

Dated 31 January 2008

(1) RICHARD JOHN FOWLER AND EMILY KIM FOWLER

- and -

(2) BLUE OAR PLC

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SHARE PURCHASE AGREEMENT

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FASKEN MARTINEAU  
STRINGER SAUL LLP  
17 Hanover Square  
London W1S 1HU  
020 7917 8500

*FM*  
*9.7.08*

We hereby certify  
this to be a true copy  
of the original.

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COMPANIES HOUSE

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THIS AGREEMENT is dated *31 January* 2008

## **PARTIES**

- (1) The several persons whose names and addresses are set out in Schedule 1 (**Sellers**).
- (2) BLUE OAR PLC incorporated and registered in England and Wales with company number 01796133 the registered office of which is at 3<sup>rd</sup> Floor, 30 Old Broad Street, London, EC2N 1HT (**Buyer**).

## **BACKGROUND**

- (A) The Company has an issued share capital of £10 divided into 10 ordinary shares of £1 each all of which are fully paid
- (B) Further particulars of the Company at the date of this Agreement are set out in Schedule 2
- (C) The Sellers are the legal and beneficial owners of, or are otherwise able to procure the transfer of, the legal and beneficial title to the number of Sale Shares set out opposite their respective names in Schedule 1 comprising in aggregate the whole of the issued share capital of the Company
- (D) The Sellers have agreed to sell and the Buyer has agreed to buy the Sale Shares subject to the terms and conditions of this Agreement.

## **AGREED TERMS**

### **1. INTERPRETATION**

- 1.1 The definitions and rules of interpretation in this Clause apply in this Agreement

**Accounts:** the audited financial statements of the Company as at and to the Accounts Date, comprising the individual accounts of the Company, and the Directors' reports (copies of which are included in the Disclosure Bundle).

**Accounts Date:** 31 March 2007.

**Act:** means any event, act, transaction, arrangement, default or omission including without limitation the receipt or accrual of any income or gains or any distribution, failure to distribute, acquisition, disposal, payment, loan or advance;

**Advisory Clients:** the actual and prospective Clients listed in Part 2 of Schedule 8.

**A:** the number found in accordance with Clause 5.6.

**Business:** the business of the Company, namely private client stock broking and fund management.

**Business Day:** a day (other than a Saturday, Sunday or public holiday) when banks in the City of London are open for business.

**Business Information:** all information know-how and records (whether or not confidential and in whatever form held) including (without limitation) all designs, specifications, drawings, data, manuals, and instructions and all customer lists, sales information, business plans and forecasts, and all technical and other expertise and all computer software and all accounting and tax records correspondence orders and enquiries.

**Buyer's Solicitors:** Fasken Martineau Stringer Saul LLP, 17 Hanover Square, London W1S 1HU.

**CAA 2001:** the Capital Allowances Act 2001.

**Cash Consideration:** the sum payable under Clause 3.1(a)(1)

**Claim and Substantiated Claim:** have the meanings set out respectively in Clause 7

**Clients:** the clients listed in Schedule 7

**Company:** Stockmarket Investments Limited, a company incorporated and registered in England and Wales with company number 03745018 further details of which are set out in Schedule 2

**Companies Acts:** the Companies Act 1985 and the Companies Act 2006

**Completion:** completion of the sale and purchase of the Sale Shares in accordance with this Agreement

**Completion Accounts:** has the meaning set out in paragraph 1 of Schedule 8

**Completion Date:** the date of Completion.

**Completion Net Assets:** has the meaning set out in paragraph 1 of Schedule 8

**Conditions:** the conditions set out in Clause 2.4.

**Connected:** in relation to a person, has the meaning contained in section 839 of the ICTA 1988.

**Consideration Shares:** 400,000 new ordinary shares of 0.1p each in the capital of Blue Oar Plc to be allotted to the Sellers at 14.5p each pursuant to Clause 4 14.5p ~~25p~~ 16/6/08

**Control:** in relation to a body corporate, the power of a person to secure that the affairs of the body corporate are conducted in accordance with the wishes of that person:

- (a) by means of the holding of shares, or the possession of voting power, in or in relation to that or any other body corporate, or
- (b) by virtue of any powers conferred by the constitutional or corporate documents, or any other document, regulating that or any other body corporate,

**Business Day:** a day (other than a Saturday, Sunday or public holiday) when banks in the City of London are open for business

**Business Information:** all information know-how and records (whether or not confidential and in whatever form held) including (without limitation) all designs, specifications, drawings, data, manuals, and instructions and all customer lists, sales information, business plans and forecasts, and all technical and other expertise and all computer software and all accounting and tax records correspondence orders and enquires

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**Completion:** completion of the sale and purchase of the Sale Shares in accordance with this Agreement.

**Completion Accounts:** has the meaning set out in paragraph 1 of Schedule 8.

**Completion Date:** the date of Completion.

**Completion Net Assets:** has the meaning set out in paragraph 1 of Schedule 8.

**Conditions:** the conditions set out in Clause 2.4.

**Connected:** in relation to a person, has the meaning contained in section 839 of the ICTA 1988.

14 sp [Signature] 16.6.08

**Consideration Shares:** 400,000 new ordinary shares of 0.1p each in the capital of Blue Oar Plc to be allotted to the Sellers at 25p each pursuant to Clause 4.

**Control:** in relation to a body corporate, the power of a person to secure that the affairs of the body corporate are conducted in accordance with the wishes of that person:

- (a) by means of the holding of shares, or the possession of voting power, in or in relation to that or any other body corporate; or
- (b) by virtue of any powers conferred by the constitutional or corporate documents, or any other document, regulating that or any other body corporate,

and a **Change of Control** occurs if a person who controls any body corporate ceases to do so or if another person acquires control of it.

**Deferred Cash Consideration:** the sum payable under Clause 3 (1) (b) (i)

**Deferred Consideration Shares** 400,000 new ordinary shares of 0 1p each in the capital of Blue Oar Plc to be allotted to the Sellers at 25p each pursuant to Clause 3 1 (b) (ii)

**Director:** each person who is a director or shadow director of the Company or any of the Subsidiaries, the names of whom are set out in Schedule 2

**Discretionary Clients:** the actual and prospective Clients listed in Part 1 of Schedule 7

**Disclosed:** fairly disclosed (with sufficient details to identify the nature and scope of the matter disclosed) in-or under the Disclosure Letter and **Disclosure and Disclose** shall be construed accordingly

**Disclosure Letter:** the letter from the Sellers to the Buyer with the same date as this Agreement and described as the Disclosure Letter, including the bundle of documents attached to it (**Disclosure Bundle**).

**Draft Completion Accounts:** has the meaning given in paragraph 1 of Schedule 8.

**Encumbrance:** any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security, interest, title, retention or any other security agreement or arrangement.

**Expert:** has the meaning given in paragraph 1 of Schedule 8

**Group:** in relation to a company (wherever incorporated) that company, any company of which it is a Subsidiary (its holding company), any other Subsidiaries of any such holding company and any Subsidiaries of the company; and each company in a group is a member of the group.

Unless the context otherwise requires, the application of the definition of Group to any company at any time will apply to the company as it is at that time

**ICTA 1988:** the Income and Corporation Taxes Act 1988.

**IHTA 1984:** the Inheritance Tax Act 1984.

**Intellectual Property:** has the meaning given in Part 2 of Schedule 4.

**“Law” or “Laws”:** all applicable legislation, statutes, directive, regulations judgments, decisions, decrees, orders, instruments, by-laws and other legislative measures or decisions having the force of law in the United Kingdom

**Lease:** the lease to be entered into under Clause 4.2 (b).

**Loan Accounts:** such sums as are due from the Company to the Sellers or either of them as at the Completion Date.

**Management Accounts:** the unaudited consolidated balance sheet and the unaudited consolidated profit and loss account of the Company (including any notes thereon) for the period of nine months ended 31 December 2007 (a copy of which is attached to the Disclosure Letter)

**Management Accounts Date:** the date of the Management Accounts.

**Net Asset Payment:** the amount by which the Completion Net Assets exceed £65,000

**Net Asset Deficit:** the amount by which the Completion Net Assets are less than £65,000

**Purchase Price:** the purchase price for the Sale Shares to be paid by the Buyer to the Sellers in accordance with Clause 3.1.

**RDCL:** Rowan Dartington & Co Limited (number 02752304).

**Sale Shares:** ten ordinary shares of one pound sterling (£1) nominal value in the Company, all of which have been issued and are fully paid.

**Sellers Accountants:** has the meaning given in paragraph 1 of Schedule 9

**Sellers' Solicitors:** Charles Russell LLP of Compass House, Lypiatt Road, Cheltenham, Gloucestershire, GL50 2QJ.

**Subsidiary:** in relation to the Company means a "subsidiary" as defined in section 736 of the Companies Act 1985 and any other company which is a subsidiary (as so defined) of a company which is itself a subsidiary of the Company.

Unless the context otherwise requires, the application of the definition of Subsidiary to any company at any time will apply to the company as it is at that time.

**Tax Covenant:** the tax covenant in Schedule 5.

**Tax Warranties:** the warranties set out in Part 3 of Schedule 4.

**TCGA 1992:** the Taxation of Chargeable Gains Act 1992.

**TMA 1970:** the Taxes Management Act 1970.

**Transaction:** the transaction contemplated by this Agreement or any part of that transaction.

**VATA 1994:** the Value Added Tax Act 1994.

**Warranties:** the representations and warranties in Clause 6 and Schedule 4

**Warrantors:** the Sellers

**X:** the figure found in accordance with Clause 5.5

1 2 Clause and Schedule headings do not affect the interpretation of this Agreement

- 1.3 A **person** includes any individual, partnership, body corporate or unincorporated association or organisation, in each case whether or not having a separate legal personality.
- 1.4 Words in the singular include the plural and in the plural include the singular.
- 1.5 A reference to one gender includes a reference to the other gender
- 1.6 A reference to a particular statute, statutory provision or subordinate legislation is a reference to it as it is in force at the date of this Agreement, taking account of any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts and subordinate legislation for the time being in force made under it. Provided that, as between the parties, ~~no~~ such amendment or re-enactment made after the date of this Agreement shall apply for the purposes of this Agreement to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party
- 1.7 **Writing** or **written** includes faxes but not e-mail.
- 1.8 Documents in **agreed form** are documents in the form agreed by the parties or on their behalf and initialled by them or on their behalf for identification.
- 1.9 A reference in this Agreement to **other documents referred to in this Agreement** or similar expression is a reference to the following documents
- (a) Disclosure letter
  - (b) the Lease
- 1.10 References to **Clauses** and **Schedules** are to the clauses and Schedules of this Agreement; references to paragraphs are to paragraphs of the relevant Schedule.
- 1.11 Unless otherwise expressly provided, all warranties, covenants, agreements and obligations given or entered into by the Sellers are given or entered into jointly and severally and the liabilities of the Sellers under this Agreement are joint and several.
- 1.12 Reference to **Subsidiary** or **Subsidiaries** are references to a Subsidiary or Subsidiaries of the Company.
- 1.13 Reference to this Agreement include this Agreement as amended or varied in accordance with its terms

1 14 Each of the Schedules shall have effect as if set out herein.

## **2. SALE AND PURCHASE AND WAIVER OF PRE-EMPTION RIGHTS**

- 2 1 On the terms of this Agreement, the Sellers shall sell and the Buyer shall buy, with effect from Completion, the Sale Shares with full title guarantee, free from all Encumbrances and together with all rights that attach to them including, in particular, the right to receive all dividends and distributions declared, made or paid on or after the date of this Agreement.
- 2 2 Each of the Sellers severally waives any right of pre-emption or other restriction on transfer in respect of the Sale Shares or any of them conferred on him under the articles of association of the Company or otherwise and shall procure the irrevocable waiver of any such right or restriction conferred on any other person who is not a party to this Agreement.
- 2 3 The Buyer is not obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.
- 2 4 The obligations of the Buyer are in all respects conditional upon the Sellers obtaining the release of the Company from its Franchise Agreement with Redmayne Bentley Stockbrokers dated 30 May 2002
- 2 5 In the event the Condition is not fulfilled within three months of the date of this Agreement (or such later date as the parties may agree) the Buyer shall not be bound to proceed with the purchase of the Shares hereunder and shall not be liable to the Sellers as a result of not completing such purchase and without prejudice to the accrued rights of the parties arising in respect of any provisions of this Agreement, this Agreement shall cease to have effect after that date and time except for the provisions of Clauses 1 (Interpretation), 9 (Restrictions, Confidentiality and Announcements), 12 (Whole Agreement), 13.1 (Variation), 14 (Costs), 15 (Notice) and 24 (Governing law and Jurisdiction).

## **3. PURCHASE PRICE**

- 3.1 Subject to Clause 3.7 the purchase price of the Sale Shares shall be the sum of £600,000 and shall be satisfied by:
- (a) As to £400,000 by
- (i) the sum of three hundred thousand pounds sterling (£300,000) payable in cash on Completion in accordance with the provisions of Clause 4 and

- (11) the allotment and issue, credited as fully paid of the Consideration Shares at Completion, and
- (b) As to £200,000 and subject to the provisions of Clause 5:
  - (i) the sum of one hundred thousand pounds sterling (£100,000) is payable in cash in accordance with the provisions of Clause 5 and
  - (11) the allotment and issue, credited as fully paid of the Deferred Consideration Shares
- 3.2 The Consideration Shares shall be issued and allotted to the Sellers in the numbers written against their respective names in Column 5 of Schedule 1 and such Consideration Shares shall rank pari passu in all respects with the other Ordinary Shares in issue as at Completion and will be issued free of any Encumbrances.
- 3.3 The Cash Consideration shall be paid to the Sellers in the amounts written against their respective names in Column 4 of Schedule 1
- 3.4 The Deferred Consideration Shares shall be issued and allotted to the Sellers in the numbers written against their respective names in Column 7 of Schedule 1 and such Deferred Consideration Shares shall rank pari passu in all respects with the other Ordinary Shares in issue as at Completion and will be issued free of any encumbrances.
- 3.5 The Deferred Cash Consideration shall be paid to the Sellers in the amounts written against their respective names in Column 6 of Schedule 1.
- 3.6 The Purchase Price shall be deemed to be reduced by the amount of any payment made to the Buyer
  - (a) for a breach of any Warranty; or
  - (b) under the Tax Covenant
- 3.7 The Purchase Price payable under Clause 3.1 (a) (1) shall be:
  - (a) reduced by the Net Assets Deficit or
  - (b) increased by the Net Assets Paymentas applicable

#### 4. COMPLETION

- 4.1 Subject to satisfaction of the Condition and to the provisions of this Clause Completion shall take place on the next Business Day following the date on which the Condition is satisfied (or such later date as the parties may agree) at the offices of the

Buyers' Solicitors when the business set out in the succeeding sub- Clauses of this Clause shall be transacted

4.2 At Completion the Sellers shall

- (a) deliver or cause to be delivered to the Buyer the documents and evidence set out in Part 1 of Schedule 3,
- (b) deliver or cause to be delivered to the Company the Lease in the agreed form duly executed by the Sellers
- (c) procure that a board meeting of the Company is held at which the matters identified in Part 1 of Schedule 3 are carried out, and
- (d) deliver to the Buyer.
  - (i) the employment contract of Richard John Fowler with RDCL duly signed, and
  - (ii) deed of agreement relating to the resignation of Emily Kim Fowler as secretary and an employee of the Company,
  - (iii) deed of agreement relating to the resignation of Richard John Fowler as a director and employee of the Company; and
  - (iv) any other documents referred to in this Agreement as being required to be delivered by them.

4.3 At Completion the Buyer shall.

- (a) pay the sum of three hundred thousand pounds sterling (£300,000) by bank transfer to the Sellers' Solicitors (who are irrevocably authorised to receive the same) and otherwise in accordance with Clause 3.1(a) (i). Payment made in accordance with this Clause shall constitute a valid discharge of the Buyer's obligations under Clause 3.1(a) (i);
- (b) procure that the Consideration Shares are allotted and issued to the Sellers pursuant to Clause 3.1.(a) (ii);
- (c) deliver a certified copy of the resolution adopted by the board of directors of the Buyer authorising the Transaction, approving the allotment and issue of the Consideration Shares to the Sellers and authorising the execution and delivery by the officers specified in the resolution of this Agreement, and any other documents referred to in this Agreement as being required to be delivered by it;
- (d) deliver to Richard John Fowler an employment contract in the agreed form duly executed by RDCL, and
- (e) enter into the Lease in the agreed form

*procure that RDCL will*

*DLG*

- 4.4 Within 30 days of the date on which the Completion Accounts are agreed by the parties or determined by the Expert in accordance with Schedule 8.
- (a) the Buyer shall pay to the Sellers the Net Assets Payment, if any, or
  - (b) the Sellers shall pay to the Buyer the Net Asset Deficit
- in the proportions set against their respective names in Schedule 1
- 4.5 As soon as reasonably possible after Completion the Sellers shall send to the Buyer (at the Buyer's registered office for the time being) all records, correspondence, documents, files, memoranda and other papers relating to the Company
- 4.6 If in any respect the obligations of the Sellers or the Buyer are not complied with on the Completion Date, the Sellers (in the event of default by the Buyer) or ~~the Buyer~~ (in the event of default by the Sellers) may
- (a) defer Completion to a date not more than 28 days later than the Completion Date (so that the provisions of this Clause 5 shall apply to Completion so deferred); or
  - (b) terminate this Agreement in which event the provisions of this Agreement, with the exception of the obligations of the parties in respect of confidentiality and, announcements (Clause 9), counterparts (Clause 21), notices (Clause 15) and governing law (Clause 24) shall immediately terminate and cease to have effect and no party shall make any claim against the other in respect thereof, save for any antecedent breach; or
  - (c) proceed to Completion so far as practicable (without prejudice to its rights hereunder).

