

2029363.

PASSED FOR FILING

DATED 21st February 1994

M E MOORS ESQ. AND OTHERS (1)

and

BADGERLINE GROUP plc (2)

AGREEMENT

for sale/purchase of the issued ordinary share
capital of BUTLER WOODHOUSE LIMITED

Burges Salmon
Bristol



E0HC5005

EDX RECEIPT DATE: 28/04/94

CERTIFIED A TRUE AND COMPLETE
COPY OF THE ORIGINAL

DATE: 26 April 1994

REFERENCE: AME/7602.109

Burges Salmon
BURGES SALMON
SOLICITORS

Narrow Quay House, Prince Street, Bristol, BS1 4AH

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THIS AGREEMENT is dated 21st February 1994 and is made BETWEEN:

- (1) the persons whose names and addresses are stated in Part B and Part C of schedule 1 (each a "Vendor" and together "the Vendors")
- (2) BADGERLINE GROUP Plc (No. 2029363) whose registered office is at Badger Manor, Edingworth, Weston-Super-Mare, BS24 0JA ("the Purchaser")

NOW THIS DEED WITNESSETH AND 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:

(a) the following expressions have the following meanings:

"the Accounts" means the audited consolidated Accounts of the Company and the Subsidiaries (including the Directors' Report) as at the Accounts Date;

"the Accounts Date" means 31 December 1993;

"Admission Price" means the share price at which the Consideration Securities were admitted to the Official List of the London Stock Exchange being the average of the middle market quotations for the Ordinary Shares of the Purchaser as shown by the London Stock Exchange Daily Official List on the Completion Date;

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

"the Auditors" means the auditors of the Company namely KPMG Peat Marwick, Chartered Accountants, of Festival Park, Stoke-on-Trent;

"the Bonus Payment" means the amount not exceeding £12,000 in total equal to 8.2% of the Net Profit certified pursuant to schedule 10 payable to Mr M E Moors less the gross amount received as salary by Mr M E Moors for the Management Accounts Period;

"the Brokers" means Cazenove & Co. of 12 Tokenhouse Yard, London EC2R 7AN;

"business day" means a day on which banks are open for business in London;

"Chartered Accountant" means the Chartered Accountant appointed pursuant to paragraph 2 of schedule 10;

"Claim" means a claim made by the Purchaser, the Company or its Subsidiaries pursuant to this Agreement or the Deed of Indemnity;

"Claims Period" means the period commencing on the Completion Date and ending on 28 February 1997 (both dates inclusive);

"Claims Value" has the meaning given to it in paragraph 5 of schedule 13;

"the Circular" means the circular proposed to be sent to the shareholders of the Purchaser, with which is printed the Notice of EGM;

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

"the Company" means Butler Woodhouse Limited - No. 2010514;

"the Company Resolutions" means the resolutions of the Company set out in schedule 4;

"Completion" means 11 March 1994 or such later date (not being after 30 March 1994) on which the Conditions shall have been fulfilled and where the context requires also means the performance by the parties of the several obligations contained in clause 6;

"the Completion Date" means 11 March 1994 or such later date (not being after 30 March 1994) on which the Conditions shall have been fulfilled or waived;

"the Conditions" means the conditions stated in clause 3.1;

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

"Connected Person" has the meaning set out in Section 346 of the Companies Act 1985 (as amended);

"the Consideration" means the total consideration for the Sale Shares referred to in clause 5.1;

"the Consideration Securities" means 6,600,660 ordinary shares of 5 pence each of the Purchaser being such number of new fully paid ordinary shares (excluding fractions) as shall have a value (to the nearest pound) of £8,000,000 such value being calculated for this purpose at the average of the middle market quotations for the Ordinary Shares of the Purchaser as shown by the London Stock Exchange Daily Official List for the 10 business days immediately preceding the date hereof;

"the Deed of Indemnity" means the deed in the form set out in schedule 5;

"Determined Claim" has the meaning given to it in paragraph 7 of schedule 13;

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

"the Dividend" means the dividend of £481,000 paid to the members of the Company prior to Completion;

"the Employees" means the employees and directors of the Company and its Subsidiaries;

"the Extraordinary General Meeting" means the extraordinary general meeting of the Purchaser to be convened for 10 March 1994 to consider (inter alia) the Resolutions;

"General Warranties" means any of the Warranties other than the Tax Warranties;

"the Group" means the Company and the Subsidiaries;

"ICTA 1988" means Income and Corporation Taxes Act 1988;

"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, computer programs, business names, goodwill and the style of presentation of goods or services and in applications for protection thereof;

"the Lease" means the lease of the premises at Woodhouse Street and MacLagan Street in the agreed terms;

"the Listing Condition" means the Condition set out in clause 3.1(b)

"Loan Notes" means the Guaranteed Loan Notes in the agreed form to be issued by the Purchaser to the Vendors at Completion for the amounts

set against their respective names in column 5 of Parts B and C of schedule 1;

"Majority Shareholder Indemnity Deed" means the indemnity deed in the agreed form to be entered into on Completion between Mr M E Moors, the Purchaser and the Company;

"the Management Accounts" means the consolidated Management Accounts of the Group for the Management Accounts Period as prepared pursuant to schedule 10, and for the avoidance of doubt such accounts shall comprise the profit and loss account, the balance sheet and the notes to both of them;

"the Management Accounts Period" means the period from 1 January 1994 to 25 February 1994 (both dates inclusive);

"the Minority Shareholders" means the persons whose names and addresses are stated in Part C of Schedule 1;

"the Net Profit" means the consolidated profits (or loss, as the case may be) before taxation attributable to the Group for the Management Accounts Period as shown by the Management Accounts, and for the avoidance of doubt consolidated profits before taxation shall be determined:

- (i) after deducting exceptional items as defined in SSAP 6 (revised) and the proportion (if any) of the net profits attributable to the shares of any Subsidiary which are not beneficially owned by the Company; and
- (ii) before deducting taxation, extraordinary items as defined in SSAP 6 (revised), dividends, and profit shares paid by the Company to the employees and directors of the Group including the Bonus Payment;

"Noteholder" has the meaning set out in the Loan Note Instrument;

"the Notice of EGM" means the Notice (referred to in the definition of "the Circular") convening an Extraordinary General Meeting of the Purchaser to consider the Resolution;

"the Ordinary Shares" means the 811 Ordinary Shares of £1.00 each of the Company;

"the Parkinson Payment" means the payment of £32,267 to Barry Parkinson as compensation for the termination of his service contract;

"the Pension Payments" means the payment of £197,500 made by the Company to a pension scheme for the benefit of M E Moors and the payment of £148,399 made by the Company to a pension scheme for the benefit of B Parkinson;

"the Preference Shares" means the 4 Preference Shares of £1.00 each of the Company;

"the Prohibited Area" means a twenty mile radius of the perimeter of the area in which Group companies operate the Services or any of them on Completion;

"the Properties" means the freehold properties and the leasehold properties details of which are respectively set out in Parts A, B and C of schedule 3;

"the Provisional Completion Date" means 10 March 1994 or such later date (not being after 30 March 1994) on which all the Conditions (other than the Listing Condition) are satisfied or waived;

"Publication Date" means the date of despatch to shareholders in the Purchaser of the annual report and accounts of the Purchaser for the financial year ending 31 December 1994 or if earlier the date being 30 March 1995;

"the Purchaser's Solicitors" means Burges Salmon of Narrow Quay House, Prince Street, Bristol BS1 4AH;

"the Reporting Accountants" means KPMG Peat Marwick, Chartered Accountants, of Richmond Park House, 15 Pembroke Road, Clifton, Bristol BS8 3BG;

"the Restricted Services" means (in relation to any of the Vendors) services of a type similar to those of:

- (i) the Services; and
- (ii) any other services which at the date hereof are supplied by any Company in the Group;

"the Resolution" means the Resolution set out in the Notice of EGM;

"the Retained Properties" means the properties at Clough Street, Hanley, Ashbourne Road, Cheadle, 77-79 Tape Street, Cheadle and Woodhouse Street/MacLagan Street, Stoke-on-Trent as more particularly described in the Retained Properties Contracts;

"the Retained Property Contracts" means the contract for the sale of the Retained Properties to be entered into between the Company and Mr M E Moors in the form to be agreed between the Purchaser and M E Moors;

"the Retained Property Transfers" means the transfers for the Retained Properties to be entered into between the Company and Mr M E Moors in the form to be agreed between the Purchaser and M E Moors;

"the Retained Property Releases" means the releases to be executed by National Westminster Bank plc in respect of the release of the Retained Properties from their security;

"the Sale Shares" means the Ordinary Shares and excluding the Preference Shares;

"the Schemes" means the pensions, retirement benefits, death, sickness and permanent accident schemes of the Group described in schedule 11;

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

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

"the Services" means the operation of a bus and coach business including (without prejudice to the generality of the expression) the operation of stage carriage, bus services, coaching, coach tours, tendered services and "public passenger transport services" as defined in section 63(10)(a) of the Transport Act 1985 but as if subsections (i) and (ii) did not apply and all other services of a type which are similar to services supplied by the Company or any other company in the Group at the Completion Date;

"Settlement Date" means the date when a claim under the Warranties or the Deed of Indemnity made before 1 March 1997 is determined whether by settlement between the parties or by judgment or other similar legal process being obtained against the Vendors or any of them;

"Share Price" means such value as is equal to the average of the middle market quotations for the Ordinary Shares of 5 pence each of the

Purchaser as shown by the London Stock Exchange Daily Official List for the previous 10 business days;

"the Subsidiaries" means the companies and undertakings identified in schedule 2;

