

1812912

PASSED FOR FILING

DATED 2 FEBRUARY 1996

- (1) J.G.R.W. BURNETT AND OTHERS
- (2) NETCALL TECHNOLOGIES LIMITED
- (3) ACKRILL CARR PLC

AGREEMENT

for purchase of the entire issued share
capital of Netcall Technologies Limited

Halliwell Landau
St James's Court
Brown Street
Manchester
M2 2JF



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THIS AGREEMENT is dated **2 FEBRUARY**
BETWEEN:

1996 and is made

- (1) The persons whose names and addresses are stated in Part B of schedule 1 (each a "Vendor" and together "the Vendors");
- (2) **NETCALL TECHNOLOGIES LIMITED** (No 2100647) whose registered office is at 15 St. Cuthberts Street, Bedford MK40 3JB ("the Company"); and
- (3) **ACKRILL CARR plc** (No 1812912) whose registered office is at Tricorn House, Fiveways, Hagley Road, Edgbaston, Birmingham B16 8TP ("the Purchaser", which expression shall include its successors and assigns).

RECITALS:-

- (A) The Company is a trading company actively engaged in the development and marketing of computer software and other similar products.
- (B) JGRW Burnett and M Seib are the holders of the entire issued share capital of the Company and have agreed to sell such shares to the Purchaser and the Purchaser has agreed to purchase such shares on the terms and conditions of this agreement.
- (C) M Seib, D Robson and Cambridge Venture Management Limited have each been granted rights by the Company to subscribe for certain new ordinary shares in the Company and each of them has agreed to release and accept the termination of such subscription rights on the terms and conditions of this agreement.

NOW IT IS HEREBY AGREED as follows:

1. **PURPOSE AND DEFINITIONS**

- 1.1 This is an Agreement for the sale and purchase of the Sale Shares (as defined in clause

1.2).

1.2 In this Agreement unless the context otherwise requires:-

1.2.1 the following expressions have the following meanings:-

"Accounts" means the audited accounts of the Company and of Warrior PCI (including the directors' reports) as at the Accounts Date;

"AC Shares" means ordinary shares of 5p each in the capital of the Purchaser;

"Accounts Date" means 30 June 1995 in relation to the Company and 31 July 1995 in relation to Warrior PCI;

"Associate" means any person connected with the party in question, within the meaning of section 839 ICTA;

"associated company" means any subsidiary, any holding company or any subsidiary of any holding company;

"Auditors" means Casson Beckman, Chartered Accountants, of Ashworth House, Manchester Road, Burnley;

"business day" means a day on which banks are open for business in London (other than a Saturday);

"Business Plan" means the business plan for the Company in the agreed form to be adopted pursuant to clause 6.1.9.2;

"CA 1985" means the Companies Act 1985;

"Circular" means the circular proposed to be sent to the shareholders of the

Purchaser with which is printed the Notice of EGM;

"Companies Acts" means CA 1985 and the Companies Act 1989;

"Completion" means the performance by the parties of the several obligations contained in clause 6;

"Completion Date" means 5 March 1996 or such later date (not being after 31 March 1996 on which the Condition shall have been fulfilled;

"Condition" means the condition stated in clause 3.1;

"Confidential Information" means trade secrets and information equivalent to the same (including but not limited to formulae, processes, methods, knowledge and know how) in connection with the Products and the Services and the customers and suppliers of the Group and which are for the time being confidential to the Company or Warrior PCI;

"Deed of Indemnity" means the deed in the form set out in schedule 4;

"Disclosure Letter" means the letter of even date in the agreed form from Mr Burnett to the Purchaser;

"Extraordinary General Meeting" means the extraordinary general meeting of the Purchaser to be convened for 5 March 1996 to consider the resolution set out in the Notice of EGM";

"Further Consideration Shares" means such number of AC Shares (if any) issued to the Vendors pursuant to clause 8;

"Group" means the Company and Warrior PCI;

"ICTA" means Income and Corporation Taxes Act 1988;

"Initial Consideration Shares" means the 2,000,000 new AC Shares to be issued to the Vendors pursuant to clause 5.1;

"Intellectual Property Rights" means patents, registered designs, trade marks and service marks (whether registered or not), copyright, design right, and all similar property rights including those subsisting (in any part of the world) in inventions, designs, drawings, performances, computer programs, Confidential Information, business names, goodwill and the style of presentation of goods or services and in applications for protection thereof;

"Management Accounts" means the management accounts of the Company for the period from 1 July 1995 to 31 December 1995 in the agreed form;

"Notice of EGM" means the notice of the Extraordinary General Meeting (a copy of which is attached hereto);

"Options" means the options to subscribe for shares in the Company granted by the Company to each of Mr Seib, Mr Robson and CVM, details of which are set out in Part B of Schedule 1;

"Pre-Tax Net Profit" means the profits on ordinary activities of the Company as shown by the profit and loss account for the relevant period with the following adjustments being made thereto (unless already taken into account in such profit and loss account):-

- (i) after deducting all expenses of working and management, including (without limitation) directors' fees and remuneration, depreciation as charged in the accounts, interest on borrowed monies (subject to sub-paragraph (v) below) and any revenue expenses charged directly against reserves;

- (ii) before deducting any taxation on profits including corporation tax and any similar or additional or substituted tax or making any provision in respect thereof;
- (iii) (subject to clause 8.9) without taking into account profits and losses of a capital nature arising on a disposal of fixed assets, investments, plant or any other property or assets of the Company;
- (iv) after crediting the Company with interest on monies lent by it to the Purchaser (or any Purchaser Group Company) at the lending rate of the Purchaser's bankers at the date and for the period that the relevant loan is made, save that, if the Company lends monies from available cash balances, there shall be credited interest on such monies lent at the rate which the Company would have received from its bankers on deposit;
- (v) after charging the Company with interest on monies borrowed by it from the Purchaser (or any Purchaser Group Company) at the lending rate of the Purchaser's bankers at the date and for the period that the relevant loan is made, save that, if the Purchaser (or relevant Purchaser Group Company) lends monies from available cash balances, there shall be credited interest on such monies lent at the rate which such company would have received from its bankers on deposit;

"Products" means computer hardware and software and all other products of a type which are similar to products produced, developed or sold by the Group at Completion;

"Prohibited Area" means England and Wales and Scotland and Northern Ireland and the Republic of Ireland and the Channel Islands and Belgium and The Netherlands;

"Property" means the leasehold property details of which are set out in schedule 3;

"Purchaser Group Company" means the Purchaser and its subsidiary companies;

"Purchaser's Solicitors" means Halliwell Landau of St James's Court Brown Street Manchester M2 2JF;

"Restricted Products" means products of a type similar to:-

- (a) the Products; and
- (b) any other products which at the date hereof are produced, distributed or sold by any company in the Group,

in relation to which the relevant restricted person has obtained Confidential Information;

"Restricted Services" means services of a type similar to:-

- (a) the Services; and
- (b) any other services which at the date hereof are supplied by any company in the Group,

in relation to which the relevant restricted person has obtained Confidential Information;

"Restricted Period" means the period commencing on Completion and ending 2 years later or, if later, the date one year after the relevant Vendor ceases to be employed by or render services to the Group;

"Sale Shares" means the 1,000 ordinary shares of £1.00 each of the Company in issue referred to in part A of schedule 1;

"Security Interest" means a mortgage, lien, pledge, charge, hypothecation or other security interest, but excluding:-

- (a) any lien arising in the ordinary course of business to secure amounts which are not material;
- (b) any unpaid vendor's or supplier's lien arising in the ordinary course of the relevant company's business to secure amounts due in respect of goods or services sold or supplied; and
- (c) liens arising by operation of law, including a banker's lien;

"Services" means maintenance of computer hardware and software and all other services of a type which are similar to services supplied by the Group at Completion;

"subsidiary" has the meaning ascribed thereto by sections 736 and 736A Companies Act 1985 (as amended) and shall include a subsidiary undertaking within the meaning as ascribed thereto by section 258 of the Act;

"Tax" and "Taxation" means any form of taxation, levy, duty, charge, contribution or impost of whatever nature (including any related fine, penalty, surcharge or interest) imposed, collected or assessed by a Tax Authority;

"Tax Authority" means any local, municipal, governmental, state, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world including, without limitation, the Inland Revenue and H M Customs & Excise;

"the Tax Warranties" means the warranties in paragraph 3 of schedule 5;

"TCGA" means Taxation of Chargeable Gains Act 1992;

"VATA" means Value Added Tax Act 1994;

"Vendors' Solicitors" means Patrick Burnett & Co. of The Mews, Station Road, Heathfield GN21 8LD;

"Warrior PCI" means the company identified in schedule 2;

"Warranties" means the warranties, representations, undertakings and indemnities contained in or referred to in clause 10;

1.2.2 any document expressed to be "in the agreed form" means a document in a form agreed by (and for the purpose of identification signed by or on behalf of) the parties hereto;

1.2.3 references:

1.2.3.1 to clauses, sub-clauses and schedules are unless otherwise stated to clauses and sub-clauses of and schedules to this Agreement;

1.2.3.2 to statutory provisions shall be construed as references to those provisions as respectively replaced, amended or re-enacted (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification) and any subordinate legislation made under such provisions;

1.2.4 words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include

bodies corporate or unincorporate;

- 1.2.5 the headings to the clauses are for convenience only and have no legal effect;
- 1.2.6 the word "company" in this Agreement, except where used in reference to the Company, shall be deemed to include any partnership, undertaking or other body of person, whether incorporated or not incorporated and whether now existing or hereafter to be formed;
- 1.2.7 the Interpretation Act 1978 shall apply in the same way as it applies to an enactment.
- 1.2.8 All obligations and liabilities of the Vendors under or pursuant to this agreement are on a joint and several basis.

2. VENDORS' REPRESENTATIONS

The Vendors have represented to the Purchaser that:

- 2.1 the Company is a private company limited by shares incorporated in England;
- 2.2 the information concerning the Company and Warrior PCI (including capital structure and ownership and details of share options) set out in Parts A and B of schedule 1 and in schedule 2 is complete and accurate in all respects;
- 2.3 Warrior PCI is the only company in which the Company holds shares and the shareholding of the Company in Warrior PCI referred to in schedule 2 is owned by the Company free from any liens, charges or encumbrances and the Company has no subsidiary undertakings;
- 2.4 the Group carries on the business of developing and marketing the Products and of supplying the Services;

- 2.5 this Agreement and the Deed of Indemnity and the other documents executed by the Vendors which are to be delivered at Completion will when executed, constitute binding obligations of the Vendors in accordance with their respective terms;
- 2.6 the execution and delivery of, and the performance by the Vendors of his or its respective obligations under, this Agreement and the Deed of Indemnity will not:
- 2.6.1 result in a breach of any provision of the memorandum or articles of association of the Company;
 - 2.6.2 result in a breach of, or constitute a default under, any instrument to which any Vendor is a party or by which any Vendor is bound; or
 - 2.6.3 result in a breach of any order, judgment or decree of any court or governmental agency to which any Vendor is a party or by which any Vendor is bound.

3. **THE CONDITION**

- 3.1 This Agreement is conditional on the due passing (without amendment) at the Extraordinary General Meeting of the resolution set out in the Notice of EGM.
- 3.2 If the Condition is not fulfilled by 31 March 1996 (or such later date as the Vendors and the Purchaser shall agree) all liabilities of the parties hereunder shall cease and determine and no party shall have any claim against any of the others.
- 3.3 The Purchaser reserves the right to waive (to such extent as it may think fit) compliance with the Condition or any part thereof but without prejudice to any other rights which the Purchaser may have under this Agreement.
- 3.4 The Purchaser undertakes with the Vendors to post a circular not later than 9 March 1996 to its members incorporating the Notice of EGM.