## 5. DEFERRED CONSIDERATION

- 5.1 Subject to clause 5.4(c), Richard Fowler shall use his best endeavours to procure the assistance and cooperation of Redmayne-Bentley Stockbrokers in ensuring that the Clients transfer their investment business as listed in Schedule 7 to the Buyer or to such member of its Group as the Buyer may direct.
- 5.2 Provided both Discretionary Clients having not less than £8,602,443 under management and Advisory Clients having not less than £25,832,205 under management have transferred the management of all of those investments in accordance with Clause 5.1 before 1 April 2008 or if it is not a Business day the first Business day thereafter, the Buyer shall procure that the Deferred Consideration Shares are allotted and issued to the Sellers pursuant to Clause 3.1(b)(ii).
- 5.3 Provided both Discretionary Clients having not less than £10,215,401 under management and Advisory Clients having not less than £29,061,230 under

management have transferred the management of all of those investments in accordance with Clause 5.1 before the first anniversary of the Completion Date or if it is not a Business day the first Business day thereafter, the Buyer shall.

- (a) pay the sum of £100,000 by bank transfer to the Sellers' Solicitors (who are irrevocably authorised to receive the same) and otherwise in accordance with Clause 3 1(b)(i) Payment made in accordance with this Clause shall constitute a valid discharge of the Buyer's obligations under Clause 3 1(b)(i), and
- (b) if the Deferred Consideration Shares have not been allotted under Clause 5 2, procure that the Deferred Consideration Shares are allotted and issued to the Sellers pursuant to Clause 3.1 (b)(ii).

For the avoidance of doubt, if no payment is made to the Sellers and no Deferred Consideration Shares issued to the Sellers pursuant to this clause 5 3 because the thresholds for the transfer of the management of investments by Discretionary Clients and/or Advisory Clients set out in this clause 5 3 have not been met then the provisions of clauses 5.4 to 5.6 shall apply.

5 4 Provided both Discretionary Clients having less than £10,215,401 under management but not less than £7,097,015 under management and Advisory Clients having less than £29,061,230 under management but not less than £21,311,568 under management have transferred the management of all of those investments in accordance with Clause 5.1 before the first anniversary of the Completion Date or if it is not a Business day the first Business day thereafter, the Buyer shall:

- (a) pay X by bank transfer to the Sellers' Solicitors (who are irrevocably authorised to receive the same) and otherwise in accordance with Clause 3.1(b)(i) Payment made in accordance with this Clause shall constitute a valid discharge of the Buyer's obligations under Clause 3 1(b)(i) and
- (b) procure that the number of Consideration Shares equal to A are allotted and issued to the Sellers pursuant to Clause 3 1 (b)(ii) and
- (c) re-imburse to Redmayne Bentley in respect of its reasonable costs of transferring the Clients who transfer to the Company/Buyer

5.5 X =

$$\frac{100,000 * Y}{Z}$$

Where Y is the value of funds under management for Clients who have transferred, and

Z is the total value of all funds under management for all the Clients

56 A =

100,000\*B/C

Where B is the value of funds under management for Clients who have transferred, and

C is the total value of all funds under management for all the Clients

6. **WARRANTIES AND INDEMNITY**

- 6.1 The Sellers warrant to the Buyer that each Warranty is true and accurate in all material respects and not misleading on the date of this Agreement except as Disclosed.
- 6.2 Warranties qualified by the expression **so far as the Sellers are aware** or any similar expression are deemed to be given to the best of the knowledge, information and belief of the Sellers after they have made reasonable and careful enquiries, where it is prudent to do so.
- 6.3 Each of the Warranties is separate and, unless otherwise specifically provided, is not limited by reference to any other Warranty or any other provision in this Agreement.
- 6.4 The Warranties are given subject to matters fairly disclosed in this Agreement or in the Disclosure Letter, but no other information relating to the Company of which the Buyer and/or its agents and /or its advisors has knowledge or which could have been discovered shall prejudice any claim made by the Buyer under this Agreement or operate to reduce any amount recoverable.
- 6.5 The Warranties shall be deemed to be repeated immediately before Completion and accordingly the Sellers jointly and severally covenant with the Buyer that (save only as may be necessary to give effect to this Agreement) they will procure that nothing shall be done or be omitted to be done by the Company between exchange of this Agreement and Completion which will cause them to be in breach of any of the Warranties when the Warranties are deemed to be repeated immediately before Completion or which would make any of the Warranties misleading or untrue at such time.
- 6.6 The Sellers jointly and severally covenant with the Buyer that if before Completion any of them acquire any knowledge of any event or matter (whether occurring or

existing before the signing of this Agreement or not) which is or might be or lead to a breach of any of the Warranties or which renders or might render any of the Warranties misleading he shall at once disclose in writing to the Buyer all that he knows about the event or matter in question and the Sellers shall make any investigations concerning the event or matter which the Buyer may require.

- 6.7 In the event of it becoming apparent to or known by the Buyer on or before Completion that the Sellers are in breach of any of the Warranties or any other term of this Agreement and that such breach has a material adverse effect on the Business the Buyer may rescind this Agreement by notice in writing to the Sellers, provided that in the event of rescission the Sellers shall be under no obligation to pay any costs and/ or expenses incurred by the Buyer in connection with the preparation and negotiation of this Agreement or the transaction contemplated by it.
- 6.8 Each of the Sellers acknowledges and accepts that the Buyer is entering into this Agreement in reliance upon each of the Warranties
- 6.9 The Buyer warrants to each of the Sellers as at the date of this Agreement and at Completion as follows
- (a) it has full power and authority to enter into and perform this Agreement and the Tax Covenant;
  - (b) this Agreement and Tax Covenant when executed will constitute valid and binding obligations on the Buyer, in accordance with their respective terms,
  - (c) the execution and delivery of, and the performance by the Buyer of its obligations under, this Agreement and the Tax Covenant will not:
    - (i) result in a breach of any provisions of the memorandum or articles of association of the Buyer; or
    - (ii) result in any breach of any law, order, judgment or decree of any court or governmental agency to which the Buyer is a party or by which the Buyer is subject or bound;
  - (d) neither the Buyer, its agents nor its advisors is aware at the date of this Agreement of any fact, matter of circumstance which could cause the Sellers to be in breach of any of the Warranties or which could otherwise give rise to a Claim (as defined in Clause 7.1);
  - (e) it has full power and authority to issue the Consideration Shares and the Deferred Consideration Shares;
  - (f) it will procure that resolutions are passed at duly convened board meetings of the Company to authorise the issue and allotment of the Consideration Shares and the Deferred Consideration Shares to the Seller;

- (g) there will be at all times a sufficient number of unissued shares in the capital of the Company to enable it to discharge its obligations under this Agreement without increasing its authorised share capital; and
- (h) it will procure that the Consideration Shares and the Deferred Consideration Shares are admitted to AIM, a market operated by the London Stock Exchange plc within 14 days of such shares being issued.

6.10 The Sellers hereby jointly and severally agree to indemnify the Buyer (on a full indemnity basis) and shall keep it at all times indemnified against all claims, demands, actions, proceedings, damages, compensation, tribunal awards, protective awards, fines, interests, legal costs, expenses and all other liabilities whatsoever relating to:

- (a) claims by Richard John Fowler in relation to his employment ~~by the~~ Company, his resignation as a director of the Company, the termination of his employment arrangements with the Company, his entering into employment with RDCL on the terms of the service agreement and the proposed transfer of the Business to RDCL, including, but not limited to, claims for damages for wrongful dismissal, claims for breach of contracts, unlawful deductions from wages, compensation for unfair dismissal, and claims for a protective awards, and
- (b) claims by Emily Kim Fowler in relation to her employment by the Company and its termination the proposed transfer of the Business to RDCL and her resignation as Company Secretary including, without limitation, any claims for breach of contract, damages for wrongful dismissal, a redundancy payment, a protective award, compensation for unfair dismissal, compensation for discrimination claims or for unlawful deductions from wages.

## 7. LIMITATIONS ON CLAIMS

7.1 The definitions and rules of interpretation in this Clause apply in this Agreement.

**Claim:** a claim for breach of any of the Warranties.

**Substantiated Claim:** a Claim in respect of which liability is admitted by the party against whom such Claim is brought, or which has been adjudicated on by a Court of competent jurisdiction and no right of appeal lies in respect of such adjudication, or the parties are debarred by passage of time or otherwise from making an appeal

A Claim is **connected** with another Claim or Substantiated Claim if they all arise out of the occurrence of the same event or relate to the same subject matter.

7.2 This Clause limits the liability of the Sellers in relation to any Claim.

7.3 The liability of the Sellers for all Substantiated Claims when taken together shall not exceed the value of

7.3.1 the cash paid pursuant to Clause 3;

7.3.2 the Consideration Shares and the Deferred Consideration Shares as at the date of issue of such shares; and

for the avoidance of doubt; the liability of the Sellers in relation to any breach of the Tax Covenant shall be unlimited

7.4 The Sellers shall not be liable for a Claim unless:

- (a) the amount of a Substantiated Claim, or of a series of connected Substantiated Claims of which that Substantiated Claim is one, exceeds two thousand pounds sterling (£);
- (b) the amount of all Substantiated Claims that are not excluded under Clause 7.4(a) exceed £20,000 thousand pounds sterling (£) in which case the whole amount (and not just the amount by which the limit in this Clause 7.4(b) is exceeded) is recoverable by the Buyer.

7.5 The Sellers are not liable for a Claim unless the Buyer has given the Sellers notice in writing of the Claim summarising the nature of the Claim as far as is known to the Buyer and the amount claimed:

- (a) in the case of a claim made under the Tax Warranties or the Tax Covenant, within the period of seven (7) years beginning with the Completion Date; and
- (b) in any other case, within the period of two (2) years beginning with the Completion Date.

7.6 The Sellers shall not be liable for any Claim if and to the extent that:

- (a) the fact, matter, event or circumstance giving rise to such Claim has been Disclosed;
- (b) such Claim is attributable to, or such Claim is increased as a result of, any legislation not in force or announced at the date of this Agreement or to any change of law, regulation, directive, requirement or administrative practice or change in rates of tax, which in each case is not in force at the date of this Agreement;
- (c) the matter which gives rise to the Claim is specifically and adequately provided or reserved for as a liability in the Accounts or is specifically referred to in the Accounts or in the notes to the Accounts;

- (d) the matter giving rise to the Claim arises wholly or partially from any voluntary Act occurring before Completion at the written request of, or with the written consent of, the Buyer,
- (e) in the event the Claim relates to Taxation, it arises in the ordinary course of business of the Company since the Accounts Date;
- (f) the matter giving rise to a Claim arises wholly or partly out of or the amount thereof is increased as a result of any change in the accounting principles or practices or accounting reference date of the Buyer or the Company introduced or having effect after Completion;
- (g) the Claim would not have arisen but for a cessation of or any material change in the nature or reorganisation of the business carried on by the Company, being a cessation or change occurring after Completion,
- (h) the fact, matter, event or circumstance giving rise to the Claim occurs after Completion.

7.7 The Buyer confirms that it has not relied on any representation, warranty, covenant or undertaking of the Sellers save for any representation, warranty, covenant or undertaking set out in this Agreement provided that this Clause 7.7 shall not exclude any liability that the Sellers would otherwise have to the Buyer for any statements made fraudulently by the Sellers prior to execution of this Agreement

7.8 Nothing in this Agreement will in any way diminish the Buyer's common law duty to mitigate its loss

7.9 Without prejudice to the Buyer's common law duty to mitigate its loss, if the Company makes a Claim and is contractually entitled to make recovery from a third party or to claim under a policy of insurance in respect of the matter giving rise to such Claim, the Buyer shall use its best endeavours to procure that the Company shall endeavour to make such recovery.

7.10 The Buyer shall not be entitled to recover damages or otherwise obtain payment, reimbursement or restitution from the Sellers more than once in respect of the same loss or liability giving rise to a Claim.

7.11 If any of the Sellers pays the Buyer a sum to settle or discharge a non-Tax Claim and the Buyer subsequently recovers from any third party (including any tax authority or insurers) a sum which is referable to that Claim then the Buyer shall promptly pay the Sellers the amount recovered from the third party less any reasonable costs, expenses and taxes incurred or suffered in recovering the same; or the amount paid by the Sellers to settle or discharge the Claim, whichever is the lower.

7.12 If the Buyer becomes aware that any claim has been made against it or becomes aware of any circumstances which are likely to result in the Buyer being entitled to make a Claim against the Sellers

- (a) the Buyer shall give notice of such claim to the Sellers as soon as reasonably practicable,
- (b) the Buyer shall take such action and institute such proceedings, and give such information and assistance, as the Sellers may reasonably request to:
  - (i) dispute, resist, appeal, compromise, defend, remedy or mitigate the matter, or
  - (ii) enforce against any person (other than the Sellers) the rights of the Company in relation to the matter; and
  - (iii) in connection with any proceedings relating to the matter (~~other~~ than against the Sellers) if the Sellers so request, allow the Sellers conduct of the proceedings

but in each case on the basis and subject to the condition that the Sellers first fully indemnify the Buyer for all reasonable costs and expenses incurred as a result of any request or nomination by the Sellers.

7.13 The Buyer shall not admit liability in respect of or compromise or settle any claim to which Clause 7.12 applies without the prior written consent of the Sellers, such consent not to be unreasonably withheld or delayed.

7.14 Where notice of a Claim against the Sellers has been duly given and part of such Claim relates to a liability which is contingent, the Sellers shall have no liability to the Buyer in respect of such liability until such time as it becomes an actual liability, but provided further that, for the avoidance of doubt, the Buyer shall be entitled to notify a contingent Claim within the period specified by Clause 7.5 and shall not be regarded as time barred upon such later date when the contingent Claim becomes an actual Claim.

7.15 Nothing in this paragraph 7 shall require either the Company or the Buyer to take any action or institute any proceedings which in its absolute discretion would be likely materially and adversely to prejudice:

- (a) the business or financial interests or reputation of the Company or the Buyer or
- (b) the future liability or potential liability to Tax of the Company or the Buyer, or,
- (c) consent to any injunctive or equitable relief on terms which in its absolute discretion would be likely to adversely affect the future conduct of the business of the Company or the Buyer.

- 7.16 If at any time after the date of this Agreement the Sellers wish to take out insurance against its liabilities in respect of Claims, the Buyer shall, at the Sellers' expense, provide such information as any prospective insurer may reasonably require before effecting the insurance.
- 7.17 The Buyer shall, and shall procure that the Company shall take all reasonable steps to preserve all documents, records, correspondence, accounts and other information whatsoever which the Buyer (acting reasonably) regards as relevant to a matter which may give rise to a Claim.
- 7.18 Nothing in Clause 7 applies to a Claim that arises or is delayed as a result of dishonesty, fraud, wilful misconduct or wilful concealment by the Sellers.
- 7.19 The Sellers shall not plead the Limitation Act 1980 in respect of any claims made under the Tax Warranties or Tax Covenant up to seven years after the Completion Date.