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

"Taxation" means any liability to any form of taxation, whenever created or imposed and whether of the United Kingdom or elsewhere (and without limitation includes income tax, corporation tax, advance corporation tax, capital gains tax, estate duty, capital transfer tax, inheritance tax, capital duty, stamp duty, stamp duty reserve tax, value added tax, development land tax, withholding tax, rates, Customs and Excise duties, National Insurance, Social Security or other similar liabilities or contributions) and generally any amount payable to the revenue, customs or fiscal authorities, whether of the United Kingdom or elsewhere, and all interest and/or penalties related to or arising in respect thereof;

"the Tax Warranties" means the warranties in paragraph 6 of schedule 9;

"the Trade Marks" means the Trade Marks listed in schedule 12;

"Trading Names" means Paramount, PMT, Crosville, Lynx, Flexi, Red Rider, Pennine Blue, Hospital Link, Mini Link, Bradwell Shuttle, Silverdale Shuttle, Moorland Rover, Stonier, Potteries Connection;

"TCGA 1992" means Taxation of Chargeable Gains Act 1992;

"the Vendors' Solicitors" means Kent Jones & Done of Churchill House, 47 Regent Road, Hanley, Stoke on Trent, Staffordshire ST1 3RQ;

"the Vendor Transactions" means the execution of the Retained Property Transfers and the Lease, the making of the Pension Payments, the Bonus Payments, the Parkinson Payment, the Dividend, and the transfer of the car to Mr M E Moors referred to in clause 6.1(e)(iv);

"Warranties" means the warranties, representations, undertakings and indemnities contained in or referred to in clause 9;

"the Warrantors" means the persons whose names and addresses are stated in Part B of schedule 1;

"the Warrantor Loan Notes" means the Loan Notes issued to the Warrantors at Completion as set out in column 5 of Parts B and C of schedule 1;

(i) 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 thereto who shall be the only persons entitled to see the same;

(ii) references:

(A) to clauses, sub-clauses and schedules are unless otherwise stated to clauses and sub-clauses of and schedules to this Agreement;

(B) 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 but so that any replacement amendment or reenactment after the date hereof shall not impose or increase any liability on the part of the Vendors;

(iii) 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;

(iv) a reference to an SSAP is to a Statement of Standard Accounting Practice published by the Institute of Chartered Accountants in England and Wales;

(v) the headings to the clauses are for convenience only and have no legal effect;

(vi) 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;

(vii) the Interpretation Act 1978 shall apply in the same way as it applies to an enactment.

2 Representations

2.1 The Vendors have represented to the Purchaser that:

- (a) the Company is a private company limited by shares incorporated in England;
- (b) the information concerning the Company and each of the Subsidiaries (including its capital structure and its ownership) set out in Parts A B and C of schedule 1 and in schedule 2 is complete and accurate in all respects;
- (c) the Subsidiaries are the only subsidiaries of the Company and are all wholly owned by the Company free from any liens, charges or encumbrances and the Company has no subsidiary undertakings;
- (d) the Group carries on business as operators of the Services (other than coach services);
- (e) the Memorandum and Articles of Association of the Company (having attached thereto copies of all such resolutions as are by law required to be attached thereto) are in the agreed form;
- (f) each Vendor has the requisite power and authority to enter into and perform this Agreement and the Deed of Indemnity;
- (g) this Agreement constitutes and the Deed of Indemnity and the other documents executed by any Vendor which are to be delivered at Completion will, when executed, constitute binding obligations of each Vendor in accordance with their respective terms;
- (h) the execution and delivery of, and the performance by the Vendors of their respective obligations under, this Agreement and the Deed of Indemnity will not:
 - (i) 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
 - (ii) 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;
- (i) the carrying out of the Vendor Transactions by the Company:
 - (I) will not contravene any of Sections 312, 313, 320 or 151-158 (inclusive) of the Companies Act 1985;

- (2) will not result in a breach of any provision of the Memorandum or Articles of Association of the Company;
- (3) will be approved by all of the Vendors pursuant to clause 3.3(b);
- (5) other than the Dividend will not constitute a distribution.

but so that in respect of any claim (other than recession) which the Purchaser may have in respect of these representations the Minority Shareholders shall only be liable in respect of the representations contained in clauses 2.1(f)(g) and (h).

2.2 The Purchaser has represented to the Vendors and each of them that:

- (a) the Purchaser's articles of association as filed at Companies House are its present articles of association;
- (b) the Purchaser has the requisite power and authority to enter into this Agreement;
- (c) this Agreement constitutes and the Deed of Indemnity and the other documents executed by the Purchaser which are to be delivered at Completion will when executed constitute binding obligation of the Purchaser in accordance with their respective terms.

3 The Conditions

3.1 This Agreement is conditional on:

- (a) application being made to the London Stock Exchange for admission to the Official List of the Consideration Securities;
- (b) admission of the Consideration Securities to the Official List of the London Stock Exchange being evidenced by the announcement disseminated by electronic systems or by notice of such admission in each case in accordance with Paragraph 7.1 of the Listing Rules of the London Stock Exchange;
- (c) the directors of the Purchaser prior to the signing hereof providing an irrevocable undertaking in the agreed form to the Vendors;
- (d) the passing at an Extraordinary General Meeting of the Purchaser of the Resolution (as set out in the Notice of EGM all of which are ordinary resolutions only);
- (e) the passing at an Extraordinary General Meeting of the Company Resolutions;

- 3.2 If the Conditions are not fulfilled (or waived jointly by the Vendors and the Purchaser) by 30 March 1994 (or such later date as the parties shall agree) all liabilities of the parties hereunder shall cease and determine and neither party shall have any claim against the other.
- 3.3 The Vendors shall use their respective reasonable endeavours to procure the fulfilment of such of the Conditions as apply to them respectively by the respective dates specified in clause 3.2. In particular, the Vendor hereby acknowledges that the Purchaser has informed the Vendor that the Purchaser is willing to enter into this Agreement and to purchase the Sale Shares on the terms (as to price and otherwise) herein provided if and only if the Vendor enters into the following undertakings. Accordingly (without limiting the generality of the foregoing undertaking) each of the Vendors hereby irrevocably specifically undertakes with the Purchaser within the time specified for the fulfilment of the Conditions under clause 3.2:
- (a) not to seek or solicit or entertain any offer from or enter into any discussions or negotiations with any other person for the sale to such person of the Sale Shares or any of them;
 - (b) to vote in favour of the Company Resolutions in the agreed form to approve Pension Payments, the Bonus Payment, the disposal of the Retained Properties, the Dividend and the financial assistance at the Extraordinary General Meeting of the members of the Company to be held prior to or on the Provisional Completion Date;
 - (c) to procure that the Company Resolutions are properly proposed and put to the said Meetings irrespective of any change of circumstances subsequent to the date of this Agreement and of whether or not any other person may have made an offer to acquire shares of the Company;
 - (d) not to adjourn the said Meetings save as may be required by law or pursuant to the Articles of Association of the Company; and
 - (e) to procure that any poll at the said Meetings shall be held forthwith.
- 3.4 The Purchaser shall use its reasonable endeavours to procure the Resolution is properly proposed and put to the shareholders of the Purchaser at the Extraordinary General Meeting and that Conditions 3.1(a) and (b) are fulfilled.
- 3.5 The Purchaser jointly with the Warrantors may waive (to such extent as they may approve) compliance with any of the Conditions in clause 3.1 or any part thereof but without prejudice to any other rights which the parties may have under this Agreement.

4 Sale of the Sale Shares

- 4.1 The Vendors as beneficial owners shall sell the Sale Shares to the Purchaser 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 indemnity by the Warrantors herein contained shall purchase the Sale Shares with effect from Completion.
- 4.2 Each of the Vendors hereby:
- (a) waives any rights of pre-emption conferred on him by the Articles of Association of the Company over Sale Shares hereby agreed to be sold by the other Vendors;
 - (b) waives all rights, claims and actions of whatsoever nature which it may have against the Company in relation to any Ordinary Shares of the Company owned by the Vendor previously purchased by the Company prior to the date of this Agreement.
- 4.3 The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.
- 4.4 Pending Completion or the Conditions failing:
- (a) subject always to the terms of the confidentiality undertaking dated 28th January 1994 any director or senior manager authorized by the Purchaser (not to exceed more than 10 people at any one time) shall on 24 hours prior notice 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
 - (b) except with the prior written consent of the Purchaser the Warrantors shall procure that neither the Company nor any of the Subsidiaries shall:
 - (i) resolve to change its name or to alter its Memorandum or Articles of Association or any other constitutional regulations;
 - (ii) 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;
 - (iii) declare, pay or make any dividend or other distribution other than the Dividend;
 - (iv) repay or redeem any of its share capital;

- (v) reduce its share capital;
- (vi) resolve to be voluntarily wound up;
- (vii) pass any resolution or obtain any consent from its members or any class of its members;
- (viii) otherwise than in the ordinary course of business:
 - (A) incur in a single transaction any liability (whether as principal or surety) for a principal amount which exceeds or could exceed £25,000;
 - (B) create any Security Interest over its business, undertaking or any of its assets;
- (ix) 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;
- (x) depart from continuing its business in its ordinary course;
- (xi) make any material change in the terms or conditions of employment or engagement of any of its employees or officers;
- (xii) enter into any material transaction with or for the benefit of any of its directors or of any person who is connected with or any of its directors (within the meaning of section 839 ICTA 1988):
 - (A) except in the usual course of its business; and
 - (B) on terms which are in no respect less favourable to the relevant company than normal arms' length terms;

other than the Pension Payments, the Parkinson Payment, the transfer of the Retained Properties and the car referred to in Clause 6.1(e)(iv) to Mr M E Moors and obtaining the Retained Property Releases;
- (xiii) appoint new auditors;
- (xiv) materially fail to keep proper accounting records or to make therein true and complete entries of all its dealings and transactions and "material" in this clause shall mean records, dealings and transactions in excess of £1,000;

- (xv) enter into any borrowing, factoring or other financing or any lending commitments, being in each case commitments which are outside the ordinary course of its business;
 - (xvi) 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) which are in excess of £1,000 or create any Security Interest over any of its fixed and loose plant, machinery, furniture, fixtures, fittings, equipment and vehicles used in connection with the businesses of the Group;
 - (xvii) permit or allow any of its assets to be depleted by any unlawful act on the part of any person;
 - (xviii) commit or omit to do any act or thing the commission or (as the case may be) the omission of which is in contravention of any applicable law, order or regulation and which would have a material adverse effect on the business or financial condition of the relevant company;
 - (xix) fail to keep in place its existing insurance cover;
 - (xx) fail to maintain the confidentiality of its customer and supplier information and of its other proprietary information;
 - (xxi) exercise power under the Schemes to augment any benefit or to provide any benefit which would not otherwise have been augmented or provided other than as described in the Disclosure Letter.
- (c) The Warrantors will keep the Purchaser promptly informed of employment matters relating to the Group including without limitation:
- (i) any negotiations or proposed or actual arrangements with unions representing the Employees;
 - (ii) any material proposed or actual increase or reduction in the numbers of Employees or any group or class of Employees;
 - (iii) the departure or recruitment or expected or proposed departure or recruitment of any Employees earning over £30,000 per annum;
 - (iv) any strikes or disputes with any group of the Employees.