4. **SALE OF THE SALE SHARES AND RELEASE OF OPTIONS**

- 4.1 Mr Burnett and Mr Seib shall sell the Sale Shares to the Purchaser with full title guarantee and free from all liens, charges and encumbrances and with all rights now attached thereto and the Purchaser relying on the representations and undertakings of the Vendors and the Warranties and the Deed of Indemnity given by Mr Burnett shall purchase the Sale Shares with effect from Completion.
- 4.2 Each of the Vendors hereby waives any rights of pre-emption conferred on him or it by the articles of association of the Company over the Sale Shares hereby agreed to be sold by Mr Burnett and Mr Seib.
- 4.3 Mr Seib shall release the Option held by him on the terms of a termination and option agreement in agreed form.
- 4.4 Mr Robson shall release the Option held by him on the terms of a termination and option agreement in agreed form.
- 4.5 CVM shall release the Option held by it on the terms of a termination and option agreement in agreed form.
- 4.6 The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares and the release of all the Options is completed simultaneously.
- 4.7 Pending Completion or the Condition failing:-
- 4.7.1 the Purchaser and any persons authorised by it shall be given full access to the Properties and to all the books and records of every company in the Group and the directors and employees of each such company will be instructed to give promptly all such information and explanations as the Purchaser or any such person may reasonably request; and

- 4.7.2 except with the prior written consent of the Purchaser, the Vendors shall procure that the Company shall not and shall use their best endeavours to procure that Warrior PCI shall not:-
- 4.7.2.1 resolve to change its name or to alter its memorandum or articles of association or any other constitutional regulations;
 - 4.7.2.2 allot or issue or agree to allot or issue any shares or any securities or grant or agree to grant rights which confer on the holder any right to acquire any shares or other such interest;
 - 4.7.2.3 declare, pay or make any dividend or other distribution;
 - 4.7.2.4 repay or redeem any of its share capital;
 - 4.7.2.5 reduce its share capital;
 - 4.7.2.6 resolve to be voluntarily wound up;
 - 4.7.2.7 pass any resolution or obtain any consent from its members;
 - 4.7.2.8 otherwise than in the ordinary course of business:
 - 4.7.2.8.1 incur in a single transaction any liability (whether as principal or surety) for a principal amount which exceeds or could exceed £20,000;
 - 4.7.2.8.2 create any Security Interest over its business, undertaking or any of its assets;
 - 4.7.2.9 make any material change (including any change by the incorporation, acquisition or disposal of a subsidiary or a business)

in the nature, extent or terms of its business;

4.7.2.10 depart from continuing its business in its ordinary course;

4.7.2.11 make any material change in the terms or conditions of employment or engagement of any of its employees or officers;

4.7.2.12 enter into any material transaction with or for the benefit of any of its directors or their Associates except in the usual course of its business;

4.7.2.13 appoint new auditors;

4.7.2.14 enter into any borrowing, factoring or other financing or any lending commitments;

4.7.2.15 dispose of or enter into any hire or hire-purchase agreement or agreement for payment on deferred terms (other than normal trade credit or bill of sale); or

4.7.2.16 fail to keep in place its existing insurance cover;

5. **CONSIDERATION**

The consideration for the sale of the Sale Shares shall be:

5.1 initial consideration of £400,000 which shall be satisfied by the allotment and issue (credited as fully paid) of the Initial Consideration Shares to Mr Burnett and Mr Seib in the proportions specified in the fourth column of part B of schedule 1; and

5.2 further consideration to the Vendors to be ascertained and satisfied in accordance with clause 8.

6. COMPLETION

6.1 Completion shall take place on the Completion Date at the offices of the Purchaser (when all (but subject to clause 6.2 not part only) of the following business shall be transacted:

6.1.1 evidence of the fulfilment of the Condition shall be produced;

6.1.2 The Vendors shall deliver to the Purchaser:

6.1.2.1 transfers in respect of the Sale Shares duly completed in favour of the Purchaser, together with the certificates therefor;

6.1.2.2 such other documents as may be required to give a good title to the Sale Shares and to enable the Purchaser to become the registered holders thereof;

6.1.2.3 (as agents for the Company) all the statutory and minute books of the Company (written up to date) and its common seal, certificates of incorporation, books of account and other documents and records and the share certificate for the shareholding of the Company in Warrior PCI;

6.1.2.4 the Deed of Indemnity duly executed by each of the parties thereto (other than the Purchaser);

6.1.2.5 the deeds and documents of title to the Property;

6.1.2.6 the cash book balances of the Company and Warrior PCI as at Completion with reconciliation statements reconciling such cash book balances with the debit and credit balances on the bank accounts of such companies as at the close of business on the

business day immediately preceding Completion;

6.1.2.7 the Management Accounts; and

6.1.2.8 a letter from Lloyds Bank PLC to the Company confirming that the loan made to the Company under the terms of a facility letter dated 12 April 1995 will be continued notwithstanding the change of control of the Company upon Completion.

6.1.3 The Vendors shall:

6.1.3.1 cause the transfers mentioned in this clause to be resolved to be registered (subject only to their being duly stamped) notwithstanding any provision to the contrary in the articles of association of the Company; and

6.1.3.2 cause J Rubins to be validly appointed as additional directors of the Company and M. Robertson to be validly appointed as the secretary of the Company and on such appointments shall cause J.E. Burnett to cease to be a director and the secretary of the Company and to deliver to the Purchaser a letter (executed as a deed in agreed form) acknowledging that she has no claim outstanding for compensation for loss of office or otherwise howsoever, including redundancy and unfair dismissal.

6.1.4 Mr Burnett shall deliver to the Purchaser an option agreement and a service agreement (in each case in agreed form) duly executed by him.

6.1.5 Mr Seib shall deliver to the Purchaser a termination and option agreement and a service agreement (in each case in agreed form) duly executed by him.

- 6.1.6 Mr Robson shall deliver to the Purchaser a termination and option agreement and a service agreement (in each case in agreed form) duly executed by him.
- 6.1.7 CYM shall deliver to the Purchaser a termination and option agreement (in agreed form) duly executed by it.
- 6.1.8 The Purchaser shall deliver to the Vendors' Solicitors:
- 6.1.8.1 certificates in respect of the Initial Consideration Shares (which shall rank pari passu in all respects with the AC Shares in issue at the date hereof, save that they shall not rank for any dividend or other distribution declared, paid or made in respect of the financial period of the Purchaser ended 31 December 1995 and such certificates shall be endorsed to that effect;
 - 6.1.8.2 counterparts of the service agreements referred to in clauses 6.1.4, 6.1.5 and 6.1.6 duly executed by the Company; and
 - 6.1.8.3 counterparts of the termination and option agreements referred to in clauses 6.1.5, 6.1.6 and 6.1.7 duly executed by the Purchaser.
- 6.1.9 The parties shall join in procuring that:
- 6.1.9.1 the Auditors shall be appointed auditors of the Company in place of the current auditors (whose written notice of resignation the Vendors shall procure will be deposited with the Purchaser (on behalf of the Company) in accordance with section 392 CA 1985 with a statement under section 394 of that Act that there are no circumstances connected with their ceasing to hold office which they consider should be brought to the attention of the members or creditors of the Company);

6.1.9.2 the Company shall adopt the Business Plan; and

6.1.9.3 the registered office of the Company shall be changed to Tricorn House, Fiveways, Hagley Road, Edgbaston, Birmingham B16 8TP.

6.2 If the Vendors shall be unable to comply with any of their obligations under the preceding provisions of this clause on the Completion Date the Purchaser may:

6.2.1 defer Completion to a date not more than 28 days after that date (and so that the provisions of this clause 6.2.1 shall apply to Completion as so deferred);
or

6.2.2 proceed to Completion so far as practicable but without prejudice to the Purchaser's rights (whether under this Agreement generally or under this clause) to the extent that the Vendors shall not have complied with their obligations thereunder: or

6.2.3 rescind this Agreement.

6.3 Each of Mr Burnett and Mr Seib hereby declares that after Completion and for so long as he remains the registered holder of any of the Sale Shares he will:-

6.3.1 stand and be possessed of the Sale Shares and the dividends and other distributions of profits or surplus or other assets in respect thereof and all rights arising out of or in connection therewith in trust for the Purchaser;

6.3.2 at all times hereafter deal with and dispose of the Sale Shares dividends, distributions and rights as aforesaid as the Purchaser or any such successor may direct;

6.3.3 if so requested by the Purchaser:

6.3.3.1 vote at all meetings which he shall be entitled to attend as the registered holder of the Sale Shares in such manner as the Purchaser may direct; and

6.3.3.2 execute all instruments of proxy or other documents which the Purchaser may reasonably require and which may be necessary or desirable or convenient to enable the Purchaser to attend and vote at any such meeting.

7. **INSURANCE**

Pending Completion and up to 90 days thereafter the Vendors shall take such steps as are reasonably available to them to maintain in good standing all insurance policies relating to the Group as at the date of this Agreement.

8. **FURTHER CONSIDERATION**

8.1 The further consideration referred to in clause 5.2 shall be ascertained and satisfied as follows:

8.2 The Purchaser shall procure that the Pre-Tax Net Profit of the Company for the period of account from 1 July 1998 to 30 June 1999 shall be certified in writing by the Auditors as soon as reasonably practicable after 30 June 1999 and not later than 30 September 1999. The certificate shall be prepared in accordance with generally accepted UK accounting policies and practices and all relevant statements of standard accounting practice and financial reporting standards and, subject to the foregoing, on a basis and in accordance with the accounting policies adopted for the purposes of the Accounts.

8.3 The certificate as to Pre-Tax Net Profit (and the relevant accounts of the Company from which the certificate is derived) shall be delivered to the Vendors within two business days of its completion for approval.

- 8.4 The Vendors shall notify the Purchaser as to whether or not they approve such certificate within 30 business days of its delivery. If no such notification is received by the Purchaser by such date, the certificate will be deemed to be agreed by the Vendors. In the event that the Vendors shall not approve the certificate, the Vendors and the Purchaser shall together attempt to resolve any difference that has arisen between them with regard thereto. If no such resolution has been agreed between the parties within 10 business days of notification of disapproval by the Vendors, the matter shall be referred to an independent firm of chartered accountants to be appointed by agreement between the Vendors and the Purchaser or, failing such agreement, by the President of the Institute of Chartered Accountants in England and Wales for the time being upon the request of either party. The decision of such chartered accountants (acting as experts and not as arbitrators) shall, in the absence of manifest error, be final and binding upon the parties and shall be incorporated in or otherwise dealt with in the certificate. The fee of such chartered accountants shall be borne between the Vendors and the Purchaser as the chartered accountants shall direct.
- 8.5 If the Pre-Tax Net Profit for the period from 1 July 1998 to 30 June 1999 shall equal or exceed £2,000,000, then further consideration shall be payable (subject to clause 8.8) to the Vendors on the following basis:-

<u>Pre-Tax Net Profit</u> <u>1.7.98 - 30.6.99</u>	<u>Amount of Further Consideration</u> <u>Payable</u>
less than £2,000,000	nil
£2,000,000	£410,667
more than £2,000,000 but less than £3,000,000	£410,667 plus 20.53334p for each £1.00 by which the Pre-Tax Net Profit exceeds £2,000,000
£3,000,000 or more	£616,000

For the avoidance of doubt, the maximum amount of further consideration payable under this clause is £616,000.

- 8.6 Any further consideration payable to the Vendors under clause 8.5 shall be satisfied by the issue and allotment to the Vendors of a number of Further Consideration Shares (credited as fully paid and excluding fractions of shares which shall not be issued) which shall be issued at such time as the payment of the further consideration shall become due and payable and the aggregate value of which, at 20p per share, is equal to the further consideration to be satisfied by their issue. The Further Consideration Shares shall be issued and allotted to the Vendors in the proportions specified in the fifth column of part B of schedule 1.
- 8.7 Subject to clause 8.8, any further consideration payable pursuant to this clause shall be satisfied on the date 7 days following the final agreement or determination of the certificate of Pre-Tax Net Profit pursuant to clause 8.4 above.
- 8.8 If, as at the date that any further consideration becomes payable to the Vendors under this clause, the Purchaser has made any claim against the Vendors (or either of them) under or pursuant to this Agreement which remains outstanding the Purchaser shall be entitled to withhold and set-off against such further consideration the amount of such claim.
- 8.9 If prior to 30 June 1999 the shares (or any of them) held by the Company in Warrior PCI are sold to any third party then, for the purposes of this Agreement, any Net Profit or loss realised or incurred by the Company on such sale will be deemed to be received or incurred on a day-by-day basis equally over the period from the date of the sale until 30 June 1999. In this sub-clause 8.9, "Net Profit" means the cash sum actually received by the Company on completion of the sale of the shares in Warrior PCI less (1) the amount paid by the Company for such shares on acquisition (including any professional or other costs incurred in connection with that acquisition), (2) the amount or value of any obligations of Warrior PCI to the Company released by the Company in connection with the sale, (3) the amount of any professional or other costs incurred in connection

with the sale of the shares and (4) all other costs and expenses incurred by the Company in any way in relation to its shareholding and participation in Warrior PCI.

9. **ORDERLY MARKET**

9.1 Each of Mr Burnett and Mr Seib hereby undertakes with the Purchaser that he will not without the Purchaser's prior written consent:

9.1.1 dispose of any of the Initial Consideration Shares allotted to him within the period of one year following Completion; and

9.1.2 dispose of more than 20 per cent. of the Initial Consideration Shares allotted to him prior to the second anniversary of Completion.