## **8. TAX COVENANT**

The provisions of Schedule 5 apply in this Agreement

## **9. RESTRICTIONS, CONFIDENTIALITY AND ANNOUNCEMENTS**

- 9.1 Subject to Clause 9.2 for the purpose of assuring to the Buyer the full benefit of the business and goodwill of the Company each of the Sellers undertakes by way of further consideration for the obligations of the Buyer under this Agreement as separate and independent agreements that he and she will not.
- (a) at any time after Completion disclose to any person or himself use for any purpose and shall use his best endeavours to prevent the publication or disclosure of any Business Information of the Company or any of its clients' or customers' transactions or affairs which may have come to his or her knowledge;
  - (b) for five years after Completion solicit or endeavour to entice away from the Company or RDCL the business or custom of a Restricted Customer with a view to providing goods or services to that Restricted Customer in competition with any Restricted Business; or
  - (c) for five years after Completion solicit or endeavour to entice away from the Company or RDCL the business or custom of a Prospective Customer with a view to providing goods or services to that Prospective Customer in competition with any Restricted Business, or
  - (d) for five years after Completion in the course of any business concern which is in competition with any Restricted Business, offer to employ or engage or

otherwise endeavour to entice away from the Company any Restricted Person, or

- (e) for five years after Completion be involved with the provision of goods or services to (or otherwise have any business dealings with) any Restricted Customer in the course of any business concern which is in competition with any Restricted Business; or
- (f) for five years after Completion be involved with the provision of goods or services to (or otherwise have any business dealings with) any Prospective Customer in the course of any business concern which is in competition with any Restricted Business; or
- (g) at any time after Completion, represent his or herself as connected with the Company or any Group Company or as still authorised to conduct business on behalf of the Company or any Group Company

9.2 None of the restrictions in Clause 9.1 shall prevent:

- (a) the Sellers from:
  - (i) holding an investment by way of shares or other securities of not more than 5% of the total issued share capital of any company, whether or not it is listed or dealt in on a recognised stock exchange; or
  - (ii) being engaged or concerned in any business concern insofar as his or her duties or work shall relate solely to geographical areas where the business concern is not in competition with any Restricted Business, or
  - (iii) being engaged or concerned in any business concern, provided that his or her duties or work shall relate solely to services or activities of a kind with which he or she was not concerned to a material extent in the 12 months prior to Termination.
- (b) Richard John Fowler from performing his duties in the employment of the Company or RDCL

9.3 The restrictions imposed on the Sellers by this Clause 9 apply to him or her acting:

- (a) directly or indirectly; and
- (b) on his or her own behalf or on behalf of, or in conjunction with, any firm, company or person.

9.4 If during the two years following Completion either of the Sellers receives an offer to be involved in a business concern which is in competition with any Restricted Business, he or she shall give the person making the offer a copy of this clause 9 and

shall tell the Buyer the identity of that person or business as soon as possible after accepting the offer

9.5 The Buyer and the Sellers have entered into the restrictions in this Clause 9 having been separately legally advised.

9.6 Each of the restrictions in this Clause 9 is intended to be separate and severable. If any of the restrictions shall be held to be void but would be valid if part of their wording were deleted, such restriction shall apply with such deletion as may be necessary to make it valid or effective

9.7 For the purpose of Clause 9 the following definitions shall apply:

“Restricted Business” the business of the Company or RDCL as at the date of Completion,

“Restricted Customer” any firm, company or person who, during the 12 months prior to Completion, was a customer of the Company,

“Prospective Customer” means any potential customer with whom, to the Sellers’ knowledge the Company has been in active negotiation for the supply of Restricted Business at any time within a period of twelve months before Completion;

“Restricted Person” anyone employed or engaged by the Company as a director, senior manager, broker, analyst, investment manager or consultant and with whom the Sellers dealt in the 12 months prior to Completion in the course of their employment;

9.8 Each of the Sellers severally undertakes to the Buyer to keep strictly confidential the terms of this Agreement and all information which they have acquired about the Company and the Buyer’s Group (as such Group is constituted immediately before Completion) and, in the case of the Buyer, all information which it has acquired about the Company, and to use the information only for the purposes contemplated by this Agreement.

9.9 The Buyer undertakes to each of the Sellers to keep confidential the terms of this Agreement and all information that it has acquired about that Sellers and to use the information only for the purposes contemplated by this Agreement.

9.10 The Buyer does not have to keep confidential or restrict its use of information about the Company after Completion.

9.11 A party does not have to keep confidential or to restrict its use of

- (a) information that is or becomes public knowledge other than as a direct or indirect result of a breach of this Agreement; or
- (b) information that it receives from a source not connected with the party to whom the duty of confidence is owed that it acquires free from any obligation of confidence to any other person.

9.12 Any party may disclose any information that it is otherwise required to keep confidential under Clause 9

- (a) to such professional advisers, consultants and employees or officers of its Group as are reasonably necessary to advise on this Agreement, or to facilitate the Transaction, if the disclosing party procures that the people to whom the information is disclosed keep it confidential as if they were that party; or
- (b) with the written consent of all the other parties; or
- (c) with the written consent of one party, if such information relates only to that party, or
- (d) to confirm that the sale has taken place, and the date of the sale (but without otherwise revealing any other items of sale or making any other announcement).
- (e) to the extent that the disclosure is required:
  - (i) by law, or
  - (ii) by a regulatory body, Taxation Authority or securities exchange; or
  - (iii) to make any filing with, or obtain any authorisation from, a regulatory body, Taxation Authority or securities exchange; or
  - (iv) under any arrangements in place under which negotiations relating to terms and conditions of employment are conducted; or
  - (v) to protect the disclosing party's interest in any legal proceedings,but shall use reasonable endeavours to consult the other parties and to take into account any reasonable requests they may have in relation to the disclosure before making it.

9.13 Each party shall supply any other party with any information about itself, its Group or this Agreement as such other party may reasonably require for the purposes of satisfying the requirements of a law, regulatory body or securities exchange to which such other party is subject.

9.14 Subject to Clause 9.14, and whether or not any restriction contained in this Clause 9 applies, no party to this Agreement shall make any announcement (including any communication to the public, to any customers or suppliers of the Company, or to all

or any employees of the Company) concerning the provisions or subject matter of this Agreement or containing any information about the other party without the prior written approval of the other party (which shall not be unreasonably withheld or delayed)

- 9 15 Clause 9.13 shall not apply if and to the extent that such announcement is required by law or by any supervisory, regulatory or governmental body having jurisdiction over it (including the London Stock Exchange and the Financial Services Authority, The Panel on Takeovers and Mergers and the Serious Fraud Office) or by an entity operating or supervising any market on which that party's securities are admitted to trading , and whether or not the requirement has the force of law.
- 9 16 The restrictions in this Clause 9 shall survive Completion and save where expressly provided otherwise continue without limit of time.
- 9 17 The Sellers and the Buyer shall as soon as practicable after Completion procure that a joint announcement of the sale and purchase of the Company is made to customers and suppliers of the Company in such form as they may agree

#### **10. FURTHER ASSURANCE**

The Sellers shall (at the expense of the Buyer) promptly execute and deliver all such documents, and do all such things, as the Buyer may from time to time reasonably require for the purpose of giving full effect to the provisions of this Agreement

#### **11. ASSIGNMENT**

- 11 1 Except as provided otherwise in this Agreement, no party may assign, or grant any Encumbrance or security interest over, any of its rights under this Agreement or any document referred to in it.
- 11.2 Each party that has rights under this Agreement is acting on its own behalf.
- 11 3 The Buyer may assign its rights under this Agreement (or any document referred to in this Agreement) but not its obligations to a member of its Group or to any person to whom it transfers the Sale Shares
- 11.4 If there is an assignment:

- (a) the Sellers may discharge their obligations under this Agreement to the assignor until they receive notice of the assignment, and
- (b) the assignee may enforce this Agreement as if it were a party to it, but the Buyer shall remain liable for any obligations under this Agreement.

## **12. WHOLE AGREEMENT**

- 12.1 This Agreement, and any documents referred to in it, constitute the whole agreement between the parties and supersede any arrangements, understanding or previous agreement between them relating to the subject matter they cover.
- 12.2 Nothing in Clause 11 operates to limit or exclude any liability for fraud.

## **13. VARIATION AND WAIVER**

- 13.1 Any variation of this Agreement shall be in writing and signed by or on behalf of the parties.
- 13.2 Any waiver of any right under this Agreement is only effective if it is in writing and it applies only to the party to whom the waiver is addressed and to the circumstances for which it is given and shall not prevent the party who has given the waiver from subsequently relying on the provision it has waived
- 13.3 A waiver by one party of its rights in relation to another party, or the taking or failing to take any action against that party, does not affect its rights in relation to any other party.
- 13.4 No failure to exercise or delay in exercising any right or remedy provided under this Agreement or by law constitutes a waiver of such right or remedy or shall prevent any future exercise in whole or in part thereof.
- 13.5 No single or partial exercise of any right or remedy under this Agreement shall preclude or restrict the further exercise of any such right or remedy
- 13.6 Unless specifically provided otherwise, rights arising under this Agreement are cumulative and do not exclude rights provided by law.

## **14. COSTS**

Unless otherwise provided, all costs in connection with the negotiation, preparation, execution and performance of this Agreement, and any documents referred to in it,

shall be borne by the party that incurred the costs and none of the Sellers costs shall be paid by the Company

## 15. NOTICE

15.1 A notice given under this Agreement:

- (a) shall be in writing in the English language (or be accompanied by a properly prepared translation into English);
- (b) shall be sent for the attention of the person, and to the address or fax number, specified in Clause 15 (or such other address, fax number or person as each party may notify to the others in accordance with the provisions of Clause 15), and
- (c) shall be.
  - (i) delivered personally; or
  - (ii) sent by fax, or
  - (iii) sent by pre-paid first-class post or recorded delivery; or
  - (iv) (if the notice is to be served by post outside the country from which it is sent) sent by airmail.

15.2 Any notice to be given to or by all of the Sellers under this Agreement is deemed to have been properly given if it is given to or by the Sellers' representative named in Clause 15.3. Any notice required to be given to or by some only of the Sellers shall be given to or by the Sellers concerned (and in the case of a notice to the Sellers) at their address or fax number as set out in Schedule 1.

15.3 The addresses for service of notice are:

- (a) Sellers' Representative
  - (i) Richard Fowler
  - (ii) Squirrel Cottage, Tabernacle Walk, Rodborough Common, Stroud GL5 3UQ
  - (iii) For the attention of: Richard Fowler
- (b) Buyer's Representative Name: Fasken Martineau Stringer Saul LLP
  - (i) address. 17 Hanover Square, London, W1S 1HU
  - (ii) for the attention of: Roger Loosley
  - (iii) fax number: 020 7917 8555

15.4 A notice is deemed to have been received:

- (a) if delivered personally, at the time of delivery; or

- (b) in the case of fax, at the time of transmission, or
- (c) in the case of pre-paid first class post or recorded delivery posted in the UK two (2) Business Days from the date of posting; or
- (d) in the case of airmail, 10 Business Days from the date of posting, or
- (e) if deemed receipt under the previous paragraphs of Clause 15 4 is not within business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of receipt), when business next starts in the place of receipt.

15 5 To prove service, it is sufficient to prove that (a) the notice was transmitted by fax to the fax number of the party and a transmission report showing delivery of the whole of the fax or, (b) in the case of post, that the envelope containing the notice was properly addressed and posted.

#### **16. INTEREST ON LATE PAYMENT**

16.1 Where an undisputed sum is required to be paid under this Agreement (other than under the Tax Covenant) but is not paid before or on the date the parties agreed, the party due to pay the sum shall also pay an amount equal to interest on that sum for the period beginning with that date and ending with the date the sum is paid (and the period shall continue after as well as before judgment).

16 2 The rate of interest shall be four (4) % per annum above the base lending rate for the time being of National Westminster Bank plc Interest shall accrue on a daily basis and be compounded quarterly

16.3 Clause 16 is without prejudice to any claim for interest under the law.

#### **17. SEVERANCE**

17.1 If any provision of this Agreement (or part of a provision) is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force.

17 2 If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to give effect to the commercial intention of the parties.

#### **18. AGREEMENT SURVIVES COMPLETION**

This Agreement (other than obligations that have already been fully performed) remains in full force after Completion.

**19. THIRD PARTY RIGHTS**

19.1 This Agreement and the documents referred to in it are made for the benefit of the parties and their successors and permitted assigns and are not intended to benefit, or be enforceable by, anyone else

19.2 Each of the parties represents to the others that their respective rights to terminate, rescind or agree any amendment, variation, waiver or settlement under this Agreement are not subject to the consent of any person that is not a party to this Agreement.

**20. SUCCESSORS**

The rights and obligations of the Sellers and the Buyer under this Agreement shall continue for the benefit of, and shall be binding on, their respective successors and assigns.

**21. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document

**22. LANGUAGE**

If this Agreement is translated into any language other than English, the English language text shall prevail.

**23. DEED**

Each party intends this Agreement to be a deed and executes and delivers it as its/their deed

**24. GOVERNING LAW AND JURISDICTION**

24.1 This Agreement and any disputes or claims arising out of or in connection with its subject matter are governed by and construed in accordance with the law of England.

24.2 The parties irrevocably agree that the courts of England have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement.

This Agreement has been entered into on the date stated at the beginning of it.

## SCHEDULE 1

### Particulars of Sellers

#### Particulars of sellers and apportionment of purchase price

1	2	3	4	5	6	7
Sellers' name, address and fax number	Number of sale shares	Proportion of purchase price	Cash Consideration	Consideration Shares	Deferred Cash Consideration	Deferred Consideration Shares
Richard John Fowler	7	70%	£210,000	280,000	£70,000	280,000
Emily Kim Fowler	3	30%	£90,000	120,000	£30,000	120,000

Both of Squirrel Cottage  
 Tabernacle Walk  
 Rodborough Common  
 Stroud  
 Gloucestershire  
 GL5 3UQ

## SCHEDULE 2

### Particulars of the Company

#### The Company

<b>Name:</b>	Stockmarket Investments Limited
<b>Registration number:</b>	03745018
<b>Registered office:</b>	Slad Valley House, 203 Slad Valley Road, Stroud, Gloucestershire, GL5 1RJ
<b>Authorised share capital</b> <b>Amount: £ 1,000</b> <b>Divided into: 100,000 Ordinary Shares,</b>	
<b>Issued share capital</b> <b>Amount: £10</b> <b>Divided into: 10 Ordinary Shares</b>	
<b>Director:</b>	Mr R J Fowler
<b>Secretary:</b>	Mrs E K Fowler
<b>Auditor</b>	Griffith Clarke
<b>Registered Charges</b>	

## SCHEDULE 3

### Completion

#### Part 1

#### What the Sellers shall deliver to the Buyer at Completion

1. At Completion, the Sellers shall deliver or cause to be delivered to the Buyer the following documents and evidence:
  - (a) transfers of the Sale Shares executed by the registered holders in favour of the Buyer,
  - (b) the share certificates for the Sale Shares in the names of the registered holders or an indemnity in the agreed form for any lost certificates;
  - (c) the waivers, consents and other documents required to enable the Buyer to be registered as the holder of the Sale Shares;
  - (d) an irrevocable power of attorney in agreed form given by the Sellers in favour of the Buyer to enable the beneficiary (or its proxies) to exercise all voting and other rights attaching to the Sale Shares before the transfer of the Sale Shares is registered in the register of members;
  - (e) in relation to the Company, the statutory registers and minute books (written up to the time of Completion), the common seal, certificate of incorporation and any certificates of incorporation on change of name,
  - (f) the written resignation, executed as a deed and in the agreed form, of the directors and secretaries of the Company from their offices and employment with the Company,
  - (g) the written resignation of the auditors of the Company accompanied by:
    - (i) a statement that there are no circumstances connected with the auditors' resignation which should be brought to the notice of the members or creditors of the Company; and
    - (ii) a written assurance that the resignation and statement have been, or will be, deposited at the registered office of the Company in accordance with section 394 of the Companies Act 1985;
  - (h) a certified copy of the minutes of the board meetings held pursuant to part 2 of Schedule 3;
  - (i) in relation to the Company:
    - (i) statements from each bank at which any of those companies has an account, giving the balance of each account at the close of business on the last Business Day before Completion,

- (ii) all cheque books in current use and written confirmation that no cheques have been written since those statements were prepared,
- (iii) details of their cash book balances, and RG 16/6/08
- (iv) reconciliation statements reconciling the cash book balances and the cheque books with the bank statements delivered,

## Part 2. Matters for the board meetings at Completion

1. The Sellers shall cause a board meeting of the Company to be held at Completion at which the matters set out in Part 2 of Schedule 3 shall take place
2. A resolution to register the transfer of the Sale Shares shall be passed at ~~such~~ board meeting of the Company, subject to the transfers being stamped at the cost of the Buyer
3. All directors, secretaries and auditors of the Company shall resign from their offices and employment with the Company and the Subsidiaries with effect from the end of the relevant board meeting
4. Compromise agreements complying with the requirements of section 203(1) of the Employment Rights Act 1996 shall be entered into between the Company and Emily Fowler [TBC] RG 16/06/08
5. An employment agreement in the agreed form shall be entered into between the following persons Richard Fowler and the Company
6. The persons the Buyer nominates shall be appointed as directors and secretary of the Company (but not exceeding any maximum number of directors contained in the relevant company's articles of association) The appointments shall take effect at the end of the board meeting
7. Deloitte & Touche LLP shall be appointed as the auditors of the Company with effect from the end of the relevant board meeting.
8. All the existing instructions and authorities to bankers shall be revoked and replaced with new instructions and authorities to those banks in the form the Buyer requires
9. The address of the registered office of the Company shall be changed to the address required by the Buyer.