5 Consideration

- 5.1 The consideration for the sale of the Sale Shares shall be satisfied as mentioned in clause 5.2 representing a total of £22,996,000.
- 5.2 The consideration for the sale of the Sale Shares shall be paid or satisfied by:
- (a) the allotment and issue to the Vendors credited as fully paid of a total of 6,600,660 Consideration Securities as set against their respective names in column 4 of Parts B and C of schedule 1;
 - (b) the payment to the Vendors of a total of £6,996,000 as set against their respective names in column 6 of Parts B and C of schedule 1;
 - (c) the issue to the Vendors of a total of £8,000,000 Loan Notes as set against their respective names in column 5 of Parts B and C of schedule 1.

6 Completion

- 6.1 The parties shall meet on the Provisional Completion Date at the offices of the Purchaser's Solicitors when all (but subject to clause 6.4 not part only unless the Purchaser shall so agree) of the following business shall be transacted:
- (a) Evidence of the fulfilment of the Conditions (other than the Listing Condition) shall be produced.
 - (b) The Vendors shall deliver the documents referred to in sub-clauses 6.1(b)(i) and (ii) and the Warrantors shall deliver the documents and matters referred to in sub-clauses 6.1(b)(iii) to (xii) (inclusive) to the Purchaser's Solicitors:
 - (i) transfers in respect of the Sale Shares duly completed in favour of the Purchaser or as it may have directed, together with the certificates therefor;
 - (ii) such other documents as may be required to give a good title to the Sale Shares and to enable the Purchaser or its nominees to become the registered holders thereof;
 - (iii) (as agents for the respective companies) all the statutory and minute books of the Company and the Subsidiaries (in every case written up to the business day immediately preceding Completion) and their respective Common Seals, Certificates of Incorporation, books of account and other documents and records;

- (iv) the Deed of Indemnity and the Majority Shareholder Indemnity Deed duly executed by each of the parties thereto;
 - (v) duly executed transfers (in favour of such person or persons as the Purchaser may have directed) of all Shares or other interests in the Subsidiaries not registered in the name of the Company together with the certificates therefor;
 - (vi) evidence that any guarantees, security, indemnities and warranties given by the Company and the Subsidiaries in respect of liabilities of any of the Vendors or any person or company associated with the Vendor or any third party given by the Company or the Subsidiaries have been released or will be released upon Completion of this Agreement;
 - (vii) the deeds and documents of title to the Properties to the extent the same are not held by or charged to the Company's bankers;
 - (viii) the cash book balances of all companies in the Group as at Provisional Completion Date with reconciliation statements reconciling such cash book balances with the debit and credit balances on the bank accounts of all such companies as at the close of business on the second business day before the Provisional Completion Date;
 - (ix) a certified copy of the Retained Properties Transfers and the Retained Properties Releases;
 - (x) the Lease executed by Mr M E Moors and Butler Woodhouse Limited (but undated).
- (c) The Warrantors shall:
- (i) cause the transfers mentioned in this clause to be resolved to be registered (subject only to Completion of this Agreement and to their being duly stamped) notwithstanding any provision to the contrary in the Articles of Association of any relevant company; and
 - (ii) conditional upon Completion of this Agreement cause to be validly appointed as additional Directors of the Company and the Subsidiaries the persons named in schedule 6, and on such appointments becoming effective shall cause the persons named in Part A of schedule 7 to cease to be Directors and employees of the Company and each of the Subsidiaries and the persons named in Part B of schedule 7 to cease to be Directors of the Company and each of the Subsidiaries and in each case to deliver to the Purchaser's Solicitors letters (executed as deeds)

acknowledging that upon Completion of this Agreement they have no claim outstanding for compensation for loss of office or otherwise howsoever, including redundancy and unfair dismissal and termination of their existing service contracts (executed but undated copies of such acknowledgments to be delivered to the Purchaser's Solicitors on the Provisional Completion Date), and so that if the Purchaser so requests the Vendors shall procure that all or any of such directors shall concur with the Group companies concerned in taking such action as the Purchaser may consider necessary to preclude such person from making a complaint to or bringing proceedings before an industrial tribunal in respect of the termination of his contract of employment.

- (d) The Purchaser shall pay by telegraphic transfer to the Vendor's Solicitors account at National Westminster Bank plc., Hanley Branch, PO Box No 9, 1 Upper Market Square, Hanley, Stoke-on-Trent, ST1 1QA, sort code no 01-03-69, account no 06487513, (whose receipt shall be a good discharge) for account of the Vendors a total of £6,996,000 cash being that part of the total consideration payable in cash on Completion,
- (e) The parties shall join in procuring that with effect from Completion:
 - (i) the Reporting Accountants shall be appointed auditors of the Company and each of the Subsidiaries in place of the Auditors (whose written notice of resignation the Vendors shall procure will be deposited at the respective registered offices in accordance with section 392 Companies Act 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);
 - (ii) all existing bank mandates in force for all companies in the Group shall be altered (in such manner as the Purchaser shall at Completion require) to reflect the resignations and appointments referred to above;
 - (iii) Service Agreements (in the agreed form) shall be entered into between the Company and the persons named in schedule 8 (executed but undated copies to be delivered to the Purchaser's Solicitors and the Vendors' Solicitors on the Provisional Completion Date);
 - (iv) the Company shall sell and Mr M E Mcors shall purchase the BMW 7 Series motor car registration number H225 GEH now used by such person at a price equal to its net book value (as certified by the Auditors).

- 6.2 The Purchaser and the Warrantors and Purchaser's Solicitors and the Vendor's Solicitors shall enter into escrow agreements on the Provisional Completion Date in relation to all documents and funds delivered to the Purchaser's Solicitors or the Vendors' Solicitors on the Provisional Completion Date and for the delivery of the Loan Notes and the Share Certificates of the Purchaser for the Consideration Securities following Completion.
- 6.3 Completion shall take place on the Completion Date immediately upon fulfilment of the Listing Condition whereupon:-
- (a) the Purchaser's Solicitors shall be authorised to date the documents delivered to them as set out in clauses 6.1(b)(i) (share transfers), 6.1(b)(iv) (Deed of Indemnity and Majority Shareholder Indemnity Deed), 6.1(b)(v) (subsidiary share transfers), 6.1(b)(x) (the Lease), 6.1(c)(ii) (resigning directors' acknowledgements) and 6.1(e)(iii) (service agreements) with the Completion Date and to deliver all such documents to the Purchaser;
 - (b) the Vendors' Solicitors shall be authorised to date the documents delivered to them as set out in clause 6.1(e)(iii) (service agreements) with the Completion Date and to deliver the funds referred to in clause 6.1(d) to the Vendors;
 - (c) the Purchaser shall (as soon as practicable) deliver to the Purchaser's Solicitors a copy of the notice evidencing fulfilment of the Listing Condition and the Loan Notes and the Share Certificates of the Purchaser in respect of the Consideration Securities (which shall rank *pari passu* in all respects with the Ordinary Shares of the Purchaser in issue at the date hereof, save that they shall not rank for any dividend or other distribution declared paid or made prior to the date hereof).
- 6.4 If the Vendors shall be unable to comply with any of their obligations under the preceding provisions of this clause the Purchaser may:
- (a) defer Completion to a date not more than 28 days after the said date (and so that the provisions of this clause 6.4(a) shall apply to Completion as so deferred); or
 - (b) 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
 - (c) rescind this Agreement.
- 6.5 Mr M E Moors and the Purchaser on behalf of the Company hereby undertake with each other to make elections within seven days following Completion in respect of each of the Retained Properties pursuant to section 158 of the Capital

Allowances Act 1990 and to procure that the elections are submitted promptly to the Inland Revenue (and in any event in accordance with all the requirements of that section).

7 Bonus Payment

- 7.1 The Bonus Payment which is calculated in accordance with the provisions of schedule 10 shall be paid to Mr M E Moors within 7 days of the Net Profit figure being approved by the Reporting Accountants or determined by the Chartered Accountant (as applicable).

8 Post-completion matters

- 8.1 Mr M E Moors hereby undertakes with the Purchaser so as to bind his successors and estates:

- (a) not to without the Purchaser's prior written consent dispose of or agree to dispose of any interest in any of the Consideration Securities allotted to him in his sole name (an "Interest") before the later of the first anniversary of the Completion Date or the Publication Date;
- (b) without prejudice to the restrictions contained in clause 8.1(a), not to dispose of, or agree to dispose of any Interest at any time before 31 March 1996 unless prior to such disposal the Brokers are given notice of such intended disposal and are given a reasonable opportunity (not in any event exceeding 7 business days) to quote a price to Mr M E Moors at which they will acquire or place the Interest to be disposed of.

