurisdiction of the English courts.

Yours faithfully

For and on behalf of
Filofax Group Limited

.....

Schedule of Partners
signing for Stephenson Harwood

FULL NAME:

.....

.....

SCHEDULE 2
[TO BE TYPED ON FILOFAX GROUP LIMITED NOTEPAPER]

Dear Sirs

We refer to the Third Further Amending Agreement (the "Agreement") dated [] entered into between Filofax Group Limited and Christopher Brace, a copy of which is attached.

In accordance with Clause 5 of the Agreement we have transferred the amount of £28,080 (the "Escrow Amount") into your client account with Royal Bank of Scotland plc, Account Number 20341109 (sort code 15-10-00) (the "Account"), such sum to be held in escrow in accordance with the following irrevocable instructions. The Escrow Amount may be varied by additional payments from Filofax Group Limited only in accordance with the provisions of the Agreement.

1. The Escrow Amount is to be held in escrow in the Account pending:
 - (i) the occurrence of the Payment Date (as defined below); and
 - (ii) the receipt by you of written confirmation from us that Mr Brace is Employed as defined in the relevant part of the Agreement on the Payment Date,

and thereafter to the order of Christopher Brace and once held to Mr. Brace's order you are hereby authorised to deal with that sum as he may direct.

2. The Payment Date shall be 30th April 2001

3. The following conditions shall apply to the Account;

- 3.1. All instructions for the withdrawal of monies from the Account shall be signed by ANY ONE PARTNER of Stephenson Harwood (as solicitor to Filofax Group Limited) as scheduled overleaf who shall remain irrevocably instructed by Filofax Group Limited to act in such capacity for the purpose of giving effect to the Agreement.
- 3.2. All interest accruing to the Account shall be paid gross of tax and credited to Filofax Group Limited on a monthly basis.
- 3.3. Statements shall be supplied to Stephenson Harwood whenever reasonably requested, and each of Filofax Group Limited and Mr Brace shall be entitled to receive copies of such statements.
- 3.4. Any alteration to the partners signing on behalf of Stephenson Harwood will be advised to you by any one partner of Stephenson Harwood scheduled overleaf.
- 3.5. Any alteration to the partners signing on behalf of Stephenson Harwood will be advised to you by any one partner of Stephenson Harwood scheduled below.

This Escrow Agreement shall be governed by and construed in accordance with English Law and the parties hereto submit to the non-exclusive jurisdiction of the English courts.

Yours faithfully

For and on behalf of
Filofax Group Limited

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Schedule of Partners
signing for Stephenson Harwood

FULL NAME:

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