- (ii) all cheque books in current use and written confirmation that no cheques have been written since those statements were prepared,
- (iii) details of ~~the cash book balances~~, and
- (iv) reconciliation statements reconciling the cash book balances and the cheque books with the bank statements delivered, ~~£ 166 00~~

**Part 2. Matters for the board meetings at Completion**

1. The Sellers shall cause a board meeting of the Company to be held at Completion at which the matters set out in Part 2 of Schedule 3 shall take place
2. A resolution to register the transfer of the Sale Shares shall be passed at such board meeting of the Company, subject to the transfers being stamped at the cost of the Buyer.
3. All directors, secretaries and auditors of the Company shall resign from their offices and employment with the Company and the Subsidiaries with effect from the end of the relevant board meeting.
4. ~~Compromise agreements complying with the requirements of section 203(1) of the Employment Rights Act 1996 shall be entered into between the Company and Emily Fowler. [TBC]~~ £ 166 00
5. An employment agreement in the agreed form shall be entered into between the following persons Richard Fowler and the Company
6. The persons the Buyer nominates shall be appointed as directors and secretary of the Company (but not exceeding any maximum number of directors contained in the relevant company's articles of association). The appointments shall take effect at the end of the board meeting.
7. Deloitte & Touche LLP shall be appointed as the auditors of the Company with effect from the end of the relevant board meeting.
8. All the existing instructions and authorities to bankers shall be revoked and replaced with new instructions and authorities to those banks in the form the Buyer requires.
9. The address of the registered office of the Company shall be changed to the address required by the Buyer.

10. The accounting reference date of the Company shall be changed to the date required by the Buyer.

## SCHEDULE 4

### Warranties

#### Part 1. General warranties

##### 1. POWER TO SELL THE COMPANY

- 1.1 The Sellers have all requisite power and authority to enter into and perform this Agreement in accordance with its terms and the other documents referred to in it.
- 1.2 This Agreement and the other documents referred to in it constitute (or shall constitute when executed) valid, legal and binding obligations on the Sellers in the terms of the Agreement and such other documents
- 1.3 Compliance with the terms of this Agreement and the documents referred to in it shall not breach or constitute a default under any of the following:
  - (a) any agreement or instrument to which any of the Sellers is a party or by which any of them is bound; or
  - (b) any order, judgment, decree or other restriction applicable to any of the Sellers.

##### 2. SHARES IN THE COMPANY

- 2.1 The Sale Shares constitute the whole of the allotted and issued share capital of the Company and are fully paid.
- 2.2 The Sellers are the legal and beneficial owners of the Sale Shares
- 2.3 The Sale Shares are free from all Encumbrances
- 2.4 No right has been granted to any person to require the Company to issue any share capital and no Encumbrance has been created in favour of any person affecting any unissued shares or debentures or other unissued securities of the Company.
- 2.5 No commitment has been given to create an Encumbrance affecting the Sale Shares (or any unissued shares or debentures or other unissued securities of the Company) or for any of them to issue any share capital and no person has claimed any rights in connection with any of those things.

2 6 The Company

- (a) does not hold or beneficially own, nor has it agreed to acquire, any securities of any corporation, or
- (b) is not and has not agreed to become a member of any partnership or other unincorporated association, joint venture or consortium (other than recognised trade associations); or
- (c) does not have, outside its country of incorporation, any branch or permanent establishment, or
- (d) has not allotted or issued any securities that are convertible into shares

2 7 The Company has not at any time

- (a) purchased, redeemed or repaid any of its own share capital; or
- (b) given any financial assistance in contravention of section 151 of the Companies Act 1985.

2 8 All dividends or distributions declared, made or paid by the Company have been declared, made or paid in accordance with its memorandum, articles of association, the applicable provisions of the Companies Acts and any agreements or arrangements made with any third party regulating the payment of dividends and distributions.

**3. CONSTITUTIONAL AND CORPORATE DOCUMENTS**

3 1 The copies of the memorandum and articles of association or other constitutional and corporate documents of the Company Disclosed to the Buyer or its advisers are true, accurate and complete in all respects and copies of all the resolutions and agreements required to be annexed to or incorporated in those documents by the law applicable are annexed or incorporated

3 2 All statutory books and registers of the Company have been properly kept and no notice or allegation that any of them is incorrect or should be rectified has been received.

3 3 So far as the Sellers are aware all returns, particulars, resolutions and other documents which the Company is required by law to file with or deliver to any authority in any jurisdiction (including, in particular, the Registrar of Companies in England and Wales) have been correctly made up and filed or, as the case may be, delivered.

3.4 Neither the Company is under any obligation to indemnify any director or other officer or employee of in respect of any liability which would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be liable or guilty in relation to the Company.

3 5 None of the Sellers has any interest, direct or indirect, in any business other than that now carried on by the Company which is competitive with the business of the Company as at the date of this Agreement.

3 6 Save for deferred consideration due under this Agreement, there is not outstanding any indebtedness or other liability owing by the Company to the Sellers or to any Director, nor is there any indebtedness owing to the Company by any such person.

#### 4. SOLVENCY

##### 4.1 Winding-up

No order has been made, petition presented or resolution passed for the winding up of the Company and no meeting has been convened for the purpose of winding up the Company. So far as the Sellers are aware, the Company has not been a party to any transaction which could be avoided in a winding up.

##### 4 2 Administration and receivership

No steps have been taken for the appointment of an administrator or receiver (including an administrative receiver) of all or any part of the Company's assets.

##### 4 3 Compositions

The Company has not made or proposed any arrangement or composition with its creditors or any class of its creditors.

##### 4 4 Insolvency

The Company is not insolvent, or unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 and neither the Company has not stopped paying its debts as they fall due in accordance with its normal business practice.

##### 4 5 Unsatisfied judgments

No distress, execution or other process been levied against the Company or action taken to repossess goods in the possession of the Company which has not been satisfied in full. No unsatisfied judgment is outstanding against the Company.

##### 4 6 Floating charges

There are no outstanding floating charges created by the Company

##### 4 7 Powers of attorney

No power of attorney given by the Company is now in force Other than the Directors, no person, as agent or otherwise, is entitled or authorised to bind or commit the Company to any obligation not in the ordinary course of the Company's business, and the Sellers are not aware of any person purporting to do so.

4 8 Insider contracts

- (a) Save in respect of employment agreements entered into between the Company and the Sellers there is not outstanding and there has not at any time during the past three years been outstanding, any agreement or arrangement to which the Company is a party and in which any of the Sellers, any person beneficially interested in the Company's share capital, any Director or any person connected with any of them is or has been interested, whether directly or indirectly.
- (b) Neither the Company is a party to any agreement or arrangement which is not entirely of an arm's length nature.

4 9 Continuance of facilities

Material details of all overdrafts, loans or other financial facilities outstanding or available to the Company have been Disclosed.

5. LAW

5 1 Compliance with Laws

The Company has conducted its business in all material respects in accordance with all applicable Laws of the United Kingdom and there is no order, decree or judgment of any Authority outstanding against the Company or, so far as the Sellers are aware, against any director, officer or employee of the Company in relation to the Company's business which would have a material adverse effect upon the assets or business of the Company.

5.2 Authorisations

- (a) All Authorisations necessary under any Law for the Company to carry on any aspect of its business in the places and in the manner in which such business is now carried on have been obtained by the Company and all of them are in full force and effect and the Company has complied in all material respects with all such Authorisations.
- (b) So far as the Sellers are aware there is no circumstance in existence at the date of this Agreement which indicates that any Authorisation is likely to be suspended, cancelled or revoked.
- (c) So far as the Sellers are aware Completion will not impose a restriction on the right of the Company to carry on its business which does not now apply to the Company

5 3 Litigation

- (a) Neither the Company nor any of its Directors nor, so far as the Sellers are aware, any of the Company's employees is engaged in or the subject of any litigation or arbitration or administrative or criminal proceedings or in any proceedings before an employment tribunal whether as claimant, plaintiff,

defendant or otherwise, or any investigation or enquiry by any Authority which materially adversely affects the Business

- (b) No litigation or arbitration or administrative or criminal proceedings has been instigated against the Company or any of their officers or, so far as the Sellers are aware, any of the Company's employees and, so far as the Sellers are aware, no investigation or enquiry is pending or threatened by or against the Company or any officer or employee its officers.

54 Fraud

No officer, agent or employee of the Company has committed or purported to commit the Company to any obligation of any kind which is not in accordance with the authority given to such officer, agent or employee by the directors of the Company or any officer or executive thereof responsible for conferring such authority and no officer, agent or employee of the Company has committed any fraud upon the Company or has misappropriated any of its property or assets or falsified any of its records

## Part 2 – Additional Warranties

### Interpretation

#### Definitions

In this Part 2, where the context admits

“Authority” means any competent governmental, administrative, supervisory, regulatory, judicial, determinative disciplinary, enforcement or tax raising body, authority, agency, board, department, court or tribunal of the United Kingdom and whether supranational, national, regional or local.

“Authorisation” means any licence, consent, permit, approval or other authorisation, whether public or private required to be obtained by the Company in order to conduct its business as conducted at the date of this Agreement.

“Computer Systems” means the Hardware and the Software referred to in Schedule 6.

“Data” means any data or information used by or for the benefit of the Company and its Subsidiaries at any time and stored electronically at any time

“Environmental Laws” means all or any international, European, national, regional or local law or regulation arising through statute, statutory guidance having the force of law, subordinate legislation or common law in force and applicable in the UK as at the date of this Agreement which from time to time regulate the protection of the environment.

“Hardware” means any computer equipment used by or for the benefit of the Company at any time including, without limitation, parts of computer equipment such as firmware, screens, terminals, keyboards, disks and including without limitation, cabling and other peripheral and associated electronic equipment but excluding all Software.

“Intellectual Property” means patents, trade marks, service marks, rights (registered or unregistered) in any designs; applications for any of the foregoing, trade or business names; copyright (including rights in computer software) and topography rights; know-how; secret formulae and processes; lists of suppliers and customers and other confidential and proprietary knowledge and information, internet domain names; database rights and all rights and forms of protection of a similar nature to any of the foregoing or having equivalent effect anywhere in the world and all rights under licences and consents in respect of any of the rights and forms of protection mentioned in this definition.

“Product Licences” means the licences in respect of the Products.

“Software” means any set of instructions for execution by a computer processor used by or for the benefit of the Company (or where, so specified, by or for the benefit of any other person) at any time irrespective of application, language or medium

## 1 The accounts of the Company

### 1.1 Books and records

All accounts, books, ledgers, financial and other records of whatsoever kind other than the employment records of the Company are up-to-date and contain materially complete and accurate records of all matters required to be dealt with in such books and all such books and records and all other documents (including documents of title and copies of all subsisting agreements to which the Company is a party) which are the property of the Company or ought to be in its possession are in its possession or under its control

### 1.2 Accounts

#### The Accounts

- (a) were prepared in accordance with the requirements of all relevant Laws and accounting practices generally accepted in the United Kingdom at the time they were audited (including all applicable Statements of Standard Accounting Practice and Financial Reporting Standards published by the Accounting Standards Board or the Accounting Standards Committee and not superseded and all applicable Statements of Recommended Practice published by bodies recognised by the Accounting Standards Board, all abstracts published by the Urgent Issues Taskforce and rulings of the Financial Reporting Review Panel mandatory for adoption at the time of their audit);
- (b) show a true and fair view of the assets and liabilities of the Company as at, and the profits or losses of the Company for the accounting reference period ended on, the Accounts Date;
- (c) subject to any changes resulting solely from the adoption of International Accounting Standards and International Financial Reporting Standards apply bases and policies of accounting which have been consistently applied in the audited financial statements of the Company for the three accounting reference periods ending on the Accounts Date.

### 1.3 Management Accounts

The Management Accounts have been prepared on a basis consistent with the management accounts prepared in the preceding year. The cumulative profits or losses, assets and liabilities of the Company stated in the Management Accounts have not been materially mis-stated and are not materially inaccurate.

## 2 The effect of the sale

### 2.1 Business since the Accounts Date

Since the Accounts Date.

- (a) the Company has carried on its business in the ordinary and usual course so as to maintain it as a going concern and without any material interruption or alteration in the nature, scope or manner of its business,
- (b) there has been no material deterioration in the financial or trading position or turnover of the company,
- (c) there has been no significant event or occurrence (including the loss of any significant customer or supplier representing more than 5 per cent, of sales or supplies) which has had a material adverse effect on the business of the Company;
- (c) save for its overdraft facility, the Company has not borrowed or raised any money or taken any form of financial facility (whether pursuant to a factoring arrangement or otherwise);
- (d) the Company has paid its creditors in accordance with their respective credit terms or (if not) within the time periods usually applicable to such creditors and save as disclosed there are no debts outstanding by the Company which have been due for more than four weeks,
- (e) the Company has not entered into, or agreed to enter into, any capital commitments of any amount in excess of £25,000,
- (g) no share or loan capital has been issued or agreed to be issued by the Company,
- (h) no distribution of capital or income has been declared, made or paid in respect of any share capital of the Company and (excluding fluctuations in overdrawn current accounts with bankers) no loan or share capital of the Company has been repaid in whole or part or has become liable to be repaid in whole or part.

### 2.2 Commission

No person is entitled to receive from the Company any finder's fee, brokerage, or other commission in connection with this Agreement or the sale and purchase of shares in the Company.

### 2.3 Consequence of share acquisition by the Buyer

The acquisition of the Sale Shares by the Buyer and compliance with the terms of this Agreement will not:

- (a) so far as the Sellers are aware cause the Company to lose the benefit of any licence, consent, permit, approval or authorisation (public or private) or relieve any person of any contractual obligation to the Company or enable any person to determine any such obligation or any contractual right or benefit now enjoyed by the Company or to exercise any right whether under an agreement with the Company or,
- (b) result in any present or future indebtedness of the Company becoming due or capable of being declared due and payable prior to its stated maturity;
- (c) give rise to or cause to become exercisable any right of pre-emption; and
- (d) result in a breach of, or constitute a default under any order, judgment or decree of Authority by which the Company is bound or subject

#### 2.4 Grants

The Company has not applied for or received any grant or other financial assistance from any Authority.

#### 2.5 Insurances

- (a) Material particulars of all the insurance policies (including the limit and basis of cover under each policy and the amount of the applicable excess) in which the Company has an interest (the "Insurances") are attached to the Disclosure Letter
- (b) So far as the Sellers are aware, all the Insurances are in full force and effect and all premiums have been paid on time. There is no claim outstanding under any of the Insurances nor are the Sellers aware of any circumstances reasonably likely to give rise to a claim.

#### 2.6 Trading name

The Company does not trade under any name other than the trading names set out in the Disclosure Letter.

### 3 The assets of the Company

#### 3.1 Assets and charges

- (a) Except for current assets disposed of by the Company in the ordinary course of business, the Company is the owner legally and beneficially of all assets included in the Accounts and all assets which have been acquired by the Company since the Accounts Date and no Encumbrance is outstanding nor is

there any agreement or commitment to give or create or allow any Encumbrance over or in respect of the whole or any part of the assets, undertaking, goodwill or uncalled capital of the Company and no claim has been made by any person that he is entitled to any such Encumbrance.

- (b) Since the Accounts Date, save for disposals in the ordinary course of its business, the assets of the Company have been in the possession of, or under the control of, the Company.
- (c) No asset is shared by the Company with any other person. The Company does not require or depend for the continuation of their business in the same way or manner or on the same basis as heretofore upon any assets, premises, facilities or services of any other person.
- (d) There are no charges in favour of the Company.

### 3.2 Debts

So far as the Sellers are aware, save to the extent of the provision or reserve therefor contained or reflected in the Accounts, any debts owed to the Company as recorded in the books and records of the Company are good and collectable in the ordinary course of business.

### 3.3 Fixed assets

All fixed assets of the Company including all fixed and movable plant and machinery, vehicles, Computer Systems and other equipment used in, or in connection with, the business of the Company:

- (a) are in good repair and condition (taking into account their age and level of use), are in satisfactory working order, and
- (b) are not unsafe, dangerous or in such a physical condition as to contravene the Health & Safety at Work etc Act 1974, or otherwise contravene or infringe any Law applicable to the Company.

### 3.4 Intellectual Property

- (a) The Company does not own any Intellectual Property.
- (b) So far as the Sellers are aware, none of the processes or products of the Company infringes any Intellectual Property or any right of any other person relating to Intellectual Property or involves the unlicensed use of confidential information disclosed to the Company.
- (c) So far as the Sellers are aware, there are no outstanding claims against the Company for infringement of any Intellectual Property.