9 Warranties, representations and, undertakings and indemnities

- 9.1 In consideration of the Purchaser entering into this Agreement the Warrantors hereby severally warrant and represent to and undertake with the Purchaser:

- (a) that all statements of fact in this Agreement relating to the Company, the Subsidiaries and the Vendors contained in clauses 1,2,4,6,7,8,9,10,16,20,21 and in schedules 1,2,3,4,7,10,11 and 12 are correct; and
- (b) in respect of the Group in terms of schedules 9 and 11, and so that any statement in that schedule which is qualified as being "to the best of the knowledge, information and belief of the Warrantors" which include warranties 8.4, 9.5(b), 9.5(e), 9.9, 9.11, 11.2, 11.4, 12.1 and 12.2 in schedule 9 has been so qualified after reasonably careful enquiry by each of the Warrantors, each of whom 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.

It is hereby agreed that if any Warrantor shall for any reason not be liable hereunder or be released by the Purchaser the other Warrantors shall remain liable in full notwithstanding and without prejudice to their right to a contribution.

- 9.2 The Minority Shareholders and the Warrantors acknowledge and agree that the Purchaser has entered into this Agreement on the basis of the Warranties and the indemnities by the Warrantors herein contained and that the Purchaser is relying on the Warranties.
- 9.3 The Warranties are qualified only to the extent of those matters 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 or any report on the Business prepared at the instance of or made available to the Purchaser and the Purchaser hereby acknowledges to the Warrantors that it does not have actual knowledge of any matter which would at the date of this Agreement provide the basis for a claim under the Warranties.
- 9.4 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 (if any) of the Purchaser to damages or other relief (if any) in respect of any breach of the Warranties.
- 9.5 Each of the Warrantors shall procure that neither he nor so far as within his power the Company nor any of the Subsidiaries shall knowingly 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 material respect if they were so given.
- 9.6 (a) The Purchaser shall be entitled to rescind this Agreement in the event of any significant breach of clause 9.1 or 9.5 prior to Completion but shall if rescission occurs have no other claim except for reimbursement of all reasonable costs and expenses incurred in relation to the negotiation and preparation of this Agreement and the due diligence carried out.
- (b) In lieu of excising the rights conferred by clause 9.6(a) the Purchaser may (if the effect of any such breach as aforesaid is that either the Company or any of the Subsidiaries (or some asset of any such company) is worth less than its value would have been if there had been no such breach or that the Company or any of the Subsidiaries is or will

be under a liability or an increased or substituted liability which would not have subsisted if there had been no such breach) by notice to the Vendors require them to make good to the Company or (as the case may be) to the relevant Subsidiary the diminution in the value of the asset or all loss occasioned by such liability or increased or substituted liability by a payment in cash to the relevant company or (at the Purchaser's option) to pay to the Purchaser an amount equal to the diminution thereby caused in the value of the Sale Shares. Any notice given under this paragraph shall be effective as regards all the Vendors if given to any one of the Vendors or (if given on or before Completion) to the Vendors' Solicitors; or

- (c) In lieu of exercising the rights conferred by clause 9.6(a) the Purchaser may proceed with Completion but without prejudice to all other rights and remedies available at any time to the Purchaser for breach of clause 9.1 or 9.5 prior to Completion (including but not limited to the right to damages for any loss suffered by the Purchaser.

9.7 Any information supplied by any company in the Group or its agents or advisers to the Warrantors or its agents or advisers in connection with warranties or representations or otherwise in relation to the business and affairs of any company in the Group shall not be deemed a representation, warranty or guarantee to the Warrantors of the accuracy thereof and the Warrantors hereby waive any and all claim against each company in the Group in respect thereof.

9.8 Without prejudice to any of the Warranties, the Warrantors in respect of each of the Properties (but excluding the Properties listed in Part C of schedule 3) shall be liable to the Purchaser to the same extent as if each of the Properties according to the tenure thereof had been conveyed by the Warrantors to the Purchaser for a valuable consideration and in the assurance thereof the Warrantors had been expressed to convey as beneficial owner and such assurance had been made subject only to encumbrances and other adverse interests disclosed by the Warrantors in writing to the Purchaser.

9.9 In respect of sums due to the Purchaser, the Company or the Subsidiaries under:

- (a) this Agreement; and
- (b) the Deed of Indemnity;

the Purchaser shall be entitled to set off such sums against amounts due to the Warrantors or any of them in respect of their Loan Notes in accordance with the provisions of schedule 13.

9.10 The Vendors acknowledge that they are not relying on and have not been induced to enter into this Agreement or to accept Loan Notes as consideration or to agree to any of the terms therein contained on the basis of any information or statement supplied or made by the Purchaser or any company in the Group or by any of their agents or advisers, officers or employees to the Vendors or their agents or advisers and acknowledge that none of the Purchaser, the Group

or their agents or advisers, officers of employees (including without limitation Lazard Brother & Co., Limited) have given any representations, warranties, indemnities, undertakings, consents or guarantees to the Vendors of the truth or accuracy thereof and the Vendors hereby waive any and all claims against the Purchaser, its agents, advisers, officers and employees and each company in the Group.

10 Restrictive covenants

10.1 Each of the Warrantors agrees with the Company and the Purchaser that he will not, whether by himself, his employees or agents or Connected Person or otherwise howsoever, for a period of 3 years from the Completion Date directly or indirectly:

- (a) be employed or otherwise engaged or interested in any capacity (whether for reward or otherwise) in any business or operation which is or is about to be engaged in the supply of the Restricted Services or any of them in the Prohibited Area in competition with the Company or any other company in the Group;
- (b) in relation to the Restricted Services or any of them solicit or canvass or otherwise deal with any Local Authorities, person, firm, company or other organisation which was a customer or supplier of the Company or any other company in the Group (excluding for the avoidance of doubt bus and coach passengers) at any time during the 5 years prior to Completion or which at the Completion Date was in the process of negotiating or contemplating doing business with the Company or any other company in the Group;
- (c) solicit or entice away or endeavour to solicit or entice away from the Company or any other company in the Group any employee or director or manager employed or otherwise engaged by such company on the Completion Date, whether or not such person would commit any breach of his contract of employment by reason of his leaving the service of any such company;
- (d) employ or otherwise engage any person who at the Completion Date or during the period of 5 years prior thereto was employed or otherwise engaged by the Company or any other company in the Group and who by reason thereof is or is reasonably likely to be in possession of any of the Confidential Information.

10.2 Each of the Warrantors agrees with the Company and the Purchaser that he will not at any time after Completion or after the termination of his employment with the Company, whether by himself, his employees or agents or otherwise howsoever:

- (a) engage in any trade or business or be associated with any person firm or company engaged in any trade or business using the Trading Names or any of them or incorporating the words Paramount, PMT, Crosville, Rider, Lynx, Flexi, ~~Rider~~ Bradwell, Silverdale, Moorland, Stonier and Potteries;
- (b) in the course of carrying on any trade or business, claim, represent or otherwise indicate any present association with the Company or any Subsidiary or for the purpose of obtaining or retaining any business or custom claim, represent or otherwise indicate any past association with the Company or any Subsidiary;
- (c) without the consent of the Company use whether on his own behalf or on behalf of any third party or divulge to any third party any Confidential Information.

- 10.3 If the Company or any Subsidiary shall have obtained any Confidential Information from any third party under an agreement including any restriction on disclosure known to him, each of the Warrantors agrees with the Company and the Purchaser that he will not at any time without the consent of the Company infringe such restrictions.
- 10.4 Each of the Warrantors agrees 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 and the Company and each of the Warrantors agrees that having regard to that fact those covenants do not work harshly on him.
- 10.5 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.
- 10.6 Each of the Warrantors hereby agrees with the Company and the Purchaser that he will at the request and cost of the Company enter into a direct agreement or undertaking with any other company or companies in the Group whereby he will accept restrictions and provisions corresponding to the restrictions and provisions herein contained (or such of them as may be appropriate in the circumstances) in relation to such services and such area and for such period as such company or companies may reasonably require for the protection of its or their legitimate interests.

11 Rights of rescission

- 11.1 Each of the Warrantors hereby undertakes with the Purchaser that he will forthwith disclose in writing to the Purchaser any event or circumstance which may arise or become known to him after the date hereof and prior to Completion which is materially inconsistent with any of the Warranties to the intent that if the Warrantors or any of them shall so disclose any event or circumstance pursuant to this clause the Purchaser shall have the right to rescind this Agreement but if recession occurs shall have no other claim except for the reimbursement of all reasonable costs and expenses incurred in relation to the negotiation and preparation of this Agreement and the due diligence carried out.

12 Continuing effects of this Agreement

- 12.1 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.
- 12.2 Subject to clause 13.1 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.
- 12.3 This Agreement is not assignable by either party but shall be binding on and shall enure for the benefit of each party's successors and personal representatives (as the case may be).
- 12.4 The Company shall be entitled to enforce this Agreement against the Vendors as if it were a party to this Agreement in respect of those provisions (if any) of this Agreement which are expressed to enure for the benefit of the Company.

13 Announcements and circulars

- 13.1 The Company and each of the Warrantors undertakes with the Purchaser to use their respective reasonable endeavours to comply with all requirements of the London Stock Exchange made on any of them so as to enable satisfaction of the condition described in clause 3.1(a) on or before 30 March 1994.
- 13.2 Each of the Warrantors hereby undertakes with the Purchaser to provide all such information known to him or which on reasonable enquiry ought to be known to him and relating to the Group or otherwise as the Purchaser may reasonably

require for the purpose of complying with any requirements of law or of the London Stock Exchange or for the purpose of compliance with the condition in clause 3.1(a).