9.2 Each of the Vendors undertakes to the Purchaser that he or it will consult with the Purchaser before at any time disposing of any of the Initial Consideration Shares or the Further Consideration Shares allotted to him or it and effect any such disposal through the Purchaser's brokers at the relevant time with a view to ensuring an orderly marketing thereof.

10. **WARRANTIES, REPRESENTATIONS, UNDERTAKINGS AND INDEMNITIES**

10.1 Mr Burnett hereby warrants and represents to and undertakes with the Purchaser:

10.1.1 that all statements of fact relating to the Group in this Agreement up to and including schedule 3 are correct; and

10.1.2 in respect of the Group in terms of schedule 5, and so that any statement in that schedule which is qualified as being "to the best of the knowledge, information and belief of Mr Burnett or the Vendors" has been so qualified after due and careful enquiry by Mr Burnett or the Vendors, who has used all reasonable endeavours to ensure that all

information given, referred to or reflected in the relevant warranty or representation is accurate in all material respects.

- 10.2 Mr Burnett covenants with the Company (and Warrior PCI) to hold the Purchaser and the Company (and Warrior PCI) fully indemnified in respect of any depletion in the assets of the Company (and Warrior PCI) or loss of relief, allowance, set off or deduction occasioned or suffered in connection with or with the rectifying of any breach of the Warranties, together with all costs, charges, interest, penalties and expenses incidental or relating thereto.
- 10.3 Mr Burnett acknowledges and agrees that the Purchaser has been induced to enter into this Agreement on the basis of the Warranties and the Deed of Indemnity and that the Purchaser is relying on the Warranties and the Deed of Indemnity.
- 10.4 The Warranties are qualified only to the extent of those matters fully and fairly disclosed in the Disclosure Letter and not otherwise. The Purchaser's right or ability to make a claim under or in respect of the Warranties or to damages or other relief in respect of any breach of the Warranties shall not be affected or limited, and the amount recoverable shall not be reduced, by any other information of which the Purchaser has or may have actual or constructive or imputed knowledge and, in particular, the rights and remedies of the Purchaser shall not be affected or limited in any way by any investigation made by or on behalf of the Purchaser into the business of the Group or any report on such business prepared at the instance of the Purchaser.
- 10.5 The right or ability of the Purchaser to make a claim under or in respect of the Warranties shall be without prejudice to any other right of the Purchaser to damages or other relief in respect of any other breach of the Warranties.
- 10.6 The Vendors shall procure that neither the Vendors nor the Company nor (so far as they are able so to procure) Warrior PCI shall do or permit or procure any act or omission before Completion which would constitute a breach of any of the Warranties if they were given at Completion or which would make any of the Warranties inaccurate or

misleading in any respect if they were so given.

- 10.7 Any information supplied by the Company or Warrior PCI to the Vendors or their agents or advisers in connection with the Warranties, Deed of Indemnity or representations or otherwise in relation to the business and affairs of the Group shall not be deemed a representation, warranty or guarantee to the Vendors of the accuracy thereof and the Vendors hereby waive any and all claim against each company in the Group in respect thereof
- 10.8 Each of the Warranties shall be deemed to be repeated, by reference to the facts then existing, immediately prior to Completion.
- 10.9 Mr Seib hereby warrants and represents and undertakes to the Purchaser that the statements made in paragraphs 1.9 and 2 of schedule 5 are correct (such warranty being given by Mr Seib on the same basis as the warranties given by Mr Burnett).
- 10.10 Mr Robson and CVM hereby warrant and represent and undertake to the Purchaser that the statement made in paragraph 1.9 of schedule 5 is correct (such warranty being given by Mr Robson and CVM on the same basis as the warranties given by Mr Burnett).
- 10.11 No claim shall be enforceable by the Purchaser for any alleged breach of any one Warranty unless the alleged loss to the Purchaser or the level of damages which the Purchaser may reasonably be expected to sustain exceeds £500.
- 10.12 No claim shall be brought by the Purchaser for any alleged breach of the Warranties unless notice in writing of such claim specifying the alleged nature of the breach and the nature of the loss or damage sustained has been given to the relevant Vendor or Vendors not later than the second anniversary of Completion (in the case of Warranties not related to Taxation) or the seventh anniversary of Completion (in the case of Warranties related to Taxation).
- 10.13 Insofar as the Warranties are given in respect of Warrior PCI, it is acknowledged by the

Purchaser that the Company holds 50 per cent. of the issued share capital of Warrior PCI and does not control Warrior PCI. Mr Burnett warrants that he has made due and careful enquiry before giving the Warranties in relation to Warrior PCI, but it is agreed that Mr Burnett shall not be liable for any breach of the Warranties in relation to Warrior PCI if he can show that information relating to the matter giving rise to such breach has been withheld by the other shareholder in Warrior PCI from him.

11. RESTRICTIVE COVENANTS

11.1 Each of Mr Burnett, Mr Seib and Mr Robson agree with the Company and the Purchaser that he will not, whether by himself, his employees or agents or otherwise howsoever, during the Restricted Period directly or indirectly:

11.1.1 be employed or otherwise engaged or interested in any capacity (whether for reward or otherwise) in any business which is or is about to be engaged in the production, distribution or sale of the Restricted Products or any of them or the supply of the Restricted Services or any of them in the Prohibited Area in competition with the Company or Warrior PCI Provided that this restriction shall not operate to prohibit any of them from holding in aggregate up to 3 per cent. of the shares of any competing company the shares of which are listed or dealt in on a recognised stock exchange.

11.1.2 in relation to the Restricted Products or any of them or the Restricted Services or any of them, solicit or canvass or otherwise deal with any person, firm, company or other organisation which was a customer or supplier of the Company or Warrior PCI at any time during the year prior to Completion or which at the Completion Date was in the process of negotiating to do business with the Company or Warrior PCI;

11.1.3 solicit or entice away or endeavour to solicit or entice away from the Company or Warrior PCI any director or manager or salesman or

consultant employed or otherwise engaged by such company on the Completion Date, whether or not such person would commit any breach of his contract by reason of his leaving the service of any such company;

11.1.4 employ or otherwise engage any person who at the Completion Date or during the year prior thereto was employed or otherwise engaged by the Company or Warrior PCI and who by reason thereof is in possession of any of the Confidential Information.

11.2 Each of the Vendors agree with the Company and the Purchaser that he or it will not at any time after Completion, whether by himself or itself, his or its employees or agents or otherwise howsoever (save pursuant to the service agreements to be entered into by certain of the Vendors pursuant to clause 6):

11.2.1 engage in any trade or business or be associated with any person firm or company engaged in any trade or business using the names "Warrior" or "Netcall" or incorporating the words "Warrior" or "Netcall";

11.2.2 in the course of carrying on any trade or business, claim, represent or otherwise indicate any present association with the Company or Warrior PCI or for the purpose of obtaining or retaining any business or custom claim, represent or otherwise indicate any past association with the Company or Warrior PCI; or

11.2.3 without the consent of the Company use whether on his or her own behalf or on behalf of any third party or divulge to any third party any Confidential Information.

11.3 If the Company or Warrior PCI shall have obtained any Confidential Information from any third party under an agreement including any restriction on disclosure known to it, each of the Vendors agree with the Company and the Purchaser that he or it will not at any time without the consent of the Company infringe such restrictions.

- 11.4 Each of the Vendors agree with the Company and the Purchaser that the restrictive covenants herein contained are reasonable and necessary for the protection of the value of the Sale Shares.
- 11.5 While the restrictions aforesaid are considered by the parties to be reasonable in all the circumstances, it is agreed that if any such restrictions taken together shall be adjudged to go beyond what is reasonable in all the circumstances for the protection of the interests of the Purchaser but would be adjudged reasonable if part or parts of the wording thereof were deleted or amended or qualified or the periods thereof were reduced or the range of products or area dealt with were thereby reduced in scope, then the relevant restriction or restrictions shall apply with such modification or modifications as may be necessary to make it or them valid and effective.
- 11.6 Each of the Vendors hereby agree with the Company and the Purchaser that he or it will at the request and cost of the Company enter into a direct agreement or undertaking with the Company or or Warrior PCI whereby he or it will accept restrictions and provisions corresponding to the restrictions and provisions herein contained (or such of them as may be appropriate and relevant in the circumstances) for the protection of its or their legitimate interests.

12. **THE PURCHASER'S RIGHTS OF RESCISSION**

- 12.1 Each of the Vendors hereby undertakes with the Purchaser that he or it will forthwith disclose in writing to the Purchaser any event or circumstance which may arise or become known to them or any of them after the date hereof and prior to Completion which is materially inconsistent with any of the Warranties or which is material to be known by a purchaser for value of the Sale Shares. If the Vendors or any of them shall so disclose any event or circumstance pursuant to this clause the Purchaser shall have the right (exercisable within 14 days of receiving such written notice as aforesaid) to rescind this Agreement.
- 12.2 In the event that prior to Completion any company in the Group shall sustain a loss from

fire, flood, accident, computer failure or other calamity which in the reasonable opinion of the Purchaser materially and adversely affects the business of the Group, the Purchaser shall (regardless of whether or not such loss shall have been insured) be entitled to rescind this Agreement.

13. **GUARANTEES**

The Purchaser undertakes to Mr Burnett that it will following Completion use all reasonable endeavours to procure that Mr Burnett and Jane Ellen Burnett are released from the guarantee given by them to Lloyds Bank Plc in respect of the obligations of the Company to Lloyds Bank Plc. Pending the release of such guarantee, the Purchaser shall indemnify Mr Burnett against any liabilities incurred by him under such guarantee following Completion.

14. **CONTINUING EFFECTS OF THIS AGREEMENT**

- 14.1 No provision of this Agreement or of any agreement or arrangement of which this Agreement forms part and which is subject to registration under the Restrictive Trade Practices Acts 1976 and 1977 shall take effect until the day after the date on which particulars required by those Acts to be furnished to the Director General of Fair Trading in respect of this Agreement or of the agreement or arrangement of which it forms part have been furnished to him in accordance with those Acts.
- 14.2 Subject to clause 14.1, all provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding Completion except in respect of those matters then already performed.
- 14.3 This Agreement shall be binding on and shall enure for the benefit of each party's successors and personal representatives and permitted assigns (as the case may be). Neither this Agreement nor any part thereof may be assigned by any of the Vendors without the prior consent of the Purchaser in writing. The Purchaser and the Company shall be entitled to assign the whole or any part of this Agreement.

15. **ANNOUNCEMENTS AND CIRCULARS**

Save for the circular to be issued by the Purchaser to its shareholders in connection with the entering into of this Agreement, all announcements and circulars by or on behalf of any of the parties hereto and relating to the sale and purchase hereunder shall be in terms to be agreed between the parties in advance of issue.

16. **RELEASES BY THE PURCHASER**

Any liability to the Purchaser under this Agreement may in whole or in part be released, compounded or compromised or time or indulgence given by the Purchaser in its absolute discretion as regards any of the Vendors under such liability without in any way prejudicing or affecting its rights against any other of the Vendors in respect of the same or a like liability, whether joint and several or otherwise.

17. **NOTICES**

17.1 Any notice required to be given under this Agreement shall be deemed duly served if left at or sent by registered or recorded delivery post to (in the case of the Vendors) the Vendors' Solicitors or (in the case of the Purchaser or the Company) its registered office. Any such notice shall be deemed to be served at the time when the same is handed to or left at the address of the party to be served and, if served by post, on the day (not being a Saturday, Sunday or public holiday) next following the day of posting.

17.2 In proving the giving of a notice it shall be sufficient to prove that the notice was left at the relevant address or that the envelope containing such notice was properly addressed and posted.

18. **TIME OF THE ESSENCE**

Any time, date or period mentioned in this Agreement may be extended by mutual agreement between the parties hereto or otherwise as provided herein but as regards any

time, date or period originally fixed or so extended as aforesaid time shall be of the essence.

19. **OTHER PROVISIONS**

- 19.1 This Agreement sets forth the entire agreement and understanding between the parties or any of them in connection with the Company and the sale and purchase described herein.
- 19.2 No purported variation of this Agreement shall be effective unless made in writing and signed by or on behalf of those of the parties affected by such variation.
- 19.3 At all times after the date of this Agreement the Vendors shall use their respective best endeavours to procure that any necessary third party shall execute such documents and do such acts and things as the Purchaser may reasonably require for the purpose of giving to the Purchaser the full benefit of all the provisions of this Agreement.
- 19.4 If any term or provision in this Agreement shall be held to be illegal or unenforceable, in whole or in part, under any enactment or rule of law, such term or provision or part shall to that extent be deemed not to form part of this Agreement but the enforceability of the remainder of this Agreement shall not be affected.
- 19.5 This Agreement may be entered into in any number of counterparts and by the parties to it on separate counterparts, each of which when executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

20. **PAYMENT OF COSTS**

Subject as mentioned in this clause, each of the parties shall be responsible for his or her or its respective legal and other costs incurred in relation to the preparation and completion of this Agreement.