- (d) Confidential information and know-how used by the Company is kept strictly confidential and the Company operate and fully comply with procedures which maintain such confidentiality The Sellers are not aware of any such confidentiality having been breached
- (e) The Company is registered as a data controller under the Data Protection Act 1998 in respect of the business carried on by the Company and has complied in all material respects with the Data Protection principles set out in such Act

### 3.5 Computer Systems

- (a) The Company is entitled to use the Software pursuant to licences granted to the Company by the owner or licensee of such Software None of such licences will be terminable as a result of the execution or completion of this Agreement.
- (b) Copies of all material maintenance and support agreements in respect of the Computer Systems have been Disclosed.
- (c) The Company has established procedures to ensure internal and external security of the Computer Systems including procedures preventing unauthorised access, preventing the introduction of a virus, and for taking and storing on-site and off-site back-up copies of Software and Data.

## 4 Premises

4.1 The Company has no estate or interest in or over land or premises and does not occupy any other land or premises and has not entered into any agreement to acquire or dispose of any land or premises or any estate or interest therein which has not been completed.

### 4.2 Outstanding Premises liabilities

The Company does not have any liabilities (actual or contingent) arising out of the conveyance, transfer, lease, sublease, tenancy, licence, agreement or other document relating to land or premises or an estate or interest in or over land or premises, including leasehold premises assigned or otherwise disposed of.

## 5 Contracts

### 5.1 The Contracts of the Company

Copies of each of the material subsisting contracts entered into by the Company are set out in the Disclosure Letter. Each of the contracts of the Company is valid and binding and no notice of termination of any such contract has been received or served by the Company respectively

### 5.2 Contractual arrangements

The Company is not a party to or subject to any agreement, transaction, obligation, commitment, understanding, arrangement or liability which

- (a) is a contract for the supply of assets to the Company on hire, lease, hire purchase, credit or deferred payment terms; or
- (b) is dependent on the guarantee or covenant of or security provided by any other person; or
- (c) is a contract for the sale of shares or assets comprising a business undertaking which contains warranties or indemnities under which the Company still has a remaining liability or obligation; or
- (d) can be terminated as a result of any change in the underlying ownership or control of the Company.

### 5.3 Debts

There are no debts owing by or to the Company other than debts which have arisen in the ordinary course of business, nor has the Company lent any money which has not been repaid

### 5.4 Options and guarantees

The Company is not a party to any option or pre-emption right, and it has not given any guarantee, suretyship or any other obligation (howsoever called) to pay, provide funds or take action in the event of default in the payment of any indebtedness of any other person or in the performance of any obligation of any other person.

### 5.5 Documents

All title deeds and agreements to which the Company is a party and other documents owned by the Company are in the possession or control of the Company and are properly stamped and are free from any Encumbrance.

## 6 Bankers

### 6.1 Borrowings

*5.6 None of the Clients is a Customer within the meaning of clause 23.4 of the Agreement dated 30 May 2002 between Redmayne-Bentley Stockbrokers and the Company.*

The total amount borrowed by the Company from its bankers does not exceed its facilities and the total amount borrowed by the Company from whatsoever source does not exceed any limitation on its borrowing contained in the Company's articles of association, or in any debenture or loan stock deed or other instrument

### 6.2 Off-balance sheet financing

The Company has not engaged in any borrowing or financing not required to be reflected in the Accounts.

## 7 Directors, Workers & Employees

### 7.1 Directors

Schedule 2 shows the full names of and offices held by each person who is a director of the Company and no other person is a director or shadow director of the Company.

### 7.2 Employees and Workers

- (a) The individuals, details of whom are given in or attached to the Disclosure Letter (the "Employees") are all the employees of the Company at the date of this Agreement. For the avoidance of doubt, "Employees" includes those directors employed under a contract of service and non-executive directors whether or not employed under a contract of service.
- (b) All contracts of service or engagement of any of the Employees are terminable on not more than three months' notice without compensation (other than compensation, payable in accordance with the Employment Rights Act 1996)
- (c) The particulars Disclosed show true and complete details of the names, dates of birth and start dates of all of the Employees and by reference to each of the Employees the remuneration payable, notice period and holiday entitlement provided by the Company or which the Company is bound to provide (whether now or in the future) to each Employee and include particulars of all profit sharing, incentive, bonus, commission arrangements and any other benefit to which each Employee is entitled or which is regularly provided or made available to him in any case.
- (d) There are no persons providing services to or engaged by the Company on a self employed basis and there are no subsisting contracts for the provision by any person of any consultancy services to the Company.
- (e) None of the Employees has given notice terminating his contract of employment.
- (f) None of the Employees is under notice of dismissal nor is there any liability outstanding to any Employee or former employee or any person who provides services to the Company on a self employed basis or are supplied to the Company by an agency ("Worker") or any individual formerly engaged on the same basis as a Worker or the agency supplying or which supplied him except for remuneration or other benefits accruing due and no such remuneration or other benefit which has fallen due for payment has not been paid.
- (g) During the period of six months ending with the execution of this Agreement the Company has not terminated the employment of any person employed in or by the Company or any person who has been engaged by the Company on a self-employed basis

- (h) There is no plan, scheme, commitment, policy, custom or practice relating to redundancy affecting any of the Employees more generous than the statutory redundancy requirements.
- (i) All plans, schemes, commitments, policies, customs or practices for the provision of benefits to the Employees and Workers comply in all material respects with all relevant Laws and, so far as the Sellers are aware, all necessary Authorisations in relation to the same have been obtained and all filings and other notifications or returns required to be made to any Authority in relation to the same have been made.
- (j) There are no outstanding loans owed to or from any of the Employees or Workers to the Company other than reimbursement of expenses for the last month wages to the current salary period and holiday pay to the current holiday year.
- (k) Since the Accounts Date and other than in the ordinary course of business, no change has been made in (i) the rate of remuneration, or the emoluments or pension benefits or other contractual benefits, of any officer of the Company or any of the Employees or Workers or (ii) the terms of engagement of any such officer or any of the Employees or Workers.
- (l) Except for any benefits set out in the Disclosure Letter, the Company is not under any present or future liability to pay to any of the Employees or Workers or to any other person who is or has been in any manner connected with the Company any pension, superannuation allowance, death benefit, retirement gratuity or like benefit or to contribute to any life assurance scheme, medical insurance scheme, or permanent health scheme and the Company has not made any such payments or contributions on a voluntary basis.
- (m) There is no overdue outstanding undischarged liability to pay to any Authority any contribution, taxation or other duty arising in connection with the employment or engagement of any of the Employees.
- (n) There is no working arrangement, practice, policy or procedure operated by the Company which contravenes the Working Time Regulations 1998 and, so far as the Sellers are aware, the Company has kept in all material respects all records required by those Regulations.
- (o) There is no hourly paid Employee or Worker employed or engaged by the Company who is now paid less than the statutory minimum applicable under the National Minimum Wage Act 1998.
- (p) There is no industrial action involving any employee of the Company, whether official or unofficial, currently occurring or threatened in connection with the Company.

- (q) There is no outstanding or threatened claim by any person who is now, or has been, an Employee in the last 12 months or was engaged by the Company as a Worker in the last 12 months, and there is no statutory dismissal or disciplinary or grievance procedure in progress in relation to any of the said persons or dispute outstanding with any of the said persons or with any unions or other persons representing all or any of them in relation to their employment with the Company and, so far as the Sellers are aware, there are no circumstances which may give rise to any such dispute.
- (r) There is no employee relations matter affecting the Company which has been referred to ACAS or any other Authority for advice, conciliation or arbitration
- (s) None of the Employees has had his employment transferred to the Company or any of its Subsidiaries in the last three years by reason of a transfer pursuant to the Transfer of Undertakings (Protection of Employment Regulations) 1981 or the Transfer of Undertakings (Protection of Employment Regulations) 2006
- (t) Every Employee or Worker of the Company who requires a work permit or other permission to work in the United Kingdom has a current and appropriate work permit or other permission and all other necessary permissions to remain in the United Kingdom.
- (u) No subject access requests made to the Company pursuant to the Data Protection Act 1998 by Employees or Workers are outstanding.

## 8 Pensions

- 8.1 The Company is not a party to or participates in or contributes to any scheme, agreement or arrangement (whether legally enforceable or not) for the provision of any pension, retirement, death, incapacity, sickness, disability, accident or other like benefits (including the payment after cessation of employment with the Company of medical expenses) for any Employee or Worker and has not done so since its date of incorporation.
- 8.2 Neither the Company nor the Sellers is engaged or involved in any proceedings which relate to or are in connection with a pension scheme or the benefits thereunder and no such proceedings are pending or threatened and, so far as the Sellers are aware, there are no facts likely to give rise to any such proceeding. In this sub-paragraph "proceedings" includes any litigation or arbitration and also includes any investigation or determination by the Pensions Ombudsman or the Pensions Advisory Service or the Pensions Regulator and any complaint under any internal dispute resolution procedure established in connection with any pension scheme.

## Part 3 - Tax Warranties

### Interpretation

In this Schedule, where the context admits.

“ITEPA 2003” means Income Tax (Earnings and Pensions) Act 2003.

“Tax” means all forms of taxation, duties, levies, and imposts whether of the United Kingdom or any other jurisdiction including (without limitation) corporation tax, including instalment payments in respect of corporation tax, advance corporation tax, the charge under s.419 Taxes Act 1988, the charge under s.747 Taxes Act 1988, income tax, capital gains tax, the charge under s 601(2) Taxes Act 1988, value added tax, duties of excise, customs and other import duties, inheritance tax, stamp duty, stamp duty reserve tax, stamp duty land tax, capital duties, national insurance contributions, landfill tax, insurance premium tax, climate change levy, aggregates levy, local authority council taxes, petroleum revenue tax, amounts payable in consideration for the surrender of group relief or advance corporation tax or refunds pursuant to s.102 Finance Act 1989, notional transfers of assets within s.171A Taxation of Chargeable Gains Act 1992 and any payment whatsoever which the Company or ~~any of its~~ Subsidiaries may be or become bound to make to any person as a result of the operation of any enactment relating to any such taxes or duties and all penalties, fines, charges and interest relating to any of the foregoing or resulting from a failure to comply with the provisions of any enactment relating to taxation;

“Tax Authority” means any taxing or other authority (whether within or outside the United Kingdom) competent to impose, administer or collect tax;

“Taxes Act 1988” means Income and Corporation Taxes Act 1988, “TCGA 1992” means the Taxation of Chargeable Gains Act 1992,

“value added tax” and “VAT” mean value added tax as provided for in the Value Added Tax Act 1994 and legislation supplemental thereto or replacing, modifying or consolidating it, including any payments made in respect of value added tax or by way of refund of amounts paid for value added tax, whether to HM Revenue & Customs or to any other person; and references to income or profits or gains earned, accrued or received shall include income or profits or gains treated as earned, accrued or received for the purposes of any legislation.

## 1 Taxation warranties

The Sellers warrant to and for the benefit of the Buyers in the terms set out in the following paragraphs of this Schedule 4.

## 2 General taxation matters

### 2.1 Tax provisions

- (a) Proper provision or reserve has been made in the Accounts for all Tax liable to be assessed on the Company or any of its Subsidiaries or for which they are accountable in respect of income, profits or gains earned, accrued or received on or before the Accounts Date and any event on or before the Accounts Date including distributions made down to such date or provided for in the Accounts and full provision has been made in the Accounts for deferred Tax calculated in accordance with generally accepted accounting practice.

## 2.2 Returns

The Company and its Subsidiaries have properly and punctually made all returns, given all notices and provided all information required for Tax purposes, all such returns, notices and information remain correct and complete and none of such returns is disputed by HM Revenue and Customs or any other authority concerned.

## 2.3 Records

The Company and its Subsidiaries have kept and preserved all such records and information as may be needed to enable them to deliver correct and complete returns for their accounting periods in all material respects.

## 2.4 Payment of Tax

The Company and its Subsidiaries have duly and punctually paid all Tax which they have become liable to pay and have not paid any Tax which they were not and are not properly due to pay

## 2.5 Residence

The Company and its Subsidiaries are and always have been resident for Tax purposes only in the jurisdiction in which they are incorporated.

## 2.6 Special arrangements and concessions

Material details of any special arrangements and concessions which relate to or affect the Company or any of its Subsidiaries and which have been made with any Tax Authority or relied upon by the Company or any of its Subsidiaries, are set out in the Disclosure Letter Neither the Company nor any of its Subsidiaries has taken any action which has had, or might reasonably have, the result of prejudicing or disturbing any such arrangement or concession.

## 2.7 Disputes

There is not now, and has not been in the last six years, any dispute between the Company or any of its Subsidiaries and any Tax Authority concerning the amount of any Tax liability of the Company or any of its Subsidiaries or any other matter relating to the Tax affairs of the Company nor has the Company or any of its Subsidiaries incurred any liability to any penalty, fine, surcharge or interest in connection with any Tax

## 2.8 Claims, elections etc

All claims for relief, allowances or repayment of Tax and all elections which have been taken into account or reflected in the Accounts have been duly and properly made and remain valid.

### 3 Loan relationships

#### 3.1 Transfer pricing

In respect of every transaction or series of transactions in respect of which the Company or any of its Subsidiaries is an affected person within the meaning of s 28AA Taxes Act 1988:

- (a) each such transaction has been carried out at arm's length prices;
- (b) provision between the Company or any of its Subsidiaries and any other persons is not susceptible to adjustment by any Tax authority, and
- (c) the Company or any of its Subsidiaries has prepared and retained all such documentation as is necessary or reasonable to identify the terms of the transactions and the methodology used in arriving at arm's length terms for such transactions.

### 4 Anti-avoidance

#### 4.1 General anti-avoidance

Neither the Company nor any of its Subsidiaries has at any time entered into or been party to any transactions, schemes or arrangements which either:

- (a) were notifiable arrangements for the purposes of Part 7 Finance Act 2004 (Disclosure of tax avoidance schemes), or
- (b) was a notifiable scheme for the purposes of Schedule 2 Finance Act 2004 (Disclosure of VAT avoidance schemes).

### 5 Taxation of employees and agents

#### 5.1 P.A.Y.E

The Company and its Subsidiaries have properly operated the Pay As You Earn system, making such deductions and payments of tax as required by law from all payments to or treated as made to employees, ex-employees, officers and ex-officers of the Company or its Subsidiaries and punctually accounted to the HMRC for all such tax and all returns required pursuant to s 684 ITEPA 2003 and regulations made thereunder have been punctually made and are accurate and complete in all material respects.

#### 5.2 Benefits for employees

- (a) So far as Sellers are aware, neither the Company nor any of its Subsidiaries has made any payment to or provided any benefit for any officer or employee

or ex-officer or ex-employee of the Company or any of its Subsidiaries which is not allowable as a deduction in calculating the profits of the Company or any of its Subsidiaries for taxation purposes

- (b) Neither the Company nor any of its Subsidiaries has in the last three years provided to any Employee nor, so far as the Sellers are aware, to any officer or ex-officer or prospective officer of the Company or any of its Subsidiaries, nor to any person who is an "associated person" for the purposes of s 421C ITEPA 2003:
- (1) any securities or interests in securities which are restricted for the purposes of s.423 ITEPA 2003;
  - (2) any securities or interests in securities which are convertible for the purposes of s.436 ITEPA 2003;
  - (3) any securities or interests in securities within the scope of Chapter 3A of Part 7 of ITEPA 2003 (Securities with artificially depressed market value),
  - (4) any securities or interests in securities within the scope of Chapter 3B of Part 7 of ITEPA 2003 (Securities with artificially enhanced market value);
  - (5) any securities or interests in securities within the scope of Chapter 3C of Part 7 of the ITEPA 2003 (Securities acquired for less than market value);
  - (6) any securities or interests in securities within the scope of Chapter 3D of Part 7 of ITEPA 2003 (Securities disposed of for more than market value);
  - (7) any securities or interest in securities the ownership of which has given rise to a benefit within the scope of Chapter 4 of Part 7 of ITEPA 2003,
  - (8) any securities option within the scope of Chapter 5 of Part 7 of ITEPA 2003; or
  - (9) any other security or interest in securities in respect of which the Company will or would, if the prescribed circumstances arise, be required on or after Completion to operate PAYE or pay or account for any national insurance contributions.

For the purposes of this warranty, "security" and "interest in securities" shall have the meaning given in s.420 ITEPA 2003.

- (c) The Company has complied in all material respects with s.421J ITEPA 2003

### 5.3 Sub-contractors

Either the Company nor any of its Subsidiaries is or ever has been either a contractor or a sub-contractor for the purposes of Chapter IV Part XIII Taxes Act 1988.

## 5 4 National Insurance

The Company and its Subsidiaries have paid all national insurance contributions for which they are liable and have kept proper books and records relating to the same and have not been a party to any scheme or arrangement to avoid any liability to account for primary or secondary national insurance contributions.

## 6 Value Added Tax

### 6.1 Compliance

The Company and its Subsidiaries have complied with all statutory provisions and regulations relating to value added tax and have duly paid or provided for all amounts of value added tax for which the Company or any of its Subsidiaries is liable.