- 13.3 Subject as required by law or by the London Stock Exchange or by any competent regulatory authorities, all announcements by or on behalf of any of the parties hereto before the first date on which the Consideration Securities are dealt in on the London Stock Exchange and relating to the sale and purchase hereunder shall be in terms to be approved in writing by the Purchaser and Mr M E Moors in advance of issue.

14 Limitations on liability of the Vendors

- 14.1 No claim shall be brought by the Purchaser in respect of any breach of the General Warranties or the Tax Warranties or under the Deed of Indemnity unless notice in writing of any such claim (specifying in reasonable detail the event which gives rise to the breach and the amount claimed in respect thereof) has been given to the Warrantors not later than 30 June 2000 in the case of any Tax Warranty or under the Deed of Indemnity and 30 June 1996 in the case of any General Warranty.
- 14.2 The Warrantors shall not be liable for any breach of this Agreement or the Deed of Indemnity if the amount of the claim does not exceed £2,500 and all such claims shall be disregarded as claims for all purposes of this clause 14.
- 14.3 The Warrantors shall not be liable for any breach of this Agreement or the Deed of Indemnity unless and until the amount of any claim (when aggregated with the amount of all or any such other claims) exceeds £50,000 in aggregate and in such event the Warrantors shall be liable for the whole amount of such claims.
- 14.4 (a) The total liability of the Warrantors under the Warranties and the Deed of Indemnity in respect of claims made before 1 March 1997 shall not exceed the total consideration received by the Warrantors pursuant to clause 5 of this Agreement.
- (b) The total liability of the Warrantors under the Tax Warranties and the Deed of Indemnity in respect of claims made between 1 March 1997 and 30 June 2000 (both dates inclusive) shall not exceed £5.5million but so that the total liability of the Warrantors under the Warranties and the Deed of indemnity in respect of all claims shall not exceed the total consideration received by the Warrantors pursuant to clause 5 of this Agreement.
- (c) If on a Settlement Date the Warrantors are holding Consideration Securities which have a Share Price below the Admission Price for the Consideration Securities the Warrantors maximum liability under the

Warranties and the Deed of Indemnity referred to in clause 14.4(a) shall be reduced by an amount equal to:

$$(\text{Admission Price} - \text{Share Price}) \times \frac{\text{Number of Consideration Securities held by the Warrantors on the Settlement Date}}{\text{Total Share Sales of all Warrantors}}$$

- (d) If there is more than one Settlement Date the Warrantors maximum liability shall be calculated separately on each Settlement Date for each further claim and shall be either the total consideration received by the Warrantors if the Share Price is equal to or exceeds the Admission Price or if the Share Price is less than the Admission Price it shall be such total consideration received as reduced by the calculation set out in clause 14.4(c).
- (e) The total liability of any Warrantor under the Warranties and the Deed of Indemnity shall not exceed the proportion of the total referred to in this clause as is the proportion of that Warrantor's Sale Shares to the total Share Sales of all Warrantors.

14.5 The Purchaser declares (and the Warrantors acknowledge) that the Purchaser relies on no other warranties, representations, covenants, undertakings, indemnities or other statements whatsoever, other than those expressly set out in this Agreement, the Deed of Indemnity, the Disclosure Letter, the Circular (insofar as they relate to the Group and have been verified by the Warrantors) and in written replies from the Vendors or the Vendors' Solicitors to written enquiries raised by the Purchaser or the Purchaser's Solicitors.

14.6 The rights of the Purchaser in respect of a breach of any of the Warranties or this Agreement shall not be affected by Completion or by any other act or omission on the part of the Purchaser or on the Purchaser's behalf other than the Purchaser's express written waiver or release.

14.7 The Warrantors shall not be liable for any breach of the Warranties in any of the following situations:-

- (a) to the extent that the facts which might result in a claim or possible claim thereunder were fairly disclosed in the Disclosure Letter;
- (b) to the extent that the liability which is the subject of the claim is provided for or reserved for in the Accounts or has been included in calculating creditors or deducted in calculating debtors in the Accounts and in either case is specifically identified in the records of the Company; or
- (c) to the extent that a claim arises;

- (i) as a result of an act or omission occurring at the request of or with the prior written consent of the Purchaser on or after the date hereof;
 - (ii) from an act or omission compelled by law in respect of which the Warrantors are not culpable;
 - (iii) as a result of any increase in rates of taxation not effective on the date hereof;
 - (iv) as a result of the passing of an enactment or other governmental regulation with retrospective effect which is not in force on the date hereof;
- (d) to the extent that the subject of the claim:
- (i) has been or is made good or is otherwise compensated for without cost to the Purchaser or the Company;
 - (ii) is recoverable by the Company by insurance in effect at the date hereof or would have been so recoverable but for any change in the terms of insurance made by the Purchaser since the date of this Agreement;
 - (iii) would not have arisen but for a voluntary act or transaction of the Company or the Purchaser without the prior written consent of the Warrantors after Completion otherwise than in the ordinary course of business and other than the purchase of the Sale Shares by the Purchaser and the other transactions contemplated by this Agreement.

14.8 The Warrantors shall not be liable in respect of any claim for breach of the Warranties if and to the extent that the loss has been included in a claim under the Deed of Indemnity which has been satisfied nor shall the Warrantors be liable in respect of a liability under the Deed of Indemnity if and to the extent that the loss has been included in a claim for breach of the Warranties which has been satisfied.

14.9 If the Warrantors pay at any time to the Purchaser or to the Company an amount pursuant to a claim in respect of the Warranties and/or under the Deed of Indemnity and the Purchaser or the Company subsequently becomes entitled to recover from some other person any sum in respect of the same subject matter the Purchaser shall give the Warrantor details thereof and shall procure that the Company shall at the Warrantors' expense take all such steps requested by the Warrantors which are necessary to enforce such recovery and if and when recovered the Purchaser shall forthwith repay to the Warrantors so much of the amount recovered by it or the Company as does not exceed the sum recovered from such other person less all reasonable costs, charges and expenses incurred

by the Purchaser or the Company in recovering that sum from such other person (except to extent already paid by the Warrantors).

14.10 The Purchaser shall inform the Warrantors in writing of any event that comes to the notice of the Purchaser or the Company whereby it appears that the Warrantors are or are likely to become liable for a breach of the Warranties forthwith upon such event coming to the notice of the relevant company, provided that failure to do so shall not prejudice the rights of the Purchaser to make claims under the Warranties. The Purchaser shall (and shall procure that the Company shall) provided the Warrantors first indemnify and keep indemnified the Purchaser and the Company from and against any losses, costs, damages, claims and expenses incurred by any of them in complying with their obligations under this clause 14.10 take such action and give all such assistance as the Warrantors may reasonably request and the Purchaser and/or the Company is advised by the Purchaser's Solicitors are reasonable to avoid, resist, mitigate or compromise such claim, but if not so advised will consult with and keep fully informed the Warrantors in respect of such matter.

14.11 It is hereby agreed and declared that in no circumstances shall either the Purchaser or the Vendors have the right to rescind or terminate this Agreement after Completion (or to treat this Agreement as having been so rescinded or terminated) or otherwise claim to be released from performance of any of their respective obligations under this Agreement and the Deed of Indemnity.

14.12 For the avoidance of doubt it is agreed that any payments in respect of a breach of Warranty or claim under the Deed of Indemnity will reduce the Consideration accordingly but not the maximum liability of the Warrantors under clause 14.4.

14.13 Without prejudice to the Purchaser's rights of recession contained in clauses 9.6 and clause 11 the Warrantors shall not be liable for any breach of warranties numbered 8.4 and 13.1 to the extent that such breach arises in the period from the date of this Agreement and Completion and at the date of this Agreement the Warrantor did not have actual knowledge of such breach.

15 Releases, etc., by the Purchaser

15.1 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 or any of the Vendors under such liability without in any way prejudicing or affecting its rights against any other of the Vendors or Vendors in respect of the same or a like liability, whether joint and several or otherwise.

16 Notices

- 16.1 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) their respective addresses herein contained or an address in the United Kingdom subsequently notified in writing to the Purchaser as the address for such service or (in the case of the Purchaser the Company or the Subsidiary) 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.
- 16.2 In proving the giving of a notice it shall be sufficient to prove that the notice was left or that the envelope containing such notice was properly addressed and posted or that the applicable means of telecommunications was properly addressed and despatched (as the case may be).

17 Time of the essence

- 17.1 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.

18 Other provisions

- 18.1 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.
- 18.2 No purported variation of this Agreement shall be effective unless made in writing.
- 18.3 At all times after the date of this Agreement each party shall use its best endeavours to procure that any necessary third party shall execute such documents and do such acts and things as the other party may reasonably require for the purpose of giving to that other party the full benefit of all the provisions of this Agreement in so far as they relate to the Sale Shares which such first mentioned party has hereby agreed to sell.
- 18.4 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.

18.5 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.

19 Payment of costs

19.1 Each of the parties shall be responsible for their respective legal and other costs incurred in relation to the preparation and completion of this Agreement.

20 Appointment of attorney

20.1 Each of the Vendors 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 Completion to that day on which the Purchaser or its nominee is entered in the register of members of the Company as the holder of the Sale Shares.

20.2 For such purpose each of the Vendors hereby authorises:

- (a) the Company to send any notices in respect of his holding of shares of the Company to the Purchaser; and
- (b) 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 in his capacity as a member.

21 Choice of law and address for service

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

21.2 Mr M E Moors hereby irrevocably authorises and appoints the Vendors' Solicitors (or such other person, being a firm of solicitors resident in England, as he may by notice to the Purchaser hereto substitute) to accept service of all legal process and service on the Vendors' Solicitors (or such substitute) shall be deemed to be service on Mr M E Moors.