21. **APPOINTMENT OF ATTORNEY**

21.1 Each of Mr Burnett and Mr Seib hereby appoints the Purchaser as his lawful attorney for the purpose of receiving notices of and attending and voting at all meetings of the members of the Company from the date of this Agreement to the day on which the Purchaser is entered in the register of members of the Company as the holder of the Sale Shares.

21.2 For such purpose each of Mr Burnett and Mr Seib hereby authorises:

21.2.1 the Company to send any notices in respect of his holding of shares of the Company to the Purchaser; and

21.2.2 the Purchaser to complete in such manner as it thinks fit and to return proxy cards, consents to short notice and any other document required to be signed by him or her in his or her capacity as a member.

22. **CHOICE OF LAW, SUBMISSION TO JURISDICTION AND ADDRESS FOR SERVICE**

22.1 This Agreement shall be governed by and interpreted in accordance with English law.

22.2 The parties hereby submit to the jurisdiction of the High Court of Justice in England but this Agreement may be enforced in any court of competent jurisdiction.

22.3 Each of the Vendors hereby irrevocably authorises and appoints the Vendors' Solicitors to accept service of all legal process arising out of or connected with this Agreement and service on the Vendors' Solicitors shall be deemed to be service on the party concerned.

IN WITNESS whereof this Agreement has been entered into the day and year first above written

SCHEDULE 1
The Company
Part A - Capital structure

Date of incorporation:	17 February 1987
Registered number:	2100647
Authorised share capital:	£1,000 divided into 1,000 ordinary shares of £1 each
Issued share capital:	1,000 ordinary shares fully paid
Directors:	J.G.R.W. Burnett J.E. Burnett M.G. Seib
Secretary:	J.E. Burnett
Shareholders and shareholdings:	J.G.R.W. Burnett - 975 ordinary shares M G Seib - 25 ordinary shares
Auditors:	Hill Richardson
Bankers:	Lloyds Bank PLC
Accounting reference date:	30 June

Part B - The Vendors

<u>Name and Address</u>	<u>Number of issued Ordinary Shares held</u>	<u>Number of Ordinary Shares subject to share option held</u>	<u>Number of Initial Consideration Shares to be allotted on Completion</u>	<u>Proportion of Further Consideration</u>
John Geoffrey Robert Wildman Burnett ("Mr Burnett") 12 High Street Chesterton Cambridge CB4 1NG	975	-	1,950,000	63.31%
Martin Geoffrey Seib ("Mr Seib") 158 Hillfield Road St Albans Hertfordshire AL1 4JD	25	75	50,000	6.49%
David Robson ("Mr Robson") 22 Manor Road Witchford Ely Cambridgeshire CB6 2JA	-	350	-	22.73%
Cambridge Venture Management Limited ("CVM") 25 City Road Cambridge CB1 1DP	-	115	-	7.47%
	1,000	540	2,000,000	100%

SCHEDULE 2

Warrior PCI

Name: Warrior PCI Computer Services Limited

Date of incorporation: 5 June 1991

Registered number: 2617800

Authorised share capital: £1,000,000 divided into 500,000 'A' shares of £1.00 each and 500,000 'B' shares of £1.00 each

Issued share capital: 5,000 'A' shares fully paid and 5,000 'B' shares fully paid

Directors: R.S. Broatch
J.G.R.W. Burnett
J.E. Burnett
R.J. Donner

Secretary: S. Willoughby

Shareholders and shareholdings: Production Control Information (PCI) Limited -
5,000 'A' shares
Warrior Systems and Software Limited -
5,000 'B' shares

Auditors: Jolliffe Cork

Bankers: Midland Bank PLC

Accounting reference date: 31 July

SCHEDULE 3

The Property

Description of Property:	Ground Floor Unit 10a Plot 10 Harding Way St Ives
Proprietor:	Netcall Technologies Limited
Date of Lease:	22.4.91
Parties to Lease:	(1) Dominion Alliance Properties Limited and (2) Netcall Technologies Limited (formerly called Warrior Systems and Software Limited
Term and Rent:	21 years from 15.4.91
Occupiers:	Netcall Technologies Limited and Warrior PCI Computer Services Limited
Actual Use:	Offices within B1 clause use

SCHEDULE 4
Deed of Indemnity

(See attached)

SCHEDULE 5

Warranties

(All references in this schedule to the Company shall, unless the context otherwise requires, be construed as references to the Company and Warrior PCI).

1. Accounts

1.1 The Accounts

1.1.1 The Accounts were prepared in accordance with the historical cost convention and the bases and policies of accounting adopted for the purposes of preparing the Accounts are the same as those adopted in preparing the audited accounts of the Company in respect of the last three preceding accounting periods.

1.1.2 The Accounts:

- (a) give a true and fair view of the assets and liabilities of the Company at the Accounts Date and of its profits for the financial period ended on that date;
- (b) comply with the requirements of the Companies Acts and other relevant statutes;
- (c) have been prepared on a basis which complies with current UK generally accepted accounting principles and comply with all current SSAPs and FRSs applicable to a United Kingdom company;
- (d) are not affected by any extraordinary, exceptional or non-recurring item;
- (e) properly reflect the financial position of the Company as at their

date;

- (f) fully disclose all the assets of the Company as at their date;
- (g) make full provision or full reserve for all liabilities and capital commitments of the Company outstanding at the Accounts Date, including contingent, unquantified or disputed, liabilities; and
- (h) make full provision or full reserve, for all Taxation liable to be assessed on the Company or for which it may be accountable in respect of the period ended on the Accounts Date.

1.1.3 No amount included in the Accounts in respect of any asset, whether fixed or current, exceeds its purchase price or production cost (within the meaning of CA 1985 Schedule 4) or (in the case of current assets) its net realisable value on the Accounts Date.

1.2 Valuation of stock-in-trade and work in progress

1.2.1 In the Accounts and in the accounts of the Company for the three preceding financial years the stock-in-trade and work in progress of the Company have been treated in accordance with SSAP 9.

1.2.2 In the Accounts all redundant, obsolete and slow-moving stock-in-trade has been fully written off.

1.3 Depreciation of fixed assets

In the Accounts and in the accounts of the Company for the three preceding financial years, the fixed assets of the Company have been depreciated in accordance with SSAP 12.

1.4 Deferred taxation

Where provision for deferred taxation is not made in the Accounts, full details of the amounts of such deferred taxation have been disclosed in the Disclosure Letter.

1.5 Accounting Reference Date

There has not at any time been any accounting reference date of the Company for the purposes of Section 224 of CA 1985 other than the date specified in Schedule 1 or 2.

1.6 Book Debts

1.6.1 No part of the amounts included in the Accounts, or subsequently recorded in the books of the Company, as owing by any debtors is overdue by more than twelve weeks, or has been released on terms that any debtor pays less than the full book value of his debt or has been written off or has proved to any extent to be irrecoverable or is now regarded by the Company as irrecoverable in whole or in part.

1.6.2 The amounts due from debtors as at Completion will be recoverable in full in the ordinary course of business and in any event not later than twelve weeks after Completion; none of those debts is subject to any counter-claim or set off.

1.7 Books and Records

All the accounts, books, ledgers, financial and other records, of whatsoever kind, of the Company:

1.7.1 are in its possession;

1.7.2 have in all material respects been fully, properly and accurately kept and completed;

1.7.3 do not contain any material inaccuracies or discrepancies of any kind;

1.7.4 give and reflect a true and fair view of its trading transactions, and its financial, contractual and trading position.

1.8 **Management Accounts**

The Management Accounts:

1.8.1 give a true and accurate view of the profits, assets and liabilities of the Company for the periods to which they relate and have been prepared on a basis consistent with those adopted in the preparation of the Accounts;

1.8.2 were prepared in accordance with the historical cost convention and generally accepted accounting principles in the United Kingdom consistently applied throughout;

1.8.3 properly reflect the financial position of the Company as at their date;

1.9 **The Business Plan**

The Business Plan has been honestly and diligently prepared and is believed by the Vendors to be fair and reasonable in all respects and the forecasts as to the future prospects of the business of the Company contained in the Business Plan are based upon assumptions which have been properly and carefully considered by the Vendors and the Vendors have made all reasonable and diligent enquiries so as to ascertain all such information and conditions which are relevant to the preparation of the Business Plan.

2. Corporate Matters

2.1 Directors and shadow directors

2.1.1 The only directors of the Company are the persons whose names are listed in relation to the Company in Schedule 1 or 2 (as relevant).

2.1.2 No person is a shadow director (within the meaning of Section 741 CA 1985) of the Company but is not treated as one of its directors for all the purposes of that Act.

2.2 Subsidiaries, associations and branches

2.2.1 The Company:

- (a) is not the holder or beneficial owner of, nor has agreed to acquire any share or loan capital of, any company (whether incorporated in the United Kingdom or elsewhere) other than (in the case of the Company) Warrior PCI;
- (b) has not outside the United Kingdom any branch, agency or place of business, or any permanent establishment (as the expression is defined in the relevant double taxation relief order current at the date of this Agreement);
- (c) has not in relation to another undertaking any participating interest.

2.3 Options over the Company's capital

Save for the Options, there are no agreements or arrangements in force which provide for the present or future issue, allotment or transfer of, or grant to, any person of the right (whether conditional or otherwise) to call for the issue, allotment or transfer of any share or loan capital of the Company or Warrior PCI (including any option or right of pre-emption or conversion).

2.4 New issues of capital

No share or loan capital has been issued or allotted, or agreed to be issued or allotted, by the Company since the Accounts Date.

2.5 Commissions

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

2.6 Memoranda and Articles of Association, statutory books, resolutions and seal

2.6.1 The copy of the memorandum and articles of association of the Company which has been produced to the Purchaser's Solicitors is accurate and complete in all respects and has embodied in it or annexed to it a copy of every such resolution as is referred to in Section 380 of CA 1985.

2.6.2 The register of members and other statutory books of the Company have been properly kept and contain an accurate and complete record of the matters with which they should deal.

2.6.3 No notice or allegation that any of the foregoing is incorrect or should be rectified has been received.

2.6.4 Since the Accounts Date no resolution or elective resolution of any kind of the shareholders of the Company has been passed (other than resolutions relating to business at annual general meetings which was not special business) and, pending Completion, no resolution shall be passed without the prior written consent of the Purchaser.

2.7 Documents filed

- 2.7.1 All returns, particulars, resolutions and documents required by the Companies Acts or any other legislation to be filed with the Registrar of Companies, or any other authority, in respect of the Company have been duly filed and were correct and due compliance has been made with all the provisions of the Companies Acts and other legal requirements in connection with the formation of the Company, the allotment or issue of shares, debentures and other securities, the payment of dividends and the conduct of its business.
- 2.7.2 All mortgages and charges in favour of the Company have (where necessary in order to secure their enforceability) been duly registered in accordance with the Companies Acts.

2.8 Possession of documents

All title deeds relating to the assets of the Company, and an executed copy of all agreements to which the Company is a party, and the original copies of all other documents which are owned by or which ought to be in the possession of the Company including a copy of every instrument creating or evidencing a charge over any property of the Company are in its possession.

2.9 Investigations

There are not pending, or in existence, any investigations or enquiries by, or on behalf of, any governmental or other body in respect of the affairs of the Company.

2.10 Information disclosed to Purchaser correct

- 2.10.1 All information given by any of the Vendors, the Vendors' Solicitors or the Vendors' accountants to the Purchaser, the Purchaser's Solicitors or the Auditors relating to the business, activities, affairs, or assets or liabilities of the

Company was, when given, and is now accurate in all respects.

2.10.2 There are no material facts or circumstances known to the Vendors, in relation to the assets, business or financial condition of the Company, which have not been fully and fairly disclosed in writing to the Purchaser or the Purchaser's Solicitors, and which, if disclosed, might reasonably have been expected to affect the decision of the Purchaser to enter into this Agreement.

2.10.3 The contents of the Disclosure Letter and of all documents accompanying it and referred to in it are true and accurate in all respects and fully, clearly, accurately and comprehensively disclose every matter to which they relate.