### 6 2 VAT groups

- (a) The Company and its Subsidiaries are members of a group of companies for VAT purposes material details of which are contained in the Disclosure Letter.
- (b) So far as the Sellers are aware, no act or transaction has been effected in consequence of which the Company or any of its Subsidiaries is or may be held liable for VAT chargeable against some other company except where that other company is a subsidiary.
- (c) So far as the Sellers are aware, there are no circumstances in existence which would lead HMRC to give notice to the Company or any of its Subsidiaries or to the Sellers terminating its treatment as a member of the group
- (d) There are no outstanding applications by the Company or any of its Subsidiaries or the Sellers to be a member of or to leave a group for VAT purposes.

### 6 3 Elections

The Disclosure Letter contains material details and copies of all elections, together with the relevant notification, made by the Company and its Subsidiaries pursuant to paragraph 2 Schedule 10 Value Added Tax Act 1994

### 6.4 Joint and several liability

Neither the Company nor any of the Subsidiaries has not been party to any transaction in respect of which HM Revenue & Customs may serve a notice on the Company or any of its Subsidiaries under s.77A Value Added Tax Act 1994.

## SCHEDULE 5

### Taxation

#### Part 1 – Interpretation

##### 1 Interpretation

In this Schedule 5:

1.1 the following expressions have the following meanings unless inconsistent with the context.

- |                            |  |
|----------------------------|--|
| <b>“Accounts Relief”</b>   | (a) any Relief which was treated as an asset of the Company <u>in the Completion Accounts</u> ; and  |
|                            | (b) any Relief which was taken into account in computing (and so reducing or eliminating) any provision for deferred tax which appears in the Completion Accounts or which would have appeared in the Completion Accounts but for the presumed availability of such Relief |
| <b>“the Auditors”</b>      | the auditors for the time being of the Company   |
| <b>“the Balance Sheet”</b> | the audited balance sheet of the Company, as at the Accounting Date  |
| <b>“CAA”</b>               | Capital Allowances Act 2001  |
| <b>“Dispute”</b>           | any dispute, appeal, negotiations or other proceedings in connection with a Tax Claim  |
| <b>“Event”</b>             | any event, fact or circumstance whatsoever including but not limited to  |
|                            | (a) any transaction, action or omission (whether or not the Company is party to it);   |
|                            | (b) the earning, receipt or accrual for any Taxation purpose of any income, profits or gains;  |
|                            | (c) the incurring for any Taxation purpose of any loss or expenditure;   |

	(d)	the declaration, payment or making of any dividend or other distribution;
	(e)	the sale and purchase of the Shares pursuant to this Agreement; and
	(f)	Completion
<b>"FA"</b>		Finance Act
<b>"Future Relief"</b>		any Relief which arises wholly or mainly as a result of any Event which has occurred or occurs after Completion
<b>"HMRC"</b>		HM Revenue & Customs or either of Inland Revenue or HM Customs & Excise as appropriate
<b>"IHTA"</b>		Inheritance Tax Act 1984
<b>"ITEPA"</b>		Income Tax (Earnings and Pensions) Act 2003
<b>"Liability to Taxation"</b>	(a)	any liability of the Company to make an actual payment of Taxation (whether or not the Company is primarily so liable and whether or not the Company has any right of recovery against any other person); and
	(b)	the use by the Company (in whole or in part) of any Future Relief (including a Future Relief surrendered to the Company by another company) or Accounts Relief to reduce or eliminate any liability of the Company to make an actual payment of Taxation (whether or not the Company is primarily so liable and whether or not the Company has any right of recovery against any other person) in respect of which the Sellers would otherwise have been liable under paragraph 2; and
	(c)	the loss by the Company (in whole or in part) of any Accounts Relief
<b>"PAYE"</b>		the Pay As You Earn system
<b>"Relief"</b>	(a)	any relief, allowance, exemption, set-off, deduction or credit available from, against or in relation to Taxation or in

- the computation for any Taxation purpose of income, profits or gains; and
- (b) any right to a repayment of Taxation

**“Saving”**

the reduction or elimination of any liability of the Company or the Buyer or any member of the Buyer’s Group to make an actual payment of corporation tax in respect of which the Sellers would not have been liable under paragraph 2, by the use of any Relief arising wholly as a result of a Liability to Taxation in respect of which the Sellers have made a payment under paragraph 2 including, for the avoidance of doubt, any reduction in the Company’s or the Buyer’s or any members of the Buyer’s Group liability to pay corporation tax which arises as a result of or in connection with any liability of the Company to account for income tax and employees national insurance contributions under the PAYE system in respect of which the Sellers are liable under paragraph 2.1.6 of this Schedule 5

**“Sellers’ Representative”**

Richard Fowler

**“Taxation”**

- (a) any tax, duty, impost or levy, past or present, of the United Kingdom or elsewhere, whether governmental, state, provincial, local governmental or municipal, including without limitation income tax (including income tax required to be deducted or withheld from or accounted for in respect of any payment under Part 11 ITEPA or otherwise), corporation tax, ACT, capital gains tax, inheritance tax, VAT, customs and other import or export duties, rates, stamp duty, stamp duty land tax, stamp duty reserve tax, national insurance and social security contributions and “Tax” shall be construed accordingly; and
- (b) any fine, penalty, surcharge, interest or other imposition relating to any tax, duty, impost or levy mentioned in paragraph (a) of this definition (including any interest or penalty in respect of the underpayment of instalments under the Corporation Tax

(Instalment Payments) Regulations 1998) or to any account, record, form, return or computation required to be kept, preserved, maintained or submitted to any person for the purposes of any such tax, duty, impost or levy

- “Taxation Authority”** any authority, whether of the United Kingdom or elsewhere, competent to impose, assess or collect Taxation, including but not limited to HMRC
- “Taxation Statute”** any statute (and all regulations and other documents having the force of law under such statute) published, enacted, issued or coming into force on or before the date of this Agreement relating to Taxation
- “Tax Claim”** any notice, demand, assessment, letter or other document issued, or action taken, by or on behalf of any Taxation Authority and the submission of any Taxation form, return or computation from which, in either case, it appears to the Buyer that the Company is subject to a Liability to Taxation or other liability in respect of which the Sellers are liable under paragraph 2
- “TCGA”** Taxation of Chargeable Gains Act 1992
- “TMA”** Taxes Management Act 1970
- “VAT”** value added tax
- “VATA”** Value Added Tax Act 1994
- 1.2 references to Events include Events which are deemed to have occurred for any Taxation purpose and references to income, profits or gains earned, received or accrued for any Taxation purpose include income, profits or gains which are deemed to have been earned, received or accrued for any Taxation purpose;
- 1.3 references to the loss of a Relief include the disallowance of a Relief and the failure to obtain a Relief (whether as a result of the surrender of the Relief to another company or otherwise);
- 1.4 any stamp duty which is charged on any document, or in the case of a document which is outside the United Kingdom any stamp duty which would be charged on the

document if it were brought into the United Kingdom, which is necessary to establish the title of the Company to any asset or in the enforcement or production of which the Company is interested, and any interest, fine or penalty relating to such stamp duty, will be deemed to be a liability of the Company to make an actual payment of Taxation;

- 1.5 in determining for the purposes of this Schedule whether a charge on the shares in or assets of the Company arises at any time or whether there is a liability for inheritance tax, the fact that any taxation may be paid in instalments will be disregarded and such taxation will be treated for the purposes of this Schedule as becoming due or to have become due and a charge as arising or having arisen on the date on which HMRC gave notice of the liability to the Company or to the Buyer; and
- 1.6 the provisions of section 213 IHTA (refund by instalments) will be deemed not to apply to any liability to inheritance tax falling within paragraph 2.

## **Part 2 - Tax Covenant**

### **2 Covenant**

- 2.1 Subject to the provisions of this Part 2 of this Schedule 5 the Sellers jointly and severally covenant with the Buyer to pay to the Buyer an amount equal to the amount of:
- 2.1.1 any Liability to Taxation which has arisen or arises as a result of or in connection with any Event which occurred on or before Completion, whether or not such Liability to Taxation has been discharged on or before Completion;
- 2.1.2
- 2.1.3 any liability which arises at any time to the Company to account for income tax or national insurance contributions in respect of an option or other right to acquire securities granted prior to Completion by the Company or by any other person or in respect of the exercise of such option or right or in respect of any employment-related securities (as defined for the purposes of Part 7 ITEPA) acquired whether or not as a result of the exercise of such a right or option;
- 2.1.4 any Liability to Taxation being a liability for inheritance tax which
1. is a liability of the Company and arises as a result of a transfer of value occurring or being deemed to occur on or before Completion (whether or not in conjunction with the death of any person whenever occurring);
  2. arose on or before Completion and gives rise to a charge on any of the shares in or assets of the Company; or
  3. arises after Completion and gives rise to a charge on any of the shares in or assets of the Company as a result of the death of any

person within seven years after a transfer of value which occurred before Completion;

2.1.5 any liability of the Company to make a payment in respect of Taxation to any person which has arisen or arises as a result of or in connection with any Event which occurred on or before Completion, whether or not such liability has been discharged on or before Completion, including any liability of the Company to make a payment in respect of Taxation to any person under any indemnity, covenant, guarantee or charge entered into by the Company on or before Completion;

2.1.6 (a) any Liability to Taxation (including but not limited to income tax and/or employees' and employers national insurance contributions under the PAYE system or otherwise) in each case in respect of or by way of reference to the Consideration Shares and Deferred Consideration Shares (if any) whether or not such liability is triggered by the actual or deemed (by a Taxation Authority) occurrence of an Event on or after Completion or otherwise and any additional Liability to Taxation including penalties, fines, surcharges and/or interest which arises in respect of any such liability;

(b) any Liability to Taxation arising from any Employee or ex-employee being treated as self-employed, or

(c) any Liability to Taxation arising from the Sellers not receiving remuneration arising prior to Completion on a market-value basis.

2.1.7 any reasonable costs, fees or expenses incurred by the Company or the Buyer for a successful claim in connection with:

1. any Liability to Taxation or other liability in respect of which the Sellers are liable under any of paragraphs 2.1.1 to 2.1.6, or
2. any Tax Claim or any Dispute, or
3. taking or defending any action (including but not limited to legal proceedings) under this Part 2 of this Schedule 5.

### **3 Quantification**

For the purposes of paragraph 2 the amount of a Liability to Taxation will be determined as follows.

3.1 the amount of a Liability to Taxation falling within paragraph (a) of the definition of that expression in paragraph 1.1 will be the amount of the actual payment of Taxation which the Company is liable to make;

3.2 the amount of a Liability to Taxation falling within paragraph (b) of the definition of that expression in paragraph 1.1 will be the amount of Taxation saved by the Company as a result of the use of the Future Relief or Accounts Relief; and

3.3 the amount of a Liability to Taxation falling within paragraph (c) of the definition of that expression in paragraph 1.1 will be:

3.3.1 the amount of Taxation which would have been saved by the Company but for the loss of the Accounts Relief on the basis of the rates of Taxation current at the date of the loss, assuming for this purpose that the Company had sufficient profits or was otherwise in a position actually to use the Accounts Relief; or

3.3.2 if the Accounts Relief lost was a right to a repayment of Taxation, the amount of the repayment of Taxation so lost

3.4 the amount of a liability of the Company to make a payment in respect of Taxation will be the amount of the payment in respect of Taxation which the Company is liable to make

#### 4 Exclusions

4.1 The Sellers will not be liable under paragraph 2.1 in respect of a Liability to Taxation of the Company to the extent to which:

4.1.1 such Liability to Taxation was discharged on or before Completion and the discharge of such Liability to Taxation or other liability was reflected in the Completion Accounts; or

4.1.2 provision or reserve for such Liability to Taxation (other than by way of a provision or reserve for deferred taxation) was made in the Completion Accounts; or

4.1.3 payment has already been made in respect of such Liability to Taxation under this Part 2 or Part 3 of this Schedule 5 or otherwise; or

4.1.4 such Liability to Taxation would not have arisen but for a change in legislation (including but not limited to an increase in rates of Taxation) or in the published practice of any Taxation Authority first enacted or announced after Completion and with retrospective effect; or

4.1.5 such Liability to Taxation would not have arisen but for a voluntary act, transaction or omission of the Company after Completion:

1. otherwise than pursuant to a legally binding obligation entered into by the Company on or before Completion or imposed on the Company by any legislation whether coming into force before, on or after Completion or for the purpose of avoiding or mitigating a penalty imposable by such legislation; or

2. which the Buyer was aware or ought reasonably to have been aware would give rise to the Liability to Taxation or other liability in question; or

3 otherwise than in the ordinary course of business of the Company;  
or

4 otherwise than at the written request of the Sellers whether  
pursuant to this Agreement or otherwise;

4.1 6 the Liability to Taxation arises or is increased as a result of the rate or average rate of any Taxation for any period which is applicable to the Company increasing as a result of the sale and purchase of the Company under the Agreement, including the Company ceasing to be subject to corporation tax at the small companies' rate (or qualifying for relief under section 13(2) Taxes Act 1988) and becoming subject to corporation tax at the rate applicable to companies generally.

## **5 Deductions from payments**

5.1 Except as required by law all payments by the Sellers under this Part 2 of this Schedule 5 will be made free and clear of all deductions and withholdings in respect of Taxation.

5.2 If any deduction or withholding is required by law to be made from any payment by the Sellers under this Part 2 of this Schedule 5 or if (ignoring any available Relief) the Buyer is subject to Taxation in respect of any payment by the Sellers under this Part 2 of this Schedule 5, the Sellers covenant with the Buyer to pay to the Buyer such additional amount as is necessary to ensure that the net amount received and retained by the Buyer (after taking account of such deduction or withholding or Taxation) is equal to the amount which it would have received and retained had the payment in question not been subject to the deduction or withholding or Taxation.

5.3 If any additional amount is paid pursuant to paragraph 5.2 by virtue of any deduction or withholding being required by law to be made and the Buyer receives a tax credit, repayment or other benefit by reason of any deduction or withholding in respect of which the Sellers have paid an additional amount, the Buyer shall pay to the Sellers forthwith the amount of such tax credit, repayment, or other benefit.

## **6 Due date for payment**

6.1 The due date for the making of a payment by the Sellers under this Part 2 of this Schedule 5 will be:

6.1.1 the date falling 5 Business Days after the Buyer has served notice on the Sellers demanding such payment and produced reasonably satisfactory documentation that such payment is due and payable; or

6.1.2 in any case involving a liability of the Company to make an actual payment (whether or not a payment of Taxation), the later of the date mentioned in paragraph 6.1.1 and the date falling 5 clear Business Days before the last date upon which the payment is required to be made to the person entitled to the payment; or

6.1 3 in any case involving the loss of an Accounts Relief other than the right to repayment of Taxation, the later of the date mentioned in paragraph 6.1.1 and the date falling 5 clear Business Days before the last date upon which the payment of Taxation is or would be required to be made in respect of the accounting period in which the Accounts Relief is lost.

6.2 If any payment required to be made by the Sellers under this Part 2 of this Schedule 5 is not made by the due date, ascertained in accordance with paragraph 6.1, then such payment will bear interest in accordance with the terms of Clause 11 of this Agreement.

## 7 Claims procedure

7.1 If the Buyer or the Company becomes aware of any matter which may give rise to a Tax Claim it will as soon as reasonably practicable give notice to the Sellers, provided that the giving of such notice will not be a condition precedent to the liability of the Sellers under paragraph 2.

7.2 Subject to paragraph 7.4 and provided that the Sellers indemnify and secure the Company, the Buyer and all other members of the same group of companies as the Buyer to the reasonable satisfaction of the Buyer against all reasonable costs and expenses (including interest or surcharge on overdue Taxation) which may be incurred thereby, the Buyer will procure that the Company, at the Sellers' cost and expense, takes such action and gives such information and assistance in connection with its Taxation affairs as the Sellers may reasonably and promptly request to dispute, appeal against, settle or compromise any Tax Claim, including applying to postpone (so far as legally possible) the payment of any Taxation, but not including, allowing the Sellers or their advisors to undertake the conduct of the Dispute.

7.3 Subject to paragraphs 7.4 and 7.5, and to compliance by the Sellers with paragraph 7.2 in relation to any Dispute, the Buyer will not, and will procure that the Company will not, without the prior written consent of the Sellers' Representative, such consent not to be unreasonably withheld or delayed:

7.3.1 transmit any communication (whether written or otherwise) to any Taxation Authority;

7.3.2 settle or compromise the relevant Tax Claim; or

7.3.3 agree any matter which is likely to affect the amount of the relevant Tax Claim or any future Liability to Taxation.

7.4 The Buyer will not be required to take or procure that the Company will take any action mentioned in paragraph 7.2:

7.4.1 which it reasonably considers to be materially prejudicial to the business or Taxation affairs of the Company, the Buyer or any other member of the same group of companies as the Buyer or on any other reasonable ground;  
or

7.4.2 which involves contesting a Tax Claim beyond the first appellate body (excluding the Taxation Authority which has made the Tax Claim) in the jurisdiction concerned unless the Sellers obtain (at the Sellers' cost and expense) the opinion of tax counsel of at least five years' call that it is reasonable in all circumstances to make such an appeal.