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: 15 April 1986

Registered number: 2010514

Authorised share capital: £10,000 divided into 10,000 Ordinary Shares of £1 each

Issued share capital: 811 Ordinary Shares fully paid
4 Preference Shares fully paid

Directors: N J Barrett
S R Ellis
M E Moors
B Parkinson
A A Reeves

Secretary: N J Barrett

Shareholders and shareholdings: Listed in Parts B and C

Auditors: KPMG Peat Marwick

Accounting reference date: 31 December

Part B - The Warrantors

Name & Address	Number of Ordinary Shares	Number of Preference Shares	Number of Consideration Securities	Unsecured Guaranteed Loan Notes	Cash Consideration for Sale Shares
Michael Eric Moors Eaton Cottage Congleton Cheshire CW12 2NP	612		4,981,016	6,036,991.40	5,279,348.93
Nigel John Barrett The Cottage Park Lane Brocton Stafford ST17 0TB	44		358,112	434,032.06	379,561.04
Steven Robert Ellis Homestead, Stanley Road Stockton Brook Stoke-on-Trent ST9 9LL	44		358,112	434,032.06	379,561.04

John Edward Anthony Marsh 2 Grange Court Biddulph Stoke-on-Trent	18		146,500	177,558.57	155,274.97
Michael George Frewer Graham House 10 Well Lane Gillow Heath Biddulph Stoke-on-Trent	18		146,500	177,558.57	155,274.97

Part C - The Minority Shareholders

Name & Address	Number of Ordinary Shares	Number of Preference Shares	Number of Consideration Securities	Unsecured Guaranteed Loan Notes	Cash Consideration for Sale Shares
Josiah Booth 4 Breeze Avenue Tunstall Stoke-on-Trent	5		40,695	49,321.82	43,131.94
Alan Davies 4 Somerton Road Weeington Stoke-on-Trent	3		24,417	29,593.09	25,879.16
Mrs Kathleen Elizabeth Peake 'Brambles' 117 Beaconsfield Drive Blurton Stoke-on-Trent	5		40,695	49,321.82	43,131.94
John Derek Smith 71 Clanway Street Tunstall Stoke-on-Trent	5		40,695	49,321.82	43,131.94

Peter Thorley 23 Iabley Road Crewe Cheshire	5		40,695	49,321.82	43,131.94
Andrew John Foster 39 The Parkway Hanley Stoke-on-Trent	2		16,278	19,728.73	17,252.77
Sandra F Moors Eaton Cottage Congleton Cheshire CW12 2NP	15		122,084	147,965.47	129,395.81
Mr and Mrs M E Moors as Trustees of M E Moors Accumulation and Maintenance Settlement	20		162,777	197,287.30	172,527.74
Mr and Mrs M E Moors as Trustees of M E Moors Discretionary Settlement	15		122,084	147,965.47	129,395.81

Schedule 2
Subsidiaries

Name: S Turner & Sons Limited

Date of Incorporation: 15 May 1957

Registered Number: 584002

Authorised share capital: £10,000 divided into 10,000 Ordinary Shares of £1 each

Issued share capital: 9,500 Ordinary Shares fully paid

Directors: N J Barrett
M E Moors

Secretary: N J Barrett

Shareholders and shareholdings:	The Company	:	9499 Shares
	M E Moors	:	1 Share

Auditors: KPMG Peat Marwick

Accounting reference date: 31 December

Name: Pennine Blue Limited

Date of Incorporation: 5 July 1993

Registered Number: 2832824

Authorised share capital: £10,000 divided into 10,000 Ordinary Shares of £1 each

Issued share capital: 1 Share fully paid

Directors: N J Barrett
M E Moors
B H Corbett
P J MacCarthy

Secretary: N J Barrett

Shareholders and shareholdings: PMT Limited : 1 Share

Auditors: KPMG Peat Marwick

Accounting reference date: 31 December

Name: PMT Engineering Limited

Date of Incorporation: 31 August 1988

Registered Number: 2291437

Authorised share capital: £10,000 divided into 10,000 Ordinary Shares of £1 each

Issued share capital: 100 Ordinary Shares fully paid

Directors: N J Barrett
S R Ellis
J E A Marsh
M E Moors

Secretary: N J Barrett

Shareholders and shareholdings: The Company : 99 Shares
M E Moors : 1 Share

Auditors: KPMG Peat Marwick

Accounting reference date: 31 December

Name: Crosville Limited

Date of Incorporation: 28 June 1898

Registered Number: 57968

Authorised share capital: £2,027,774 divided into 2,027,774 Ordinary Shares of £1 each

Issued share capital: 2,027,774 Ordinary Shares fully paid

Directors: N J Barrett
M E Moors

Secretary: N J Barrett

Shareholders and shareholdings: The Company : 2,027,773 Shares
M E Moors : 1 Share

Auditors: KPMG Peat Marwick

Accounting reference date: 31 December

Name: PMT Limited
 Date of Incorporation: 31 August 1988
 Registered Number: 2291753
 Authorised share capital: £10,000 divided into 10,000 Ordinary Shares of £1 each
 Issued share capital: 100 Ordinary Shares fully paid
 Directors: J E A Marsh
 S R Ellis
 M G Frewer
 M E Moors
 N J Barrett
 Secretary: N J Barrett
 Shareholders and shareholdings: The Company : 99 Shares
 M E Moors : 1 Share
 Auditors: KPMG Peat Marwick
 Accounting reference date: 31 December

Name: Paramount Leisure Limited

Date of Incorporation: 15 September 1988

Registered Number: 2296767

Authorised share capital: £10,000 divided into 10,000 Ordinary Shares of £1 each

Issued share capital: 100 Ordinary Shares fully paid

Directors: N J Barrett
M E Moors

Secretary: N J Barrett

Shareholders and shareholdings: The Company : 99 Shares
M E Moors : 1 Share

Auditors: KPMG Peat Marwick

Accounting reference date: 31 December

Schedule 3
The Properties

Part A - Freehold Properties

- 1 Land and buildings at Scotia Road Burslem Stoke on Trent registered at HM Land Registry with title absolute under title number SF 234778 (registered proprietor Butler Woodhouse Limited).
- 2 Land and buildings on the east side of Liverpool Road Cross Heath Newcastle-under-Lyme registered at HM Land Registry with title absolute under title number SF 234768 (registered proprietor Butler Woodhouse Limited) subject to
 - 2.2 a licence to occupy part made 20 January 1994 between Butler Woodhouse Limited and Leon's Coach Travel (Strafford) Limited.
- 3.1 Land and buildings on the south west side of Kingcross Street Longton Stoke on Trent registered at HM Land Registry with title absolute under title number SF 234770 (registered proprietor Butler Woodhouse Limited) subject to:
 - 3.2.1 a lease of part made 26 November 1992 between Butler Woodhouse Limited (1) and Michael George Holden and Stephen Holden (2); and
 - 3.2.2 a lease of part made 9 June 1992 between Butler Woodhouse Limited (1) and Bezam Saleha Akhtar and Abdul Halim (2).
- 4 Land and buildings on the north west side of Second Avenue Crewe Cheshire registered at HM Land Registry with title absolute under title number CH 305633 (registered proprietor Butler Woodhouse Limited).
- 5 Land and buildings on the north east side of New Chester Road Rock Ferry Wirral Merseyside registered at HM Land Registry with title absolute under title number MS 300897 (registered proprietor Butler Woodhouse Limited).
- 6 Land and buildings on the west side of Victoria Road Chester Cheshire registered at HM Land Registry with title absolute under title number CH 323837 (registered proprietor Butler Woodhouse Limited).
- 7.1 Land and buildings on the west side of Dividy Road Longton Stoke on Trent registered at HM Land Registry with title absolute under title number SF 318826 (registered proprietor Butler Woodhouse Limited) subject to
 - 7.2.1 a lease of part made 30 October 1992 between Butler Woodhouse Limited and Hectapoint Limited.
 - 7.2.2 a sub-lease of that part made 21 July 1992 between W & J Wass Ltd and J A/Mont (UK) Limited.

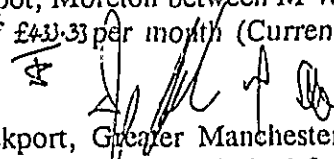
Part B - Leasehold Properties

- 8 Unit J on the Brookhouse Industrial Estate Cheadle Staffordshire comprised in and demised by a lease made 14 October 1991 between Adrian Charles Barker Susanne Patrina Barker (1) and Butler Woodhouse Limited (2) for a term of 5 years from 14 October 1991 at a yearly rental of £15000 (plus VAT if applicable) (current tenant Butler Woodhouse Limited).
- 9.1 Land and buildings fronting to Lichfield Street Hanley Stoke on Trent comprised in and demised by a lease made 16 December 1970 between the Lord Mayor Aldermen and Citizens of the City of Stoke on Trent (1) and Crosville Limited (2) for a term of 99 years from 4 August 1968 at an initial yearly rental of £1979 (subject to review) (current tenant PMT Limited) subject to
 - 9.1.1 an underlease of part made 15 February 1991 between F.M.T Limited (1) Doris Mary Adams and Robert Marcel Adams (2).
- 10 Land and buildings situate off Barracks Road Newcastle under Lyme Staffordshire comprised in a tenancy agreement made 28 June 1993 between the Borough Council of Newcastle-under-Lyme and Crosville Limited from year to year (terminable by either party on not less than 6 months notice) at a yearly rental of £4000 (current tenant PMT Limited).
- 11 Land situate in Scotia Road Burslem Stoke-on-Trent comprised in and demised by a lease made 17 March 1992 between Corbrook Properties Ltd and PMT Limited for a term of 3 years from and including 17 March 1992 at a yearly rental of £7000 (current tenant PMT Limited).
- 12 Ground floor shop and office situate at 73 High Street Cheadle Staffordshire comprised in and demised by a lease made 6 April 1989 between Mastercarr (Holdings) Limited and PMT Limited for a term of 21 years from 1 April 1989 at an initial annual rental of £2700 (subject to review) (current tenant PMT Limited).
- 13 Land at Barnfields Estate Leek Staffordshire comprised in and demised by a lease made 25 September 1992 between Harry Goodwin & Sons Limited and Butler Woodhouse Limited for a term of 5 years from 28 November 1991 at a yearly rental of £8100 (current tenant Butler Woodhouse Limited).
- 14 Two rooms at ground floor level at the Smithfield Omnibus Station Leek Staffordshire comprised in and demised by a lease made 28 June 1991 between Staffordshire Moorlands District Council and Butler Woodhouse Limited for a term of 3 years from 31 March 1990 (and currently holding over under the Landlord and Tenant Act 1954) at a yearly rental of £2100 (current tenant Butler Woodhouse Limited).