2.11 Vendors' authority and good title to the Shares

2.11.1 Each of the Vendors has, and will at Completion have, full power and authority to enter into and perform this Agreement and the Deed of Indemnity which constitute, or when executed will constitute, binding obligations on him in accordance with their respective terms.

2.11.2 The Sale Shares are fully paid and constitute and will at Completion constitute the whole of the issued and allotted share capital of the Company.

2.11.3 There is, and at Completion will be, no pledge, lien, option or other encumbrance on, over or affecting the Sale Shares and there is, and at Completion will be, no agreement or arrangement to give or create any such encumbrance and no claim has been or will be made by any person to be entitled to any of the foregoing.

2.11.4 Mr Burnett and Mr Seib are entitled to transfer the full legal and beneficial ownership of the Shares to the Purchaser on the terms of this Agreement without the consent of any third party.

3. Taxation

3.1 Tax Provisions

Full provision or reserve has been made in the Accounts for all tax liable to be assessed on the Company or for which it is accountable in respect of income profits or gains earned accrued or received (or deemed to be earned accrued or received) on or before the Accounts Date or any event on or before the Accounts Date including distributions made down to such date or provided for in the Accounts and proper provision has been made in the Accounts for deferred taxation in accordance with generally accepted accountancy principles.

3.2 Returns

3.2.1 The Company has properly and punctually made all returns, given all notices and provided all information including without prejudice to the generality of the foregoing the delivery of all forms P11D required to be supplied to any tax authority and all such information, returns and notices were accurate in all material respects and made on the proper basis and are not, nor are not likely to be, disputed by such tax authority and the Vendors are not aware that any dispute is likely.

3.2.2 The Company has not since the Accounts Date taken any action which has had or might have, the result of altering, prejudicing or in any way disturbing any arrangement or agreement which it has previously negotiated with any tax authority.

3.3.3 No tax authority has at any time carried out or is at present conducting any investigation into the business or affairs of the Company and the Vendors, having made all reasonable enquiries, knows of no reason why any such investigation should be initiated.

3.3.4 The Company has maintained all records required to be maintained for tax purposes.

3.4 Taxation claims, liabilities and reliefs

3.4.1 The Company has made all claims, elections, disclaimers, consents and notices relating to Taxation which it is or has been entitled to make and there are no such claims, elections, disclaimers, consents and notices which it has at Completion, an entitlement to make, which have not been so made, including, without limitation, any entitlement:-

- (a) to make any claim (including a supplementary claim) for relief under the Taxes Act or any other taxation statute;
- (b) to make any election for one type of relief, or one basis, system or method of taxation, as opposed to another;
- (c) to make any appeal (including a further appeal) against an assessment to taxation;
- (d) to make any application for the postponement of taxation;
- (e) to disclaim or require the postponement or reduction of any allowance;
- (f) to elect to treat any machinery or plant as a short- life asset within the provisions of Section 37, Capital Allowances Act 1990.

3.4.2 No relief (whether by way of deduction, reduction, set-off exemption, repayment or allowance, or otherwise), from, against or in respect of any taxation has been claimed and/or given to the Company which could or might be effectively withdrawn, postponed, restricted or otherwise lost as a result of

any act, omission, event or circumstance arising or occurring at any time after Completion.

- 3.4.3 The Company has not made any claims under sections 24, 279 or 280 TCGA or under sections 242 or 584 ICTA.

3.5 **Payment of tax**

The Company has duly and punctually paid all tax which it has become liable to pay and is under no liability to pay any penalty or interest in connection with any claim for tax nor has it paid any such penalty or interest within the last 6 years.

3.6 **Employee Tax**

- 3.6.1 The Company has properly operated any and all systems of deduction of tax on employee remuneration (including without prejudice to the generality of the foregoing the Pay As You Earn system), deducting tax as required from all payments to or treated as made to its employees and has ex-employees and accounted promptly to the appropriate tax authority for all tax so deducted and all tax chargeable on benefits provided for its employees.

- 3.6.2 The Company has paid all national insurance and graduated pension contributions for which it is liable and has kept proper books and records relating to the same.

3.7 **Tax avoidance**

The Company has not been engaged in or been a party to any scheme or arrangement of which the main purpose, or one of the main purposes, was the avoidance of liability to tax.

3.8 Payments under deduction

All payments by the Company to any person which ought to have been made under deduction of tax have been so made and the Company has (if required by law to do so) promptly accounted to the appropriate tax authority for the tax so deducted.

3.9 Section 765 Taxes Act

The Company has not without the prior consent of the Treasury entered into any of the transactions specified in Section 765 ICTA.

3.10 Group Income

The Company has not made or purported to make any elections under Section 247 ICTA and the Company has not paid any dividend without paying advance corporation tax or made any payment without deduction of income tax in the circumstances specified in section 247(6) ICTA.

3.11 Distributions

3.11.1 The Company has not at any time nor will before Completion redeem, repay, or purchase or agree to redeem, repay, or purchase any of its own shares or capitalised or agreed to capitalise in the form of redeemable shares or debentures any profits or reserves of any class or description.

3.11.2 The Company has not been a party to or engaged in any of the transactions set out in sections 213 to 218 ICTA (inclusive) and has not received or made a chargeable payment as defined in those sections.

3.11.3 No distribution within section 418 ICTA has been made by the Company.

3.12 Close companies

- 3.12.1 The Company is a close company within the terms of section 414 ICTA.
- 3.12.2 The Company does not have any liability for apportionment pursuant to Schedule 19 ICTA in respect of any accounting period ended on or before the Accounts Date.
- 3.12.3 Clearances have been obtained under Schedule 19 paragraph 16 ICTA for all accounting periods of the Company ended prior to Completion, and the information and particulars supplied to the Inspector of Taxes made full and accurate disclosure of all material facts and considerations.
- 3.12.4 The Company has at all times been a trading company or a member of a trading group, as defined in Schedule 19, paragraph 7 ICTA and for all accounting periods beginning on or after 1 April 1989 has not been a close investment holding company (within the meaning of section 31(A) ICTA).
- 3.12.5 The Company has not made any such transfer as is referred to in section 125 TCGA.

3.13 Loans to participators

No loan or advance within section 419 or section 422 ICTA has been made, or agreed to, by the Company and none since the Accounts Date released or written off the whole or part of the debt in respect of any such loan or advance.

3.14 Group relief, tax refunds and surrender of surplus advance corporation tax

- 3.14.1 The Disclosure Letter sets out for the seven years ending on Completion full details of all the claims, and surrenders, by and to the Company:-

3.14.2 for group relief pursuant to sections 402 to 413 ICTA;

3.14.3 of any amount of surplus advance corporation tax pursuant to section 240 ICTA;

3.14.4 of tax refund under section 102 Finance Act 1989.

3.14.5 The Company is not liable to make or entitled to receive a payment for group relief, tax refund or for the surrender of advance corporation tax.

3.14.6 The Company has not made or received a payment for group relief, tax refund or for the surrender of advance corporation tax which may be liable to be refunded in whole or in part.

3.14.7 All claims for group relief made by the Company were valid when made and are now valid and have been or will be allowed by way of relief from corporation tax.

3.15 Acquisitions from group members

3.15.1 The Company does not own any asset which was acquired from another company which was at the time a member of the same group of companies (as defined in section 170 TCGA), and which owned that asset otherwise than as trading stock within section 175 TCGA (Transfers within a group; trading stock).

3.15.2 The execution or completion of this agreement will not result in any profit or gain being deemed to accrue to the Company for tax purposes, whether pursuant to section 178 or 179 TCGA or otherwise.

3.16 Base values and acquisition costs

3.16.1 If each of the capital assets of the Company were disposed of at Completion for a consideration equal to the book value of that asset in, or adopted for the purpose of, the Accounts, no liability to tax on any gains (including, without prejudice to the generality of the foregoing, corporation tax on chargeable gains) or balancing charge under the Capital Allowances Act 1990 or otherwise would arise; and for the purpose of determining the liability to corporation tax on chargeable gains, there shall be disregarded any relief and allowances available to the Company other than amounts falling to be deducted from the consideration receivable under section 38 TCGA.

3.16.2 The Company has not since the Accounts Date engaged in any transaction in respect of which there may be substituted for the purpose of tax a different consideration to that actually given or received by the Company.

3.17 Chargeable gains

3.17.1 In determining the liability to corporation tax on chargeable gains in respect of any asset which has been acquired or disposed of by the Company or which the Company has agreed to acquire or to dispose of (whether conditionally, unconditionally or otherwise):-

3.17.2 the sums allowable as a deduction will be determined solely in accordance with the provisions of section 38 TCGA;

3.17.3 the amount or value of the consideration determined pursuant to section 38(1)(a) TCGA, will not be less than the amount or value of the consideration actually given by the Company for that asset;

3.17.4 the amount of any expenditure on enhancing the value of that asset, (determined pursuant to section 38(1)(b) TCGA); will not be less than the amount or value

of all expenditure actually incurred by the Company on that asset.

3.17.5 No asset owned or agreed to be acquired by the Company (other than plant and machinery in respect of which it is entitled to capital allowances) is a wasting asset within the meaning of section 44 TCGA, (Wasting assets).

3.18 Capital losses

The Company has not incurred a capital loss to which the provisions of section 18(3) TCGA are applicable.

3.19 Roll-over and other relief

The Company has not made any claim under sections 152-157 TCGA inclusive, and no such claim has been made by any other company which affects or could affect the amount or value of the consideration for the acquisition of any asset by the Company taken into account in calculating liability to corporation tax on chargeable gains on a subsequent disposal.

3.20 Value shifting

The Company has not been a party to or otherwise involved in any scheme or arrangement whereby the value of any of its assets have been or will be materially reduced such that, on a subsequent disposal of such assets, sections 29-34 TCGA would or might apply.

3.21 Chargeable debts

No gain chargeable to corporation tax will accrue to the Company on the disposal of any debt owing to it not being a debt on a security.

3.22 Chargeable policies

The Company has not acquired any benefits under any policy of assurance otherwise than as original beneficial owner.

3.23 Transfer of overseas trade

The Company has not transferred a trade, carried on by it outside the United Kingdom through a branch or agency, to a company not resident in the United Kingdom, in circumstances such that a chargeable gain may be deemed to arise at a date after such transfer under section 140 or 140C TCGA.

3.24 Stamp Duty and Stamp Duty Reserve Tax

3.24.1 All instruments (other than those which have ceased to have any legal effect) to which the Company is a party or in the enforcement of which the Company is interested and which, whether in the United Kingdom or elsewhere, attract either stamp duty or require to be stamped with a particular stamp denoting that no duty is chargeable or that the document has been produced to the appropriate authority, have been properly stamped, and no such documents which are outside the United Kingdom would attract stamp duty if they were brought into the United Kingdom.

3.24.2 The Company has duly paid all stamp duty reserve tax for which it has at any time been liable.

3.25 Tax losses and advance corporation tax carry forward

There has been no major change in the business of the Company nor have the scale of the activities of the Company become small or negligible and nothing has been done, and no series of events has occurred, which might cause the disallowance of any carry forward of losses, excess charges or advance corporation tax under the provisions of

sections 768, 393 or 245 ICTA.

3.26 Gifts

3.26.1 The Company is not liable to be assessed to corporation tax on chargeable gains or to capital transfer tax or inheritance tax as donor or donee of any gift or transferor or transferee of value (actual or deemed).

3.26.2 The Company has not been a party to associated operations in relation to a transfer of value within the meaning of section 268 ITA.

3.26.3 No asset owned by the Company is subject to any sale, mortgage or charge by virtue of section 212 (1) ITA.

3.27 Distributions and payments

3.27.1 No distribution within the meaning of sections 209, 210 and 211 ICTA has been made by the Company since its incorporation except dividends shown in its audited accounts nor is the Company bound to make any such distribution.

3.27.2 No payment of interest by the Company has been, is sought to be, or is likely to be treated as a distribution for the purposes of any taxation.

3.27.3 The Company has not received a capital distribution to which the provisions of section 189 TCGA could apply.

3.27.4 The Company has not, since the Accounts Date, incurred or paid and is under no obligation to incur or pay expenditure which will not be wholly deductible in computing or against, profits as a trading expense or expense of management, or as a charge on income, or in computing income for the purposes of Schedule A ICTA or which otherwise gives rise to relief, except for expenditure on the acquisition of an asset to be held otherwise than as stock-in-trade, details of

which are set out in the Disclosure Letter.

3.28 Transactions not at arm's length

3.28.1 The Company has not carried out or been engaged in, any transaction or arrangement whereby any profits gains or amounts which enter into the Company's tax computations are sought to or have been, or are likely to be imputed or otherwise deemed to accrue to the Company and as a consequence of which any liability to tax may be imposed or a relief denied by any taxation authority or otherwise adversely affect the Company by virtue of any enactment regulation or any double taxation agreement, hereby or contention.