7.5 If the Sellers fail within 15 Business Days of the Buyer giving notice requiring the Sellers to do so, the Buyer having taken all reasonable steps to ensure the Sellers have received such notice, to inform the Buyer of any action which the Sellers wish the Buyer to procure the Company to take under paragraph 7.2, the Buyer will be entitled to procure that the Company settles or compromises any Tax Claim on such terms as it determines in its reasonable discretion.

## **8 Time limit**

8.1 The Sellers will not be liable under paragraph 2 in respect of a Liability to Taxation or other liability of the Company unless within six years from the end of the Accounting Period current at Completion the Buyer has given notice to the Sellers of any Tax Claim whatsoever relating to such Liability to Taxation or other liability, or of any Event which may give rise to such a Tax Claim and proceedings have already commenced in respect thereof.

8.2 The time limit in paragraph 8.1 will not apply in any case involving dishonest or fraudulent or negligent conduct on the part of the Sellers or the Company.

## **9 Savings**

9.1 If (at the Sellers' request and expense) the Auditors determine that the Company has obtained a Saving, the Buyer will offset such Saving against any claim under this Schedule 5 of which it has given notification to the Sellers.

9.2 To the extent that no claim under this Schedule 5 is outstanding the Buyer will as soon as reasonably practicable thereafter repay to the Sellers the lesser of

9.2.1 the amount of the Saving (as determined by the Auditors); and

9.2.2 the amount paid by the Sellers under paragraph 2 in respect of the Liability to Taxation which gave rise to the Saving less any part of that amount previously repaid to the Sellers under any provision of this Agreement or otherwise.

9.3 The Company will be entitled to use in priority to any Relief which gives rise to a Saving any other Relief available to it (including by way of surrender by another company to it) to reduce or eliminate any liability to make an actual payment of corporation tax.

9.4 The Company will not obtain a Saving until the last date upon which it would have been obliged to make the actual payment of corporation tax which has been reduced or eliminated in order to avoid incurring interest thereon.

9 5 In determining whether the Company has obtained a Saving, the Auditors will act as experts and not as arbitrators and their determination will (in the absence of manifest error) be conclusive and binding on the parties

## 10 Recovery from other persons

10 1 If the Company recovers from any other person (including any Taxation Authority but excluding the Buyer), any amount which is referable to a Liability to Taxation or other liability of the Company in respect of which the Sellers have made a payment under paragraph 2, the Buyer will repay to the Sellers the lesser of

10.1.1 the amount so recovered (less any losses, reasonable costs and expenses incurred by the Company or the Buyer as a result of the recovery of that amount), and

10.1.2 the amount paid by the Sellers under paragraph 2 in respect of the Liability to Taxation or other liability in question less any part of such amount previously repaid to the Sellers under any provision of this Agreement or otherwise.

10 2 If the Buyer becomes aware that the Company is entitled to recover any amount mentioned in paragraph 10.1, the Buyer will as soon as reasonably practicable give notice of that fact to the Sellers and provided that the Sellers indemnify and secure the Company, the Buyer and all other members of the same group of companies as the Buyer to the reasonable satisfaction of the Buyer against all reasonable losses, reasonable costs, and expenses which may be incurred thereby, the Buyer will procure that the Company, at the Sellers' cost and expense, takes such action as the Sellers may reasonably and promptly request to effect such recovery.

10.2.1 The action which the Sellers may request the Company to take under paragraph 10.2 does not include any action which the Buyer reasonably considers to be materially prejudicial to the business or Taxation affairs of the Company, the Buyer or any other member of the same group of companies as the Buyer or to which the Buyer objects on any other reasonable ground; or

10.2.2 allowing the Sellers to undertake the conduct of any action necessary to effect recovery of the amount in question.

## 11 Corporation Tax Returns

11.1 Subject as herein provided, the Buyer will have exclusive conduct of all Taxation affairs of the Company after Completion.

11 2 The Buyer will procure that the Company keeps the Sellers fully informed of its Taxation affairs in respect of any accounting period ended on or prior to Completion for which final agreement with the relevant Taxation Authority of the amount of Taxation due from the Company has not been reached and will not submit any correspondence or submit or agree any return or computation for any such period to any Taxation Authority without giving the Sellers a reasonable opportunity to make

representations thereon and without the prior written consent of the Sellers' Representative (such consent not to be unreasonably withheld or delayed)

11.3 The Buyer will procure that the Company does not amend or withdraw any return or computation or any claim, election, surrender or consent made by the Company in respect of its accounting periods ended on or before Completion without the prior written consent the Sellers' Representatives (such consent not to be unreasonably withheld or delayed)

12 **General**

All payments by the Sellers under this Part 2 of this Schedule 5 will be treated as repayments by the Sellers of the Consideration paid for the Shares pursuant to this Agreement, provided that this paragraph 12 will not operate in any way to limit the liability of the Sellers under this Part 2 of this Schedule 5.

## SCHEDULE 6

### Part 1. Hardware

Description of equipment	Number of
Computer screens	5
Computer Towers	5
Computer Keyboards	5
Printers	2

### Part 2. Software

Microsoft Works 8 0

SCHEDULE 7

Part 1  
Discretionary Clients

REDMAYNE BENTLEY STROUD OFFICE - DISCRETIONARY CLIENTS AS AT 11th  
DECEMBER 2007

Name	Client A/c	Main Client	Division	Total Value
-ACKROYD A MRS	WA2103E		DEAL	50,126 92
-ADLAM R P DR	WA2190M		DEAL	56,025 80
-ANDREWS P & LLEWELLYN L MS	WA2204P		DEAL	34,050 28
-ANTHONY RID DIS SETT 2004	WR2258L		DEAL	267,092 57
-AXA ISLE OF MAN EZD 4034	WA2201N		DEAL	268,362 97
-BALL J M MRS	P81755N	WB2187B	PEP	5,904 57
-BALL J M MRS	WB2187B	WB2187B	DEAL	122,618 73
-BALLARD D MRS	P75018G		ISA	27,720 70
-BARR V M MRS (AIM PORT)	WB2343P		DEAL	109,504 98
-BAXTER A W A/C AIM	WB2247M		DEAL	108,794 57
-BOHM M J MRS	WB2330D		DEAL	41,083 05
-BOUGHTON B A DR	P72129E	WB2432E	PEP	4,876 07
-BOUGHTON B A DR	P72129E	WB2432E	ISA	27,510 30
-BOUGHTON B A DR	WB2432E	WB2432E	DEAL	25,129 80
-BRASON M S MS	WB2194K		DEAL	159,832 00
-CADBURY S J D C	WC2534N	WC2534N	DEAL	53,855 02
-CADBURY S J D C MRS	O52685N	WC2534N	DEAL	10,754 56
-CADBURY S J D C MRS	P81664N	WC2534N	ISA	21,775 60
-CADBURY W G	O52669N	WC2535N	DEAL	29,214 31
-CADBURY W G	WC2535N	WC2535N	DEAL	45,727 47
-CADBURY W G VOL SETT	WC2541N		DEAL	1,481,855 78
-CARR T H	WC2321E		DEAL	52,319.24
-CLIFFORD B D & R E	WC2230D		DEAL	182,677 19
-COLEMAN J F (AIM PORT)	WC2540N		DEAL	29,571 44
-COLEMAN J M MRS (AIM PORT)	WC2566P		DEAL	18,762.82
-DAVIES J T DIS TST	WD2287L		DEAL	136,954.15
-DAVIS J H	P64844A	WD2012Y	PEP	27,851 68
-DAVIS J H	P64844A	WD2012Y	ISA	83,542 65
-DAVIS J H	WD2012Y	WD2012Y	DEAL	123,799 59
-DICKIE D L MRS	WD2039A		DEAL	88,861 93
-DODKIN D MRS	P79416K	WD2270K	PEP	13,079 68
-DODKIN G R	P79415K	WD2270K	PEP	32,668 32
-DODKIN G R & D	WD2270K	WD2270K	DEAL	145,207 06
-DOON BROOKS	WB2329P	WB2329P	DEAL	294,726 80
-DOON BROOKS	P81962P	WB2329P	PEP	19,704 55
-DOON BROOKS	P81962P	WB2329P	ISA	24,656 90
-DUTTON A R MRS	P72834E	WD2141D	ISA	9,801.08
-DUTTON A R MRS	WD2141D	WD2141D	DEAL	136,153 53
-EDMONDS W D MRS	WE2199P		DEAL	53,397 99

-FALCONER M MRS	WF2157K		DEAL	267,368 78
-FALCONER P M MRS	P80486L	WF2172L	PEP	43,303 34
-FALCONER P M MRS	P80486L	WF2172L	ISA	20,170 86
-FALCONER T S	P80485L	WF2172L	PEP	47,405 50
-FALCONER T S	P80485L	WF2172L	ISA	30,024 12
-FALCONER T S & P M	WF2172L	WF2172L	DEAL	3,177 08
-GASTEEN D O MRS	P70226D	WG2245G	PEP	11,751.12
-GASTEEN D O MRS	P70226D	WG2245G	ISA	9,080 97
-GASTEEN D O MRS	WG2245G	WG2245G	DEAL	47,983 54
-GIBBS H M MRS	P66857C	WG2096C	PEP	36,156 96
-GIBBS H M MRS	P66857C	WG2096C	ISA	12,515 00
-GIBBS H M MRS	WG2096C	WG2096C	DEAL	42,227 97
-GIBBS R B B	P78856J		PEP	79,115 45
-GIBBS R B B	P78856J		ISA	23,363 87
-GILBERT P V MRS	P76837H	WG2267H	ISA	55,170 77
-GILBERT R L	P76836H	WG2267H	ISA	53,153 38
-GILBERT R L & P V	WG2267H	WG2267H	DEAL	61,528.10
-GILLMORE M R MRS	WG2319L	WG2319L	DEAL	26,335 39
-GILLMORE R M MISS	P80293L	WG2320L	ISA	25,664 72
-GILLMORE R M MISS	WG2320L	WG2320L	DEAL	29,681 97
-HAMEL J H MRS	WH2517L		DEAL	140,461 13
-HATRICK D G MRS	WH2567N		DEAL	91,927 40
-HILL G I D MRS	WH2516L		DEAL	59,215 49
-HOWARD D POA HOWARD T	WH2603P		DEAL	21,118.47
-HUGHES P A MRS	P78049J	WH2474J	ISA	56,746 91
-HUGHES S C & P A	WH2474J	WH2474J	DEAL	19,980 68
-HUGHES S C MR	P78048J	WH2474J	ISA	50,878 86
-INGHAM E J H MRS	P70850D	WI2011D	PEP	5,723 94
-INGHAM E J H MRS	P70850D	WI2011D	ISA	41,620.52
-INGHAM E J H MRS	WI2011D	WI2011D	DEAL	237,538 86
-JARRETT R F DR	O52695N		DEAL	69,918.17
-JOAN RID DIS SETT 2004	WR2253L		DEAL	256,366 25
-JOHNSON M T	WJ2160H		DEAL	36,867 15
-LANGLEY M E MRS	P70871D	WL2130E	PEP	23,902 53
-LANGLEY M E MRS	P70871D	WL2130E	ISA	13,812 00
-LANGLEY M E MRS	WL2130E	WL2130E	DEAL	16,543 04
-LLOYD G	P70905D	WL2104D	PEP	44,919 77
-LLOYD G	P70905D	WL2104D	ISA	64,812 15
-LLOYD G	WL2104D	WL2104D	DEAL	84,031 82
-MILES D & P H	WM2042Z	WM2042Z	DEAL	23,924.98
-MILES D DR	P66252B	WM2042Z	PEP	68,405.92
-MILES D DR	P66252B	WM2042Z	ISA	14,231 23
-MILES P H MRS	P66253B	WM2042Z	PEP	96,582 75
-MILES P H MRS	P66253B	WM2042Z	ISA	20,380.81
-MITCHELL W H DR	P78708J	WM2449J	PEP	21,599 37
-MITCHELL W H DR	P78708J	WM2449J	ISA	72,245.10
-MITCHELL W H DR	WM2449J	WM2449J	DEAL	125,003 08
-NASH J G MRS	P81395N	WN2100N	PEP	18,365 96
-NASH J G MRS	P81395N	WN2100N	ISA	30,157 33
-NASH J G MRS	WN2100N	WN2100N	DEAL	204,276 18
-NEIL M E	WN2024C	WN2024C	DEAL	147,561 65
-NEIL M E MRS	P67070C	WN2024C	PEP	81,139.41
-NEIL M E MRS	P67070C	WN2024C	ISA	52,855.83

-NEIL M E MRS (AIM PORT)	WN2109P		DEAL	18,976 34
-NEWBERY J MRS	P75774G	WN2066G	PEP	46,975 42
-NEWBERY J MRS	P75774G	WN2066G	ISA	65,625 72
-NEWBERY J MRS	WN2066G	WN2066G	DEAL	110,244 98
-OLDFIELD M R	WO2077N		DEAL	13,969 47
-OULD R L	P79679K	WO2063K	PEP	54,218 87
-OULD R L	P79679K	WO2063K	ISA	58,883 54
-OULD R L	WO2063K	WO2063K	DEAL	95,592 10
-RANK-BROADLEY I & H	WR2096C		DEAL	112,982 79
-RATCLIFFE P A MRS	P78944K	WR2245K	PEP	42,916 97
-RATCLIFFE P A MRS	P78944K	WR2245K	ISA	33,871 83
-RATCLIFFE P A MRS	WR2245K	WR2245K	DEAL	115,294 07
-RSPCA 207006 SOUTH COTSWOLD BR	WR2077B		DEAL	817,059 05
-SCOTT D W MRS	P81684N	WS2575N	ISA	4,944 59
-SCOTT R W MAJOR	P81685N	WS2575N	ISA	2,966 37
-SLATER M E MRS	P73650G	WS2115G	PEP	21,378 11
-SLATER P N & E	WS2115G	WS2115G	DEAL	27,765 25
-SPARROW D J B	P66288B	WS2158B	PEP	47,888 40
-SPARROW D J B	P66288B	WS2158B	ISA	74,077 03
-SPARROW V MRS	P66289B	WS2158B	PEP	45,578 22
-SPARROW V MRS	P66289B	WS2158B	ISA	66,865 51
-SPARROW V MRS	WS2158B	WS2158B	DEAL	133,302 78
-STANLEY M MRS	WS2533L		DEAL	103,785 45
-STURGE S C A MRS (AIM PORT)	WS2583N		DEAL	23,271 51
-TAYLER D E MRS (AIM PORT)	WT2300M		DEAL	53,112 07
-VARNEY E B MRS	P67597C	WV2010C	PEP	34,435.61
-VARNEY E B MRS	P67597C	WV2010C	ISA	6,977 59
-VARNEY P J	P67596C	WV2010C	PEP	26,256 26
-VARNEY P J	P67596C	WV2010C	ISA	21,800 88
-VARNEY P J	WV2040K		DEAL	4,686 22
-VARNEY P J & E B	WV2010C	WV2010C	DEAL	18,051 93
-VERNON B J	P76779H		PEP	25,835 73
-VERNON B J	P76779H		ISA	22,974 30
-VERNON S MRS	P76780H		PEP	39,653 09
-VERNON S MRS	P76780H		ISA	9,841 48
-WALLIS M V MRS	P67100C	WW2159C	PEP	68,703 25
-WALLIS M V MRS	P67100C	WW2159C	ISA	49,664 58
-WALLIS M V MRS	WW2159C	WW2159C	DEAL	102,422.41
-WILKINSON P	WW2845G		DEAL	59,543 25
<b>TOTAL</b>				<b>10,346,240</b>