- 15 Plots of land and fuel tank at Concord House Biddulph Stoke on Trent comprised in and demised by a lease made 24 March 1992 between Alwil Bodies Limited and Butler Woodhouse Limited for a term of 4 years from 1 August 1991 at a yearly rental of £10,000 (current tenant Butler Woodhouse Limited).
- 18.1 Land and buildings between Delamere Street and George Street Chester Cheshire comprised in and demised by a lease made 6 March 1974 between the Mayor Aldermen and Citizens of the City and County of the City of Chester (1) and Crosville Motor Services Limited (2) for a term of 60 years from 18 December 1972 at a yearly rental of £8500 as the same is now registered at HM Land Registry with good leasehold title under title number CH 92192 (registered proprietor Butler Woodhouse Limited) subject to:
- 18.2.1 an underlease of part made 17 March 1978 between Crosville Motor Services Limited and Coach Caterers (Chester) Limited (original contractual term now expired); and
- 18.2.2 an underlease of another part made 17 March 1978 between Crosville Motor Services Limited and Coach Caterers (Chester) Limited (original contractual term now expired) and
- 18.2.3 an underlease of part made 10 March 1992 between Butler Woodhouse Limited and Chester Radio Taxis Limited.
- 19.1 Premises at Wellington Road/Civic Way Ellesmere Port Cheshire comprised in and demised by a lease made 24 May 1989 between Ellesmere Port and Neston Borough Council (1) and Crosville Motor Services Limited (2) for a period from 24 May 1989 to 28 February 2015 at an initial yearly rental of £125 (subject to review) as the same is registered at HM Land Registry with title absolute under title number CH 323841 (registered proprietor Butler Woodhouse Limited).
- * 19.2 The Ellesmere Port Town Centre Bus Station licence to use as such for the purpose of operating bus services is given by a licence made 27 March 1990 between Ellesmere Port and Neston Borough Council (1) and PMT Limited (2) for the period 1 May 1989 until the 31 March 1990 and thereafter from year to year (unless determined by either party giving to the other six months written notice) at a licence fee (subject to review). (Current licensee PMT Limited).
- 20 Land and premises at Meadow Lane Ellesmere Port Cheshire comprised in and demised by a lease made 4 March 1991 between Shell Property Company Limited and Butler Woodhouse Limited for a term of 10 years from 4 March 1991 at an initial yearly rental of £5,000 (subject to review) (current tenant Butler Woodhouse Limited).

* This is a Part C Property

Part C - Other properties

- 9.2 The omnibus Station Lichfield Street Hanley Licence to occupy and use as such is given by an agreement made 16 December 1970 between The Lord Mayor Alderman and Citizens of the City of Stoke on Trent (1) and Crosville Limited (2) for a period of 99 years from 4 August 1968 at a licence fee (subject to review). (Current licensee PMT Limited).
- 16 Verbal arrangements relating to the Tarron Way Depot, Moreton between M W S P Johnson and PMT Limited at a licence fee of £43.33 per month (Current licensee Butler Woodhouse Limited). 
- 17 Licence relating to premises at Rooth Street, Stockport, Greater Manchester made 7th September 1993 between Julian Henry Peddle and PMT Limited for a period commencing on 29 September 1993 and ending on 28th September 1994 at a licence fee of £1,000 per month (Current occupier PMT Limited).
- 21 Rights relating to a Lease dated 29th July 1993 made between Parker International Limited and United Provincial Services Limited for a term starting on 1st June 1993 and expiring on 31st May 1994 at an annual rent of £5,000 per annum which Lease is in the process of being assigned to Pennine Blue Limited (Current occupier Pennine Blue Limited).
- 22 Premises at Woodhouse Street and MacLagan Street, Stoke-on-Trent to be demised to Butler Woodhouse Limited by M E Moors for a term of ten years (subject to earlier rights of termination therein contained) and subject also to:
- 22.1 A lease of part made 29th December 1972 between Crosville Limited and Trustees of PMT Limited Social and Sports Club.
- 22.2 A lease of part made 25th September 1991 between Butler Woodhouse Limited and PSS Limited.
- 22.3 A lease of part dated 22nd February 1993 made between Butler Woodhouse Limited (1) and K Wood, A Bucknall and J Hewitt (2).
- 22.4 A lease of part dated 15th April 1993 made between Butler Woodhouse Limited and D.T. Woodhouse.

Schedule 4
Resolutions of the Company

Special Resolutions

- 1 That (in accordance with and for purposes of section 320(1) of the Companies Act 1985 ("the Act") and generally) the four contracts for the sale of the properties referred to below for a total of £1,160,000 between the Company and Mr M E Moors a director of the Company (copies of which were produced to the meeting and initialled by the Chairman for identification purposes) be approved notwithstanding the interest of Mr M E Moors in such contracts and that the directors be authorised to take all such steps as are necessary to execute and complete such contracts.
- 2 That the entering into by the Company of a lease of the Woodhouse Property (as defined below) with Mr M E Moors (a copy of which was produced to the meeting and initialled by the Chairman for identification purposes) on the terms of such lease be approved notwithstanding the interest of Mr M E Moors in the same and that the directors be authorised to take all such steps as are necessary to execute and complete such lease.
- 3 That the payments by the Company of:
 - £197,500 as a pension contribution for Mr M E Moors
 - £148,399 as a pension contribution for Mr B Parkinson
 - a compensation payment of £32,267 to Mr B Parkinsonin respect of the termination of their respective employment contracts with the Company be approved and that the directors be authorised to take all such steps as are necessary to make such payments.
- 4 That the transfer of the BMW motor car registration H225 GEH by the Company to Mr M E Moors for its written down book value be approved and that the directors be authorised to take all steps as are necessary to complete the sale.
- 5 That the bonus payment payable to Mr M E Moors pursuant to his contract of employment (not exceeding £12,000) be approved and that the directors be authorised to take all such steps as are necessary to make such payment.
- 6 That the proposed dividend payment totalling £481,000 payable to the members of the Company be approved and that the directors be authorised to take all steps as are necessary to make such payment.
- 7 That subject to compliance by the Company with sections 155 to 158 of the Act any financial assistance (within the meaning of section 152(a) of the Act) given by the Company in connection with the acquisition of the entire ordinary issued share capital of the Company by Badgerline Group plc pursuant to any of the

transactions approved and authorised by this resolution be and is hereby authorised and approved.

The properties referred to in resolution 1 above:

- (1) Land and buildings lying on the northern and southern sides of Woodhouse Street registered at HM Land Registry with title absolute under title number SF234767 ("the Woodhouse Property").
- (2) Land and buildings on the north side of Clough Street Hanley registered at HM Land Registry with title absolute under title number SF234777.
- (3) Land and buildings on the north side of Ashbourne Road Cheadle registered at HM Land Registry with title absolute under title number SF234779.
- (4) Land and buildings known as 77 and 79 Tape Street Cheadle registered at HM Land Registry with title absolute under title number SF243094.

Schedule 5
Deed of Indemnity

DATED

1994

M E MOOR ESQ AND OTHERS

(1)

BADGERLINE GROUP PLC

(2)

TAXATION DEED

Burges Salmon
Bristol

THIS DEED is made on

1994 BETWEEN:

- (1) The persons whose names and addresses are set out in part A of schedule 1 hereto ("the Covenantors");
- (2) **BADGERLINE GROUP plc** whose registered office is at Badger Manor, Edingworth, Weston-Super-Mare, BS24 0JA ("the Purchaser");

WHEREAS this Deed is entered into pursuant to an agreement of even date herewith between Esq and Others and the Purchaser for the sale and purchase of the issued share capital of Butler Woodhouse Limited ("the Agreement").