3.28.2 The Company does not own, and has not agreed to acquire, and has not sold nor disposed of nor agreed to sell or dispose of any asset, nor has it received or supplied or agreed to receive or supply any services or facilities (including, for the avoidance of doubt, but without prejudice to the generality of the foregoing, the letting and hiring of property, grants and transfers of rights, interest or licences and to giving of business facilities of whatever kind), the consideration for the acquisition or provision of which was or will be greater or less than its market value, or otherwise than on an arm's length basis.

3.29 Exchange gains and losses, Financial Instruments

The Disclosure Letter gives details of all qualifying assets, qualifying liabilities, currency contracts and qualifying contracts of the Company or to which it is a party to which the provisions of Chapter II of Part II Finance Act 1993 (Exchange Gains and Losses) or Chapter II of Part IV Finance Act 1994 (Interest Rate and Currency Contracts) apply or may apply.

3.30 Value added tax

3.30.1 The Company:

- (a) is registered and is a taxable person for the purposes of value added tax;
- (b) has complied with all statutory provisions and regulations relating to value added tax and has duly paid all amounts of value added tax for which the Company is liable;
- (c) maintains full complete, correct and up-to-date records, invoices and other documents for the purposes of the relevant legislation;
- (d) is not in arrears with any payment or returns, or liable to any abnormal or non-routine payment, or any forfeiture or penalty, or to the operation of any penal provision;
- (e) has not been required by the Commissioners of Customs and Excise to give security;
- (f) has not applied to be and has not at any time been treated as a member of a group for value added tax purposes;
- (g) is not and has not agreed to become an agent, manager or factor for the purposes of value added tax of any person who is not resident in the United Kingdom;
- (h) is able to claim credit or repayment under part I VATA for all input tax suffered by the Company.
- (i) has not, and neither has any relevant associate of the Company (within the meaning of paragraph 3, schedule 10, VATA), made an election pursuant to paragraph 2, schedule 10, VATA;
- (j) owns no asset which is a capital item the input tax on which may be

subject to adjustment in accordance with the provisions of part VA Value Added Tax (General) Regulations 1985;

- (k) is not a developer (within the meaning of paragraph 5, schedule 10 VATA) in relation to any land or building;
- (l) has made no claim for bad debt relief under section 36 VATA and the regulations thereunder.

3.30.2 All value added tax or other purchase or sale duties and levies whatsoever payable upon the importation and exportation of goods imported, exported or owned by the Company have been paid in full.

4. **Finance**

4.1 **Capital Commitments**

There were no commitments on capital account outstanding at the Accounts Date and since the Accounts Date the Company has not made or agreed to make any capital expenditure, or incurred or agreed to incur any capital commitments nor has it disposed of or realised any capital assets or any interest therein.

4.2 **Dividends and distributions**

4.2.1 Since the Accounts Date no dividend or other distribution (as defined in ICTA Chapter II of Part VI as extended by Section 418 ICTA) has been or is treated as having been declared, made or paid by the Company.

4.2.2 All dividends or distributions declared, made or paid by the Company have been declared, made or paid in accordance with its articles of association and the applicable provisions of the Companies Acts.

4.3 Bank and other borrowings

- 4.3.1 Full details of all limits on the Company's bank overdraft facilities are accurately set out in the Disclosure Letter.
- 4.3.2 The total amount borrowed by the Company from each of its bankers does not exceed its respective overdraft facilities.
- 4.3.3 The total amount borrowed by the Company (as determined in accordance with the provisions of the relevant instruments) does not exceed any limitations on its borrowing powers contained in its articles of association or in any debenture or other deed or document binding upon it.
- 4.3.4 The Company has no outstanding loan capital, nor has it agreed to create or issue any such loan capital; the Company has not factored any of its debts, or engaged in financing of a type which would not require to be shown or reflected in the Accounts, or borrowed any money which it has not repaid, save for borrowings not exceeding the amounts shown in the Accounts.
- 4.3.5 The Company has not since the Accounts Date repaid or become liable to repay any loan or indebtedness in advance of its stated maturity.
- 4.3.6 The Company has not received notice (whether formal or informal) from any lenders of money to it, requiring repayment or intimating the enforcement of any security the lender may hold over any of its assets; and there are no circumstances likely to give rise to any such notice.

4.4 Loans by and debts due to the Company

The Company has not lent any money which has not been repaid to it, nor does the Company own the benefit of any debt (whether or not due for payment), other than debts which have arisen in the ordinary course of its business; and the Company has not made

any loan or quasi-loan contrary to the Companies Acts.

4.5 Liabilities

4.5.1 There are no liabilities (including contingent liabilities) which are outstanding on the part of the Company other than those liabilities disclosed in the Accounts or incurred in the ordinary and proper course of trading since the Accounts Date.

4.5.2 There has been no exercise, purported exercise or claim in respect of any charge, lien, encumbrance or equity over any of the fixed assets of the Company; and there is no dispute directly or indirectly relating to any of its fixed assets.

4.5.3 The Company has not been the tenant of, or a guarantor in respect of, any leasehold property other than the Property.

4.6 Bank Accounts

A statement of all the bank accounts of the Company with a reconciliation statement up to and including the date of this Agreement has been supplied to the Purchaser.

4.7 Working Capital

Having regard to existing bank and other facilities, the Company has sufficient working capital for the purposes of continuing to carry on its business in its present form and at its present level of turnover for the period of twelve months after Completion and for the purposes of executing, carrying out and fulfilling, in accordance with their terms, all orders, projects and contractual obligations which are binding upon it and remain outstanding.

4.8 Continuation of facilities

In relation to all debentures, acceptance credits, overdrafts, loans and other financial facilities outstanding or available to the Company (referred to in this Clause as "facilities"):

- 4.8.1 the Disclosure Letter sets out full details and there are attached to it accurate copies of all documents relating to the facilities;
- 4.8.2 there has been no contravention of or non-compliance with any provision or any of those documents;
- 4.8.3 no steps for the early repayment of any indebtedness have been taken or threatened;
- 4.8.4 there have not been nor are there any circumstances known to the Vendors whereby the continuation of any of the facilities might be prejudiced, or which might give rise to any alteration in the terms and conditions of any of the facilities;
- 4.8.5 none of the facilities is dependent on the guarantee or indemnity of or any security provided by a third party;
- 4.8.6 none of the Vendors has any knowledge, information or belief that, as a result of the acquisition of the Sale Shares by the Purchaser or any other thing contemplated in this Agreement, any of the facilities might be terminated or mature prior to its stated maturity.

4.9 Government grants

- 4.9.1 Full details of all grants, subsidies or financial assistance applied for or received by the Company from any governmental department or agency or any local or

other authority are set out in the Disclosure Letter.

- 4.9.2 The Company has not done or omitted to do any act or thing which could result in all or any part of any investment grant, employment subsidy or other similar payment made or due to be made to it becoming repayable or being forfeited or withheld in whole or in part.

5. Trading

5.1 Changes since Accounts Date

5.1.1 Since the Accounts Date:

- (a) the business of the Company has been continued in the ordinary and normal course;
- (b) there has been no deterioration in the turnover or the financial or trading position or prospects of the Company;
- (c) the Company has not by doing or omitting to do anything prejudiced its goodwill;
- (d) no part of the business of the Company has been affected by any abnormal factor not affecting similar businesses to a like extent;
- (e) the Company has paid its creditors in accordance with their respective credit terms and there are no amounts owing by the Company which have been due for more than six weeks.

- 5.1.2 The value of the net realisable assets of the Company is not now less than at the Accounts Date.

5.1.3 The trading prospects of the Company have not been adversely affected as a result of any event or circumstance arising since the Accounts Date.

5.1.4 The cash balances of the Company are not now less than they were in the Accounts.

5.2 Vendors' other interests and liabilities to the Company

5.2.1 The Vendors do not have any rights or interests, directly or indirectly, in any business other than that now carried on by the Company which are or are likely to be or become competitive with the business of the Company, save as registered holder or beneficial owner of any class of securities of any company which is listed on the London Stock Exchange or dealt in on the Unlisted Securities Market or the Alternative Investment Market, and in respect of which the relevant Vendor holds and is beneficially interested in less than 3 per cent of any single class of the securities in that company.

5.2.2 There is no outstanding indebtedness of any Vendors or any of their Associates to the Company, nor has any indebtedness been assumed by the Company on behalf of any Vendors or any Associate of any Vendor.

5.3 Effect of Sale of Shares

5.3.1 The Vendors have no knowledge, information or belief that after Completion (whether by reason of an existing agreement or arrangement or otherwise) or as a result of the proposed acquisition of the Company by the Purchaser:

- (a) any supplier of the Company will cease or be entitled to cease supplying it or may substantially reduce its supplies to it;
- (b) any customer of the Company will cease or be entitled to cease to deal with it or may substantially reduce its existing level of business

with it;

- (c) the Company will lose the benefit of any right or privilege which it enjoys;
- (d) any officer or senior employee of the Company will leave.

5.3.2 Compliance with the terms of this Agreement does not and will not:-

- (a) conflict with, or result in the breach of, or constitute a default under, any of the terms, conditions or provisions of any agreement or instrument to which the Company is a party, or any provision of the memorandum or articles of association of the Company or any encumbrance, lease, contract, order, judgment, award, injunction, regulation or other restriction or obligation of any kind or character by which or to which any asset of the Company is bound or subject;
- (b) relieve any person from any obligation to the Company (whether contractual or otherwise), or enable any person to determine any such obligation or any right or benefit enjoyed by the Company, or to exercise any right, whether under an agreement with or otherwise in respect of the Company;
- (c) result in the creation, imposition, crystallisation or enforcement of any encumbrance whatsoever on any of the assets of the Company;
- (d) result in any present or future indebtedness of the Company becoming due and payable prior to its stated maturity.

5.4 **Conduct of Business in accordance with Memoranda and Articles of Association**

5.4.1 The Company has at all times carried on business and conducted its affairs in

all respects in accordance with its Memorandum and Articles of Association for the time being in force and any other documents to which it is or has been a party.

5.4.2 The Company is empowered and duly qualified to carry on business in all jurisdictions in which it now carries on business.

5.5 Joint Ventures and Partnerships

Save for the agreement comprised in the articles of association of Warrior PCI, the Company is not, nor has it agreed to become, a member of any joint venture, consortium, partnership or other unincorporated association; the Company is not, nor has it agreed to become, a party to any agreement or arrangement for sharing commissions or other income.

5.6 Agreements relating to the Management and Business

There are no arrangements or understandings (whether legally enforceable or not) between the Company and any person who is a shareholder, or the beneficial owner of any interest in the Company, or in any company in which the Company is interested, or any Associate of the Company relating to the management of the Company's business, or the appointment or removal of directors of the Company, or the ownership or transfer of ownership or the letting of any of the assets of the Company, or the provision, supply or purchase of finance, goods, services or other facilities to, by or from the Company, or in any other respect relating to its affairs.

5.7 Agency Agreements and agreement restricting business

5.7.1 The Company is not a party to any agency, distributorship, marketing, purchasing, manufacturing or licensing agreement or arrangement, or any restrictive trading or other agreement or arrangement pursuant to which any part of its business is carried on, or which in any way restricts its freedom to carry

on the whole or any part of its business in any part of the world in such manner as it thinks fit.

5.7.2 The Company is not party to any undertaking or assurance given to any court or governmental agency which is still in force.

5.8 Unfair trade and restrictive practices

5.8.1 The Company has not committed or omitted to do any act or thing which could give rise to any fine or penalty; nor is the Company a party to any agreement, practice or arrangement which in whole or in part:

- (a) contravenes the provisions of the Trade Descriptions Act 1968 and 1972;
- (b) would or might result in a reference of a consumer trade practice, within the meaning of Section 13 of the Fair Trading Act 1973, or be liable to reference to the Consumer Protection Advisory Committee under Part II of that Act;
- (c) contravenes the provisions of the Consumer Credit Act 1974;
- (d) contravenes or is invalidated (in whole or in part) by or is subject to registration under the Restrictive Trade Practices Acts 1976 and 1977;
- (e) contravenes any provisions of the Treaty of Rome;
- (f) contravenes any other anti-trust, anti-monopoly or anti-cartel legislation or regulations.

5.8.2 The Company has not engaged in any anti-competitive practice as defined in the

5.9 Litigation, disputes and winding up

5.9.1 The Company is not engaged in any litigation or arbitration proceedings as plaintiff or defendant; there are no proceedings pending or threatened either by or against the Company; and there are no circumstances which are likely to give rise to any litigation or arbitration.