**POTENTIAL/PROBABLE  
NEW CLIENTS**

BROMLEY	50,000.00
WEAVING	300,000 00
BEST	900,000 00
ADELMAN	200,000.00
	<b>1,550,000.00</b>

**Part 2 Advisory Clients**

**REDMAYNE BENTLEY STROUD OFFICE - ADVISORY PORTFOLIO CLIENTS AS AT 11th  
DECEMBER 2007**

Name	Client A/c	Main Client	Division	Nom/Own	Total Value
-ALDERTON J C & D A	WA2188M		DEAL	N	81,346 78
-ANTIQUARK LTD PEN SCHEME	WA2171K		DEAL	N	856,066 76
-BALDRY J P MRS	P70586D	WB2344D	PEP		68,842 12
-BALDRY J P MRS	WB2344D	WB2344D	DEAL	N	96,602 14
-BALDRY S T	P70571D	WB2343D	PEP		98,202 15
-BALDRY S T	P70571D	WB2343D	ISA		28,951 17
-BALDRY S T	WB2343D	WB2343D	DEAL	N	89,167 68
-BARR V M MRS	P64839A		PEP		144,074 95
-BARR V M MRS	P64839A		ISA		69,600 79
-BARR V M MRS	WB2294N		DEAL	N	1,478,321 28
-BAXTER A W	WB2252M		DEAL	N	688,326 59
-BAXTER A W (CSM)	WB2322D		DEAL	N	2,989,140 27
-BINGHAM R D WILL TST	WB2305N		DEAL	N	160,030 35
-BLOOMFIELD P E	P68230C	WB2235C	PEP		43,121 92
-BLOOMFIELD P E	P68230C	WB2235C	ISA		43,049 00
-BLOOMFIELD P E & MRS P M	WB2235C	WB2235C	DEAL	N	49,444 72
-BLOOMFIELD P M MRS	P68231C	WB2235C	PEP		31,558 65
-BLOOMFIELD P M MRS	P68231C	WB2235C	ISA		53,850 05
-BRADBEER JOHN GCHILDS SETT	WB2283C		DEAL	N	39,844 03
-BRADBEER SHIELA GCHILDS SETT	WB2284C		DEAL	N	39,844 36
-BROWN A E MRS	P64037Z		PEP		31,062 47
-BROWN D W	P64036Z		PEP		39,879 68
-BROWN R G	P64038Z		PEP		33,033 30
-BRUNT J E MRS	P71561E		PEP		234,959 17
-BRUNT J E MRS	P71561E		ISA		25,980 45
-BRUNT J E MRS	WB2256M		DEAL	N	56,504 58
-BRUNT J E MRS	WB2418E		DEAL	O	380,020 58
-BRUNT W M	P71560E		PEP		151,322 39
-BRUNT W M	P71560E		ISA		22,445 61
-BRUNT W M	WB2255M		DEAL	N	56,524 49
-BRUNT W M	WB2417E		DEAL	O	361,495 64
-CHUBB L M MRS	WC2054Z		DEAL	N	78,320 92
-COLEMAN J F	P76813H		ISA		32,017 36
-COLEMAN J F	WC2412H		DEAL	N	126,906 33
-COLEMAN J M MRS	P76776H		ISA		47,933 51
-COLEMAN J M MRS	WC2409H		DEAL	N	119,541 02
-CONROY B V MRS	P65048B		PEP		4,082 76
-CONROY B V MRS	P65048B		ISA		26,619 15
-CONROY J	GC2282A		DEAL	O	12,294 40
-CONROY J	P64729A		PEP		54,536 66
-CONROY J	P64729A		ISA		25,317 94
-CURRA C J MRS	WW2154C		DEAL	O	621,330 87
-CURRA H G P	WW2148C		DEAL	O	199,327 27
-CURRA S K L MISS	WW2150C		DEAL	O	203,152 04
-DAVIS A MRS	P64845A		PEP		44,786 28
-DAVIS A MRS	P64845A		ISA		32,784 54
-DAVIS G A	P76022G		PEP		37,960 62

-DAVIS G A	P76022G		ISA		23,643 02
-EVANS W P & MRS D M	WE2176K		DEAL	O	179,207 98
-FALCONER R A	P77719H		ISA		37,679 45
-FALCONER V S R MRS	P78620J		ISA		37,660 45
-FALCONER V S R MRS	WF2069C		DEAL	O	796,094 93
-GARDINER E A MRS	P63038Z		PEP		75,148 08
-GARDINER E A MRS	P63038Z		ISA		26,121 23
-GARDINER E A MRS	WG2024Y		DEAL	N	245,778 86
-GRIGG J R MRS	WG2326L		DEAL	N	204,406 51
-HACKER J S	WH2079Z		DEAL	O	211,863 30
-HAM F V MRS	WW2156C		DEAL	O	503,754 68
-HANVEY W S MRS	WH2332E		DEAL	O	138,264 34
-HAWKE L R	WH2609P	WH2609P	DEAL	N	9,918 28
-HAWKE L R ESQ	P82036P	WH2609P	ISA		13,566 87
-HAYWARD G M MRS	P81052M		PEP		15,916 54
-HAYWARD G M MRS	P81052M		ISA		10,882 48
-HAYWARD G M MRS	WH2563M		DEAL	N	<del>6,764-13</del>
-HICKEY W K MRS	WH2556M		DEAL	N	66,626 21
-HOWARD R MRS	P74267G		ISA		70,863 82
-HOWARD T	P61442S		PEP		83,441 93
-HOWARD T	P61442S		ISA		62,536 27
-HULTON C P P	O52611M	O52611M	DEAL	N	60,662 45
-HULTON C P P	WH2542M	O52611M	DEAL	N	82,814 25
-HUTCHINSON A L	P73343E		PEP		63,106 47
-HUTCHINSON A L	P73343E		ISA		28,733.29
-HUTCHINSON A L	WH2382G		DEAL	N	59,959 56
-HUTCHINSON A M MRS	P73344E		PEP		58,379 49
-HUTCHINSON A M MRS	P73344E		ISA		35,443 66
-HUTCHINSON A M MRS	WH2383G		DEAL	N	153,956 98
-IRELAND D J C	P66350C		PEP		90,731 35
-IRELAND D J C	P66350C		ISA		56,576 17
-IRELAND D J C	WI2006C		DEAL	O	33,166.26
-IRELAND S M MRS	P66351C		PEP		63,904 11
-IRELAND S M MRS	P66351C		ISA		78,479 69
-IRELAND S M MRS	WI2005B		DEAL	O	25,164 02
-JAMES & OWEN LIMITED	WJ2173H		DEAL	N	362,625 44
-JESSOPP G E W	P77955J		PEP		148,384 21
-JESSOPP G E W	P77955J		ISA		3,437 57
-LANGLEY WELL A/C SANKEY DEC'D	WS2263D		DEAL	N	168,230 02
-LAWRENCE R A MRS (CSM)	WL2218K		DEAL	N	147,764 71
-LOACH J D MRS	P72824E		ISA		24,481 44
-LOACH J D MRS	WL2126E		DEAL	N	168,745 73
-MASON J E MRS	P70594D		PEP		7,348 35
-MASON J E MRS	P70594D		ISA		44,034 61
-MASON J E MRS	WM2171C		DEAL	O	93,287 22
-MORE M M WILL TST	WM2531N		DEAL	N	200,815 58
-NYE D N	WN2092M		DEAL	N	108,971 78
-OAKLEY J E DR	P77909J	WO2067L	PEP		45,199.71
-OAKLEY J E DR	P77909J	WO2067L	ISA		22,775 85
-OAKLEY J E DR	WO2067L	WO2067L	DEAL	N	9,576 25
-OLIVER C	O52657N		DEAL	N	43,760 25
-OLIVER C C -HORNBUCKLE MITCHEL	O52693N		DEAL	N	353,750.53

-OWENS E A MRS	WO2065K	DEAL	N	157,721 32
-OWENS E M MRS	P79838K	ISA		69,064 53
-OWENS R E	P79837K	ISA		86,757 97
-OWENS R E	WO2066K	DEAL	N	161,124 42
-P J H VICKERS WILL TRUST	WP2069L	DEAL	N	121,447.21
-PENMORE A E C MRS	WP2159D	DEAL	N	47,082 07
-PORTISHEAD NAUTICAL TRUST	WP2353J	DEAL	O	1,233,170.04
-PORTISHEAD NAUTICAL TRUST	WP2354J	DEAL	N	452,208 65
-REES M G DR	P81147M	ISA		20,198.40
-REES M G DR	WR2280M	DEAL	N	207,008 75
-REES P M MRS	P81146M	ISA		36,436 17
-REES P M MRS	WR2281M	DEAL	N	150,009 66
-ROBERTS G A	WW2157C	DEAL	O	155,644 85
-ROBERTS S M H MRS	WW2155C	DEAL	O	208,599 38
-ROBINSON M G & J E	WR2260L	DEAL	N	149,267 14
-RODBOROUGH LECTURESHIP TSTEEES	WR2110C	DEAL	N	131,938 89
-ROLLS S E MRS	WR2153E	DEAL	N	114,930 89
-RUSSELL R A MISS	WR2311P	DEAL	N	61,957 41
-SANDBACH V C MRS	WS2532L	DEAL	N	236,283 20
-SINNOTT R J W	DS2030C	DEAL	N	53,067.08
-SIPPDEAL FALCONER R A	SIP10090	DEAL	N	135,247 32
-SMITH A E & SON PAULS SHARE	WS2300E	DEAL		101,723.40
-SMITH N L H WILL TRUST	WS2517K WW2943	DEAL	N	38,586 06
-SOUCEK J A M	H WW2942	DEAL	O	136,551 45
-SOUCEK L A F MISS	H WW2266	DEAL	O	133,166 79
-SOUCEK Q M	D	DEAL	N	70,253 44
-STURGE S C A MRS	P65219B	PEP		62,608 17
-STURGE S C A MRS	P65219B	ISA		35,829 01
-STURGE S C A MRS	WS2104A	DEAL	N	615,901 27
-SUMSION P J MRS	P70763D	PEP		43,763 28
-SUMSION P J MRS	WS2225C	DEAL	O	248,201.09
-SUMSION R M	P70762D	PEP		35,648 50
-SUMSION R M	WS2226C	DEAL	O	135,262.30
-TAYLER D E MRS	P68495C	PEP		104,832 19
-TAYLER D E MRS	P68495C	ISA		94,341 37
-TAYLER D E MRS	WT2088C	DEAL	N	103,180 29
-TAYLOR C B & H H 1984 TRUST	WT2163E	DEAL	O	7,954,342 82
-TETLEY C R C	P71306D	ISA		53,370 77
-TETLEY D MRS	P71307D	ISA		36,978 80
-THE JOHN PARKHOUSE TRUST	WJ2401N	DEAL	N	107,399.15
-TYLEY R J	P65793B	PEP		43,759.12
-VAN NIEKERK S C MRS	P72342E	PEP		7,191 82
-VAN NIEKERK S C MRS	P72342E	ISA		10,930 04
-VICKERS D MRS	WV2047M WW2995	DEAL	N	235,522.53
-WEBB A J	K	DEAL	O	217,201 15
-WEBB GRANDCHILDRENS SETT	WW2152C WW3006	DEAL	O	642,274 47
-WEBB J R MISS	K	DEAL	O	96,194 42
-WHITE C MRS	P68593C	PEP		56,837 80
-WHITE C MRS	WW2216C	DEAL	O	21,426 81

-WHITE J A P	P71731E		PEP		18,057 71
-WHITEHEAD A G	WW3025L		DEAL	O	284,266 02
-WHITEHEAD L C MRS	WW2153C		DEAL	O	145,028 86
	WW3070				
-WHITEHEAD S J	M		DEAL	O	249,719 26
-WRAY T	P67319C	WW2047Z	PEP		20,200 90
-WRAY T	P67319C	WW2047Z	ISA		66,326 51
-WRAY T	WW2047Z	WW2047Z	DEAL	O	14,138 23
-ZIEGLER J W	WW2149C		DEAL	O	186,142 53
<b>TOTAL</b>					<b>32,290,255.83</b>

**POTENTIAL/PROBABLE NEW  
CLIENTS**

SPARROW					600,000 00
MUGFORD					350,000 00
CHARLES RUSSELL A/C WEBB					400,000 00
DEC'D					<b>1,350,000.00</b>

## SCHEDULE 8

### Completion Accounts

#### 1 INTERPRETATION

- 1.1 The definitions in this paragraph apply in this Agreement

**Completion Accounts** means, the balance sheet of the Company, including the notes thereon as at the Completion Date and stating the amount of the Completion Net Assets prepared in accordance with and subject to the provisions of this Schedule.

**Completion Net Assets** means, the aggregate of the amount of the assets of the Company less its liabilities (other than share capital and reserves) as shown in the Completion Accounts

**Draft Completion Accounts** means, a draft of the Completion Accounts prepared in accordance with the requirements of this Schedule

**Expert** means a person appointed in accordance with paragraph 3 of this Schedule

**Seller's Accountants** means Griffith Clarke

**Buyer's Accountants** means the accountants appointed by the Buyer for the purpose of preparing the Draft Completion Accounts

#### 2 PREPARATION OF COMPLETION ACCOUNTS

- 2.1 The Buyer shall use its reasonable endeavours to procure that the Buyer's Accountants prepare the Draft Completion Accounts as soon as reasonably practical after the Completion Date and that the Draft Completion Accounts are delivered to the Sellers' Accountants not later than two months after the Completion Date.
- 2.2 The Sellers shall give such assistance and access to information as the Buyer's Accountants may reasonably require to enable them to prepare the Draft Completion Accounts within the period referred to in paragraph 3
- 2.3 The Sellers shall ensure that, within 20 Business Days starting on the day after delivery of the Draft Completion Accounts to the Sellers' Accountants, the Sellers' Accountants submit to the Buyer and the Buyer's Accountants a report stating whether or not they agree with the Draft Completion Accounts (and in the case of disagreement, the areas of dispute).
- 2.4 If the Sellers' Accountants agree the Draft Completion Accounts, the parties shall ensure that the Buyer's Accountants and the Sellers' Accountants certify the Draft Completion Accounts as being the Completion Accounts within 5 Business Days of the Buyer's Accountants receiving the report of the Sellers' Accountants, and the Completion Accounts shall then become final and binding on the parties for the purpose of this Agreement
- 2.5 If the Sellers' Accountants disagree with the Draft Completion Accounts, the parties shall endeavour to agree any matter in dispute. If the matter in dispute is resolved by agreement between the parties, the Buyer's Accountants and the Sellers' Accountants shall certify the Draft Completion Accounts (subject to any amendment agreed between the parties) as being the Completion Accounts and they shall become final and binding on the parties for the purpose of this Agreement.

2.6 If the parties are unable to resolve any disagreement within 10 Business Days of the delivery of the report of the Sellers' Accountants to the Buyer's Accountants, the disagreement shall be referred to an Expert

2.7 Save as provided in paragraph 3, the Buyer and the Sellers shall bear and pay their own costs incurred in connection with the preparation and agreement of the Draft Completion Accounts and Completion Accounts

### 3 EXPERT

3.1 An Expert is a person appointed in accordance with this paragraph 3 to resolve a dispute arising in relation to the Completion Accounts

3.2 The parties shall agree on the appointment of an independent Expert. If the parties are unable to agree on an Expert within 5 Business Days of either party serving details of a suggested expert on the other, either party may request the president of the Institute of Chartered Accountants to appoint an Expert

3.3 The Expert shall prepare a written decision and give notice (including a copy) of the decision to the parties within a maximum of three months of the matter being referred to him

3.4 The parties are entitled to make submissions to the Expert and shall provide (or procure that others provide) the Expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision

3.5 The Expert shall act as an expert and not as an arbitrator. The Expert shall determine any dispute, which may include any issue involving the interpretation of any provision of this Agreement, his jurisdiction to determine the matters and issues referred to him or his terms of reference. The Expert's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.

3.6 Each party shall bear its own costs in relation to the Expert. The Expert's fees and any costs properly incurred by him in arriving at his determination (including any fees and costs of any advisers reasonably appointed by the Expert) shall be borne by the parties equally or in such other proportions as the Expert directs.

3.7 All matters under this paragraph shall be conducted and the Expert's decision shall be written in the English language

### 4 BASIS OF COMPUTATION

4.1 The Completion Accounts shall be prepared on a basis consistent with accounting principles, practices, policies and procedures applied in the Accounts but otherwise complying with UK GAAP and all other legal requirements (to the extent that the accounting principles, practices, policies and procedures applied in the Accounts are inconsistent with UK GAAP and other legal requirements, UK GAAP and other legal requirements shall prevail).

4.2 The Completion Accounts shall be prepared

4.2.1 in accordance with the accounting principles, practices, policies and procedures applied in the Accounts, subject to the Accounting Policies (**Accounting Policies**) as agreed between the parties and accountants, and

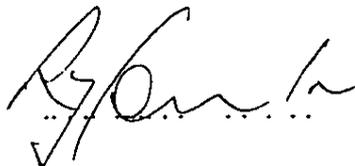
4.2.2 the specific policies set out in paragraph 4.2

4.3 The Completion Accounts shall.

4.3.1 only take account of information available to the parties at Completion and not take account of any event happening after Completion (except in relation to information known to the parties about that event at Completion), and

4.3.2 shall be prepared as if the Company had remained under the ownership of the Sellers

Signed by  
**RICHARD JOHN FOWLER**



Signed by:  
**EMILY KIM FOWLER**



Signed  
on behalf of:  
**BLUE OAR PLC**

.....

.....

Signed by:  
**RICHARD JOHN FOWLER**

Signed by:  
**EMILY KIM FOWLER**

Signed  
on behalf of:  
**BLUE OAR PLC**

.....  
  
.....

Signed by  
**RICHARD JOHN FOWLER**

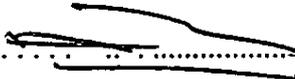
Signed by:  
**EMILY KIM FOWLER**

.....

Signed  
on behalf of  
**BLUE OAR PLC**

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