5.9.2 There is no dispute with any government or any agency or body acting on behalf of such government or any other authority in the United Kingdom or elsewhere in relation to the affairs of the Company, and there are no facts or circumstances which may give rise to any dispute.

5.9.3 There are no claims pending or threatened or capable of arising against the Company by an employee, independent contractor or any other third party, in respect of any accident, disease, illness or injury, which are not fully covered by insurance.

5.9.4 No order has been made or petition presented or resolution passed for the winding up of the Company; nor has any distress, execution or other process been levied in respect of the Company which remains undischarged; nor is there any unfulfilled or unsatisfied judgment or court order outstanding against the Company.

5.10 Compliance with statutes

5.10.1 The Company and its officers, agents or employees (during the course of their duties in relation to it) have not committed or omitted to do any act or thing the commission or omission of which is, or could be, in contravention of any act, order, regulation or the like (whether of the United Kingdom or elsewhere) giving rise to any fine, penalty, default proceedings or other liability on the part

of the Company and/or its officers.

5.10.2 The Company has conducted and is conducting its business in all respects in accordance with all applicable laws and regulations whether of the United Kingdom or elsewhere.

5.10.3 The Company does not carry on (and has not, at any time when not an authorised person under Chapter III Financial Services Act 1986 carried on) investment business in the United Kingdom within the meaning of Section 1 of the Financial Services Act 1986.

5.11 Data Protection

5.11.1 The Company has duly complied with all relevant requirements of the Data Protection Act 1984 including compliance with the following:

- (a) the data protection principles established in that Act;
- (b) requests from data subjects for access to data held by it;
- (c) the requirements relating to the registration of data users.

5.11.2 The Company has not received a notice or allegation from either the data protection registrar or a data subject alleging non-compliance with the data protection principles or prohibiting the transfer of data to a place outside the United Kingdom.

5.11.3 No individual has claimed, or will have the right to claim, compensation from the Company under that Act for loss or unauthorised disclosure of data.

5.12 Documents stamped

All documents which in any way affect the right, title or interest of the Company in or to any of its properties, undertakings or assets, or to which the Company is a party, and which attract stamp duty or stamp duty reserve tax have been duly stamped within the requisite period for stamping.

5.13 Business names

The Company does not use a name for any purpose other than its full corporate name.

5.14 Transactions involving directors

The Company has not been a party to any transaction to which any of the provisions of Sections 320, 322A or 330 CA 1985 may apply.

5.15 Powers of attorney and authority

5.15.1 No power of attorney given by the Company is in force.

5.15.2 There are not outstanding any authorities (express or implied) by which any person may enter into any contract or commitment to do anything on behalf of the Company.

5.16 Licences and consents

5.16.1 The Company has obtained all necessary licences and consents from any person, authority or body for the proper carrying on of its business (short particulars of each licence and consent being set out in the Disclosure Letter) and all the licences and consents are valid and subsisting.

5.16.2 The Company is not in breach of any of the terms or conditions of any of the

licences or consents; and there are no factors that might in any way prejudice the continuation or renewal of any of them.

5.17 Subsisting contracts

5.17.1 The Disclosure Letter contains accurate particulars of all material contracts (if any) and other material engagements, whether written or oral, to which the Company is a party at the date of this Agreement.

5.17.2 The Company is not a party to any contract, transaction, arrangement or liability which:

- (a) is of an unusual or abnormal nature or outside the ordinary and proper course of business;
- (b) is for a fixed term of more than six months;
- (c) is of a long-term nature (that is, unlikely to have been fully performed in accordance with its terms more than six months after the date on which it was entered into or undertaken);
- (d) is incapable of termination by it in accordance with its terms on sixty days' notice or less;
- (e) is of a loss-making nature (that is, likely to result in a loss to it on completion of performance);
- (f) cannot readily be fulfilled or performed by it on time without undue or unusual expenditure of money, effort or personnel;
- (g) involves payment by it of amounts determined by reference to fluctuations in the index of retail prices or any other index or in the

rate of exchange for any currency;

- (h) involves an aggregate outstanding expenditure by it of more than £25,000;
- (i) involves or is likely to involve the supply of goods the aggregate sales value of which will represent in excess of 10 per cent of its turnover for the preceding financial year;
- (j) is a contract for hire or rent, hire purchase or purchase by way of credit sale or periodical payment;
- (k) involves or is likely to involve obligations or liabilities which by reason of their nature or magnitude ought reasonably to be made known to an intending purchaser of the Sale Shares.

5.17.3 There is not now outstanding in respect of the Company any agreement for agency.

5.18 Defaults under agreements by the Company

5.18.1 The Company is not nor will it with the lapse of time become:

- (a) in default under any agreement or covenant to which it is a party or in respect of any other obligations or restrictions binding upon it;
- (b) in default under any obligations existing by reason of membership of any association or body;
- (c) liable in respect of any representation or warranty (whether express or implied) or any matter giving rise to a duty of care on its part.

5.18.2 No threat or claim of default under any agreement, instrument or arrangement to which the Company is a party has been made and is outstanding against it and there is nothing whereby any such agreement, instrument or arrangement may be prematurely terminated or rescinded by any other party or whereby the terms thereof may be worsened.

5.19 Other party's defaults

No party to any agreement with or under an obligation to the Company is in default under it, (being a default which would be material in the context of its financial or trading position) and there are no circumstances likely to give rise to such a default.

5.20 Outstanding Offers

No offer, tender or the like is outstanding which is capable of being converted into an obligation of the Company by acceptance or other act of some other person, firm or company and which, if so converted, would lead or be likely to lead to a loss upon performance.

5.21 Defective products or services

The Company has not sold or supplied products or services which are or were or will become in any material respect faulty or defective or which do not comply in any material respect with any warranties or representations expressly or impliedly (whether by statute common law or otherwise) made by it or with all applicable regulations, standards and requirements.

5.22 Service liabilities

The Company is not subject to any liability or obligation (save as may be implied by law) to service, repair, maintain, take back or otherwise do or not do anything in respect of any goods that have been or are after the date of this Agreement delivered by it.

5.23 Purchases and sales from or to one party

Neither more than 20 per cent of the aggregate amount of all the purchases, nor more than 20 per cent of the aggregate amount of all the sales, of the Company are obtained or made from or to the same supplier or customer (including any person in any way connected with such supplier or customer) nor is any material source of supply to the Company, or any material outlet for the sales of the Company, in jeopardy or likely to be in jeopardy.

5.24 Guarantees and indemnities

There is not now outstanding in respect of the Company any guarantee, or agreement for indemnity or for suretyship, given by it or for its accommodation.

5.25 Insider contracts

5.25.1 There is not now outstanding and there has not at any time during the three years prior to the date of this Agreement been outstanding, any contract or arrangement to which the Company is a party and in which any of the Vendors or their Associates is or has been interested, whether directly or indirectly.

5.25.2 The Company is not a party to, nor have its profits or financial position during the three years prior to the date of this Agreement been affected by, any contract or arrangement which is not of an entirely arm's length nature.

5.26 Management reports

There have been no reports concerning the Company by financial or management consultants within the period of three years prior to the date of this Agreement.

6. Employment

6.1 Employees and Terms of Employment

6.1.1 Full particulars of the identities, dates of commencement of employment or appointment to office, and the terms and conditions of employment of all the employees and officers of the Company, including (without limitation) profit sharing, commission or discretionary bonus arrangements, are fully and accurately set out in the Disclosure Letter.

6.1.2 There are no agreements or other arrangements (whether or not legally binding) between the Company and any trade union or other body representing employees.

6.1.3 No contract of service exists between the Company and a director or employee in relation to which any relevant requirements of Section 319 CA 1985 have not been fulfilled.

6.2 Bonus Schemes

6.2.1 There are no schemes in operation by, or in relation to, the Company whereunder any employee of the Company is entitled to a commission or remuneration of any other sort, calculated by reference to the whole or part of the turnover, profits or sales of the Company.

6.2.2 The Company has not registered a profit-related pay scheme under the provisions of Part V Chapter III of ICTA.

6.3 Changes in remuneration

6.3.1 During the period to which the Accounts relate and since the Accounts Date or (where the relevant employment or holding of office commenced after the

beginning of such period) since the commencing date of the employment or holding of office:

- (a) no change has been made in the rate of remuneration, or the emoluments or pension benefits, of any officer, ex-officer or senior executive of the Company (a senior executive being a person in receipt of remuneration in excess of £15,000 per annum);
- (b) no change has been made in any other terms of employment of any officer or senior executive.

6.3.2 The Company is not bound nor accustomed to pay any monies other than in respect of remuneration or emoluments of employment or pension benefits to or for the benefit of any officer or employee of the Company.

6.3.3 No negotiations for any increase in the remuneration or benefits of any officer or employee of the Company are current.

6.4 Termination of contracts of employment

6.4.1 All subsisting contracts of service to which the Company is a party are determinable at any time on three months' notice or less without compensation (other than compensation in accordance with the Employment Protection (Consolidation) Act 1978, as amended by the Employment Act 1982).

6.4.2 No employee of the Company who is in receipt of remuneration in excess of £15,000 per annum, and no officer of the Company has given or received notice terminating his employment and no such employee or officer will be entitled to give such notice as a result of the provisions of this Agreement.

6.5 Industrial disputes and negotiations

Neither the Company nor its employees is involved in any industrial dispute, and there are no facts known, or which would on reasonable enquiry be known, to the Company or its directors or to the Vendors which might suggest that there may be an industrial dispute involving the Company or that any of the provisions of this Agreement may lead to any such industrial dispute.

6.6 Industrial Agreements

The Company has not entered into any recognition agreement with a trade union nor has it done any act which might be construed as recognition.

6.7 Redundancies

No employee will become redundant and be entitled to a redundancy payment as a result of any provision of this Agreement.

6.8 Pensions

6.8.1 The Company has not in the two years prior to the date of this Agreement paid, provided or contributed towards, and the Company is not under any obligation or commitment (whether or not legally enforceable) to pay, provide or contribute towards, any retirement/death/disability benefit for or in respect of any present or past employee (or any spouse, child or dependant of any of them) of the Company or of any predecessor in business of the Company.

6.8.2 No proposal or assurance (oral or written) has been made or given to any person regarding the introduction of any retirement/death/disability benefit scheme.

7. Assets

7.1 Ownership of assets

- 7.1.1 The Company owned at the Accounts Date and had good and marketable title to and (except for current assets subsequently sold or realised in the ordinary and proper course of business) still owns and has good and marketable title to all assets included in the Accounts and to all assets acquired since the Accounts Date and not subsequently sold or realised in the ordinary course of business.
- 7.1.2 The Company has not created or granted or agreed to create or grant any security interest or other encumbrance in respect of any of the fixed assets included in the Accounts or acquired or agreed to be acquired since the Accounts Date.
- 7.1.3 Save as disclosed in the Accounts, none of the property, assets, undertaking, goodwill or uncalled capital of the Company is subject to and the Company has not agreed to grant in respect of such property any option, charge, lien or encumbrance, or right of pre-emption (save for the Options).

7.2 Assets sufficient for the business

The assets owned by the Company together with the assets held under the hire purchase, leasing or rental agreements listed in the Disclosure Letter comprise all assets necessary for the continuation of the business of the Company as now carried on.

7.3 Stocks and work in progress

- 7.3.1 The stock of raw materials, packaging materials and finished goods now held are not excessive and are adequate in relation to the current trading requirements of the business of the Company; none of the stock is obsolete, slow moving, unusable, unmarketable or inappropriate or of limited value in

relation to the current business of the Company and no contracts are outstanding which are likely to change this.

7.3.2 The current work in progress of the Company is adequate to maintain current cash flow and profitability at a level not less than that disclosed in the Disclosure Letter.

7.3.3 The stock-in-trade of the Company is in good condition and is capable of being sold by the Company in the ordinary course of its business in accordance with its current price list without rebate or allowance to a purchaser.

7.4 Retention of title

The Company has not purchased any stock, goods or materials from any of its suppliers on terms that property in it does not pass until full payment is made or all indebtedness discharged.

7.5 Insurance

7.5.1 All the stock-in-trade and the assets and undertakings of the Company of an insurable nature are and have at all material times been, insured in amounts representing their full replacement or reinstatement value against fire and other risks normally insured against by persons carrying on the same business as that carried on by the Company.

7.5.2 The Company is now and has at all material times been adequately covered against accident, damage, injury, third party loss (including product liability), loss of profits and other risks normally insured against by persons carrying on the same business.

7.5.3 All insurances effected by the Company, the details of the policies in respect of which are set out in the Disclosure Letter, are currently in full force and effect,

and nothing has been done or omitted to be done which could make any policy of insurance void or voidable or which is likely to result in an increase in premium.

7.5.4 None of the policies are subject to any special or unusual terms or restrictions or to the payment of any premium in excess of the normal rate.

7.5.5 No claim is outstanding or may be made under any of the said policies and no circumstances exist which are likely to give rise to such a claim.

7.6 Leased assets

No circumstance has arisen or is likely to arise in relation to any asset held by the Company under a lease or similar agreement whereby the rental payable has been or is likely to be increased and, in particular, all such assets have at all relevant times been used for a qualifying purpose within the meaning of Section 39 Capital Allowances Act 1990.

7.7 Plant in working order

7.7.1 The plant, machinery, vehicles and other equipment used in connection with the business of the Company:

- (a) are in a good and safe state of repair and condition and in satisfactory working order and have been regularly and properly maintained;
- (b) are not to any extent surplus to requirements;
- (c) are in its possession and control, and are its absolute property, save for those items the subject of hire purchase, leasing or rental agreement listed in the Disclosure Letter, or in respect of which the

outstanding payments do not exceed £1,000;

- (d) are not expected to require replacements or additions at a cost in excess of £1,000 within six months from the date of this Agreement;
- (e) are all capable and (subject to normal wear and tear) will remain capable throughout the respective periods of time during which they are each written down to a nil value in the accounts of the Company (in accordance with the normal recognised accountancy principles consistently applied prior to the date hereof) of doing the work for which they were designed or purchased.

7.7.2 Maintenance contracts are in full force and effect in respect of all assets of the Company which it is normal or prudent to have maintained by independent or specialist contractors and in respect of all assets which the Company is obliged to maintain or repair under any leasing or similar agreement; all those assets have been regularly maintained to a good technical standard and in accordance with safety regulations usually observed in relation to assets of that description and in accordance with the terms and conditions of any applicable leasing or similar agreement.

7.8 Intellectual property rights and trade secrets

7.8.1 All Intellectual Property Rights used or required by the Company in connection with its business are in full force and effect and are vested in and beneficially owned by the Company or (to the extent specifically disclosed in the Disclosure Letter) licenced to the Company.

7.8.2 The Company is the sole beneficial owner of the Intellectual Property Rights listed in the Disclosure Letter and (where registration is possible) the Company has been and is registered as proprietor, and each of those Rights is valid and enforceable, and none of them is being used, claimed, opposed or attached by

any other person.

- 7.8.3 No right or licence has been granted to any person by the Company to use in any manner or to do anything which would or might otherwise infringe any of the Intellectual Property Rights referred to above; no act has been done or omission permitted by the Company whereby they or any of them have ceased or might cease to be valid and enforceable.
- 7.8.4 The business of the Company (and of any licensee under a licence granted by the Company) as now carried on does not and is not likely to infringe any Intellectual Property Right of any other person (or would not do so if the same were valid) or give rise to a liability to pay compensation pursuant to Sections 40 and 41 of the Patents Act 1977 and all licences to the Company in respect of any such protection are in full force and effect.
- 7.8.5 The Company has not (otherwise than in the ordinary and normal course of business) disclosed or permitted to be disclosed or undertaken or arranged to disclose to any person other than the Purchaser any of its know-how, trade secrets, confidential information, price lists or lists of customers or suppliers.
- 7.8.6 The Company is not a party to any secrecy agreement or agreement which may restrict the use of disclosure of information.
- 7.8.7 Nothing has been done or omitted by the Company which would enable any licensee under a licence granted by the Company to be terminated or which in any way constitutes a breach of terms of any licence.

8.1 **Property**

- 8.1.1 The Property comprises all the property owned, occupied or otherwise used in connection with the business of the Company.

- 8.1.2 The Property which is occupied or otherwise used by the Company in connection with its business is so occupied or used under lease, and the terms of such lease permit such occupation or use.
- 8.1.3 The Company is the legal and beneficial owner of the Property.
- 8.1.4 The information contained in Schedule 3 as to the tenure of the Property, the principal terms of the lease held by the Company is true and accurate in all respects.
- 8.1.5 The Company has a good and marketable title to the Property.
- 8.1.6 The Company is the proprietor of the Property registered at HM Land Registry with absolute title.
- 8.1.7 In the case of a leases of the Property granted for more than twenty- one years and less than forty years the lease is either registered at HM Land Registry or not so registered because the reversion to it was not registered at the time of grant.

8.2 Encumbrances

- 8.2.1 The Property is free from any mortgage, debenture, charge, rent charge, lien or other encumbrance securing the repayment of monies or other obligation or liability of the Company/or any other person.
- 8.2.2 The Property is not subject to any outgoings other than business rates, water rates and insurance premiums and in the case of leasehold property, rent and service charges.
- 8.2.3 The Property is not subject to any restrictive covenants, stipulations, easements, profits a prendre, wayleaves, licences, grants, restrictions, overriding interests

or other such rights vested in third parties.

8.2.4 Where any such matters as are referred to in Clauses 8.2.1, 8.2.2 and 8.2.3 have been disclosed in the Disclosure Letter, the obligations and liabilities imposed and arising under them have been fully observed and performed and any payments in respect of them due and payable have been duly paid.

8.2.5 The Property is not subject to any option, right of pre-emption or right of first refusal.

8.3 Environmental Matters

8.3.1 None of the following items, materials or chemicals are present at, upon, in or under the Property, namely, underground storage tanks, asbestos, polychlorinated biphenyls or terphenyls (PCBs or PCTs) in excess of fifty parts per million, tyres, batteries, debris or other solid or liquid waste, or stored or accumulated hazardous substances (as defined in the Notification of Installations Handling Hazardous Substances Regulations 1982).

8.3.2 During the ownership and/or occupancy of the Property by the Company and during all prior periods of ownership and/or occupancy of the Property:

- (a) there has been no release, discharge or treatment of any hazardous substance upon, in or under the Property;
- (b) there has been no storage, generation or disposal of any special, hazardous or toxic waste upon, in or under the Property;
- (c) no petroleum products have spilled or leaked upon, in or under the Property (other than immaterial quantities in connection with the operation of motor vehicles on the Property);

- (d) no radon gas has been detected at the Property;
- (e) the Property has not been the subject of any enforcement action brought by Her Majesty's Inspectorate of Pollution (HMIP), the National Rivers Authority (NRA) or local authority nor has there been any third party claim relating to the release, threat of release, discharge, storage, treatment, generation, emission or disposal of any substance on, in or from the Property.

8.3.3 The Company has received, has at all material times complied with and is in full compliance with all consents, licences, approvals and other authorisations required under all laws, regulations, policies or guidelines which are applicable to the Company and/or the Property and/or the business of the Company and all operations and processes undertaken upon, in or underneath the Property and which relate to the environment or to public health and safety, or employee health and safety including, without limitation, those relating to:

- (a) emissions, discharges or threatened discharges of pollutants, contaminants, hazardous or toxic substances or petroleum into the air or water, or on or into the land;
- (b) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous or toxic substances or petroleum;
- (c) the attenuation and/or emission of noise at the Property.

8.3.4 Full particulars of all consents, licences, approvals and other authorisations referred to in Warranty 8.3.3 are contained in the Disclosure Letter and the same are in full force and effect, and there are no facts or circumstances which may cause any of the same to be revoked, varied or suspended.

8.3.5 To the best of the Vendors' knowledge no property in the vicinity of the Property has been used as a landfill, neither has there been any release, discharge or disposal of any hazardous substance or petroleum product by any third party in the vicinity of the Property.

8.4 Planning Matters

- 8.4.1 The use of the Property is the permitted use for the purposes of the Planning Acts.
- 8.4.2 Planning permission has been obtained or is deemed to have been granted for the purposes of the Planning Acts with respect to the development of the Property and no such permission has been suspended or called in and no application for planning permission is awaiting decision.
- 8.4.3 Building regulation consents have been obtained with respect to all development, alterations and improvements to the Property.
- 8.4.4 Compliance is being made and has at all times been made in all respects with planning permissions, orders, and regulations issued under the Planning Acts, the London Building Acts and building regulation consents and bye-laws for the time being in force with respect to the Property.
- 8.4.5 Compliance is being made and has at all times been made with all agreements under Section 106 of the Town and Country Planning Act 1990 made with respect to the Property.
- 8.4.6 Compliance is being and has been made with all agreements made under Section 38 of the Highways Act 1980 with respect to the Property.
- 8.4.7 The Property is not listed as being of special historic or architectural importance or located in a conservation area.

- 8.4.8 All development charges, monetary claims and liabilities under the Planning Acts or any other such legislation have been discharged and no such liability, contingent or otherwise, is outstanding.

8.5 Statutory Obligations

- 8.5.1 Compliance has been made with all applicable statutory and bye-law requirements with respect to the Property and in particular (but without limitation) with the requirements as to fire precautions and under the Office, Shops and Railway Premises Act 1963.
- 8.5.2 There is no outstanding and unobserved or unperformed obligation with respect to the Property necessary to comply with the requirements (whether formal or informal) of any competent authority exercising statutory or delegated powers.
- 8.5.3 There are not in force or required to be in force any licences whether under the Licensing Act 1964 or otherwise which apply to the Property.

8.6 Adverse Orders

- 8.6.1 There are no compulsory purchase notices, orders or resolutions affecting the Property nor are there any circumstances likely to lead to any being made.
- 8.6.2 There are no closing, demolition or clearance orders, enforcement notices or stop notices affecting the Property nor are there any circumstances likely to lead to any being made.

8.7 Condition of the Properties

- 8.7.1 The building and other structures on the Property are in good and substantial repair and fit for the purposes for which they are presently used.

- 8.7.2 There are no disputes with any adjoining or neighbouring owner with respect to boundary walls and fences or with respect to any easement, right of or means of access to the Property.
- 8.7.3 The principal means of access to the Property is over roads which have been taken over by the local or other highway authority and which are maintainable at the public expense and no means of access to the Property is shared with any other party nor subject to rights of determination by any other party.
- 8.7.4 The Property enjoys the main services of water, drainage, electricity and gas.
- 8.7.5 The Property is not located in an area or subject to circumstances particularly susceptible to flooding.

8.8 Insurance

- 8.8.1 The Property is insured in its respective full reinstatement value for not less than two years' loss of rent and against third party and public liabilities to an adequate extent.
- 8.8.2 All premiums payable in respect of insurance policies with respect to the Property which have become due have been duly paid and no circumstances have arisen which would vitiate or permit the insurers to avoid such policies.
- 8.8.3 The information in the Disclosure Letter with respect to the insurance policies is up to date and true and accurate in all respects.

8.9 Leasehold Property

- 8.9.1 The Company has paid the rent and observed and performed the covenants on the part of the tenant and the conditions contained in the lease under which the Property is held, and the last demand (or receipts for rent if issued) were

unqualified, and all such leases are valid and in full force.

- 8.9.2 All licences, consents and approvals required from the landlords and any superior landlords under the lease of the Property have been obtained and the covenants on the part of the tenant contained in such licences, consents and approvals have been duly performed and observed.
- 8.9.3 There are no rent reviews under the lease of the Property held by the Company currently in progress.
- 8.9.4 There is not outstanding and unobserved or unperformed any obligation necessary to comply with any notice or other requirement given by the landlord under the lease of the Property.
- 8.9.5 There is no obligation to reinstate the Property by removing or dismantling any alteration made to it by the Company or any predecessor in title to the Company.

8.10 Tenancies

- 8.10.1 The Property is not subject to any tenancy, other than the licence to occupy dated 23 June 1994 in favour of Warrior PCI.
- 8.10.2 The licence to occupy granted to Warrior PCI was not granted in breach of the terms of the lease of the Property held by the Company.

EXECUTED AND DELIVERED)
as a DEED by JOHN GEOFFREY)
ROBERT WILDMAN BURNETT)
in the presence of:-)



EXECUTED AND DELIVERED)
as a DEED by MARTIN)
GEOFFREY SEIB)
in the presence of:-)

EXECUTED AND DELIVERED)
as a DEED by DAVID ROBSON)
in the presence of:-)

EXECUTED as a DEED by)
CAMBRIDGE VENTURE)
MANAGEMENT LIMITED)
acting by:-)

Director

Director/Secretary

EXECUTED as a DEED by
NETCALL TECHNOLOGIES
LIMITED acting by:-

)

)

)

Tennant

Director

MSS

Director/Secretary

EXECUTED as a DEED by
ACKRILL CARR plc
acting by:-

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[Signature]

Director

Director/Secretary

[Signature]