IT IS HEREBY AGREED as follows:

1 Interpretation

- 1.1 Words and expressions defined in clause 1.2 of the Agreement shall (unless the context otherwise requires) have the same meaning for the purposes of this Deed and in particular "the Company" means Butler Woodhouse Limited and "the Subsidiaries" means the companies whose names and registered offices are set out in part B of schedule 1 hereto.
- 1.2 In this Deed:
 - (a) "Actual Taxation Liability" means a liability to make an actual payment of or of an amount in respect of Taxation whether or not such Taxation is also or alternatively chargeable against or attributable to any other person;
 - (b) "Claim" means any assessment, notice, demand or other document issued or action taken by or on behalf of any Taxation Authority or any form of self-assessment under the Pay and File system introduced by the Finance Act 1990 from which it appears that any one or more of the Company and the Subsidiaries is subject to, or is sought to be made subject to, or might become subject to, any Taxation Liability;
 - (c) "Deemed Taxation Liability" means in any of the circumstances set out in column (1) of schedule 2 hereto, an amount determined in accordance with the relevant provisions set out in column (2) of that schedule;
 - (d) "Event" means any event, occurrence, transaction, act or omission (or any deemed event, occurrence, transaction, act or omission) but not including the sale and purchase of the shares in the Company pursuant to the Agreement: reference to an Event occurring on or before any date shall be deemed to include any combination of two or more Events only the first or some or part of which shall have occurred on or before that date but excluding an Event prior to the date of the Agreement which was in the ordinary course of trade;

- (e) "Relief" means any loss, relief, allowance, exemption, set-off, deduction, credit or other relief relating to any Taxation or to the computation of income, profits or gains for the purposes of any Taxation;
- (f) "the Subject Company" means such one or more of the Company and the Subsidiaries as shall be subject to a Taxation Liability;
- (g) "Taxation" means:
 - (i) any form of tax, levy, duty, charge, impost, withholding or other amount whenever created or imposed and whether of the United Kingdom or elsewhere, payable to or imposed by any Taxation Authority and includes, without limitation, income tax (including income tax or amounts equivalent to or in respect of income tax required to be deducted or withheld from or accounted for in respect of any payment), corporation tax, advance corporation tax, capital gains tax, capital transfer tax, inheritance tax, stamp duty, stamp duty reserve tax, capital duty, value added tax, development land tax, withholding tax, rates, customs and excise duties, national insurance and social security and other similar liabilities or contributions and any other taxes, levies, duties, charges, imposts or withholdings similar to, corresponding with, or replacing or replaced by any of the foregoing; and
 - (ii) all charges, interest, penalties, and fines, incidental or relating to any Taxation falling within clause 1.2(g)(i);
- (h) "Taxation Authority" means the Inland Revenue, H.M. Customs & Excise or any other revenue, customs, fiscal, governmental, statutory, state, provincial, local governmental or municipal authority, body or person, whether of the United Kingdom or elsewhere,
- (i) "Taxation Liability" means an Actual Taxation Liability or a Deemed Taxation Liability or any other liability of or loss falling within clauses ?, ? or ? hereof;
- (j) "unavailability" means in relation to a Relief, the reduction, modification, claw-back, counteraction, disallowance or cancellation of or failure to obtain that Relief, or the amount of any Relief being less than the amount specified in column (1) of schedule 2 hereto, and "unavailable" shall be construed accordingly.

1.3 In determining for the purposes of clause 2(1)(c) of this Deed whether a charge on or power to sell, mortgage or charge any of the shares or assets of any one or more of the Company and the Subsidiaries exists at any time, the fact that any Taxation is not yet payable or may be paid by instalments shall be disregarded and such Taxation shall be treated as becoming due and the charge

or power to sell, mortgage or charge as arising on the date of the transfer of value or other Event on or in respect of which it becomes payable or arises.

1.4 References:

- (a) to clauses, sub-clauses and schedules are unless otherwise stated to clauses and sub-clauses of and schedules to this Agreement;
- (b) 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 but without prejudice to clause 3.1(b);

1.5 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;

1.6 The headings to the clauses are for convenience only and have no legal effect;

1.7 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;

1.8 The Interpretation Act 1978 shall apply in the same way as it applies to an enactment.

2 Covenant by the Covenantors

2.1 Subject to the provisions of clause 3 hereof, the Covenantors hereby covenant severally with the Purchaser to pay as directed by the Purchaser to the Purchaser or the Subject Company an amount or amounts equal to:

- (a) any Actual Taxation Liability of any one or more of the Company and the Subsidiaries arising as a result of, in respect of or by reference to:
 - (i) any Event occurring or deemed for the purposes of any Taxation to occur on or before the date of the Agreement; or
 - (ii) any income, profits or gains earned, accrued or received or deemed for the purposes of any Taxation to have been earned, accrued or received on or before or in respect of any period ending on or before the date of the Agreement; or

- (b) any Deemed Taxation Liability of any one or more of the Company and the Subsidiaries;
- (c) any Actual Taxation Liability of any one or more of the Company and the Subsidiaries or the Purchaser in respect of inheritance tax which:
 - (i) is at Completion a charge on, or gives rise to a power to sell, mortgage or charge, any of the shares or assets of any one or more of the Company and the Subsidiaries; or
 - (ii) after Completion becomes a charge on, or gives rise to a power to sell, mortgage or charge, any of the shares or assets of any one or more of the Company and the Subsidiaries being an Actual Taxation Liability arising as a result of the death of any person within seven years after a transfer of value (or a deemed transfer of value) if a charge on or power to sell, mortgage or charge any such shares or assets would, if the death had occurred immediately before Completion and the inheritance tax payable as a result thereof had not been paid, have existed at Completion; or
 - (iii) arises as a result of a transfer of value occurring or being deemed to occur on or before Completion (whether or not in conjunction with the death of any person whenever occurring) which increased or decreased the value of the estate of any one or more of the Company and the Subsidiaries;
- (d) any reasonable costs and expenses payable by the Purchaser or any one or more of the Company and the Subsidiaries in connection with any such liability or amount as is referred to in any of clauses 2.1(a) to 2.1(c) inclusive hereof or with any claim in respect thereof or in taking or defending any action under clause 5 of this Deed;

2.2 Any payments made pursuant to clause 2 hereof shall, so far as possible, be treated as an adjustment to the consideration paid by the Purchaser to the Covenantors for the issued share capital of the Company under the Agreement.

3 Limitations

3.1 The covenant contained in clause 2 shall not extend to any Taxation Liability:

- (a) to the extent that provision or reserve has been made in the Accounts (not being a provision or reserve for deferred taxation) which is shown to the reasonable satisfaction of the Auditors to have been made in respect of such Taxation Liability; or

- (b) to the extent that such Taxation Liability arises or is increased as a result only of any change in the law having retrospective effect announced and coming into force after the date of the Agreement; or
- (c) in consequence of any change in the accounting policies, principles or bases in the preparation of accounts for the Company or the Subsidiaries after Completion;
- (d) to the extent that the amount for which the Covenantors are liable under clause 2 does not exceed an amount for which the Covenantors are liable under the Agreement in respect of the same Taxation Liability, and such liability has been fully satisfied;
- (e) in respect of Taxation on profits arising out of the ordinary course of trading of the Company and the Subsidiaries since the Accounts Date;
- (f) in consequence of the sale of the Retained Properties;
- (g) in consequence of the Pension Payments and the Parkinson Payment to the Covenantors referred to in the Agreement;
- (h) in consequence of the dividend to be paid to the ordinary shareholders of the Company disclosed in the Agreement;
- (i) in consequence of an act or omission after Completion other than in the ordinary course of business and which the Purchaser knew or ought reasonably to have known would give rise to a claim under this Deed.

4 Rebate

4.1 The Purchaser or, as the case may be, the Subject Company undertakes that if, after the Covenantors have paid in full any amount due hereunder in respect of any Taxation Liability, the Purchaser or the Subject Company is or becomes entitled to receive and receives (from any person other than the Company or any of the Subsidiaries) a payment in respect of such Taxation Liability, the Purchaser or, as the case may be, the Subject Company shall repay to the Covenantors (in proportion to the payments made by each of them pursuant to this Deed) a sum equal to the lesser of:

- (a) the amount of any payment so received, after deduction therefrom of an amount equal to any costs incurred in obtaining it and any Taxation Liability in respect of it; and
- (b) the amount paid by the Covenantors hereunder in respect of the Taxation Liability in question.

- 4.2 The Purchaser shall take and shall procure that the Company and the Subsidiaries shall take such action as is reasonable to receive any payment as is referred to in clause 4.1.

5 Conduct of Claims

- 5.1 If the Purchaser or the Subject Company shall become aware of any Claim which is likely to give rise to a liability on the Covenantors hereunder, the Purchaser or the Subject Company shall, by way of covenant but not as a condition precedent to the liability of the Covenantors hereunder, give notice thereof or procure that notice thereof is given as soon as reasonably practicable to the Covenantors in accordance with clause 8.

- 5.2 As regards any Claim, the Purchaser shall take or shall procure that the Subject Company shall take such action as the Covenantors may by written notice given to the Purchaser and the Subject Company reasonably request to cause the Claim to be withdrawn or to dispute, resist, appeal against, compromise or defend the Claim and any determination in respect thereof or to apply to postpone (so far as legally possible) the payment of any tax pending the determination of any appeal but subject to the Purchaser and the Subject Company being indemnified and secured to their reasonable satisfaction by the Covenantors against all losses (including any additional Taxation Liability), interest, costs, damages and expenses which may be thereby incurred by the Purchaser or the Subject Company, and Provided that:

- (a) in the absence of any request made by the Covenantors pursuant to this clause 5.2 and the Purchaser or the Subject Company giving a further written notice to the Covenantors that it intends to deal with the matter pursuant to this sub-clause (a) then if, on the expiry of a period of 14 days commencing on the date of receipt by the Covenantors of such further notice, the Covenantors shall not have given to the Purchaser and the Subject Company notice of the Covenantors' intentions in respect of the Claim or shall not have provided satisfactory indemnities and securities in accordance with this clause 5.2, the Purchaser and the Subject Company shall be entitled to satisfy or settle or deal with the Claim as it reasonably thinks fit but without prejudice to their rights and remedies under this Deed;
- (b) the Purchaser and the Subject Company shall not be obliged to comply with any request of the Covenantors which involves contesting any assessment for Taxation before any court or any other appellate body unless they have been advised in writing by leading tax counsel instructed by agreement between the Purchaser the Subject Company and the Covenantors at the expense of the Covenantors that an appeal against the assessment for Taxation in question will, on the balance of probabilities, be won by the Purchaser or, as the case may be, the Subject Company;

(c) neither the Purchaser nor the Subject Company shall be obliged to take any action which would increase the future taxation liability of any company in the group of companies of which the Purchaser is for the time being a member; and

(d) the Purchaser may require the Covenantors to take, in the name of the Subject Company, the action requested in accordance with this clause 5.2 on such terms as the Purchaser in its absolute discretion thinks fit.

5.3 The Purchaser shall procure that the Company and the Subsidiaries take such action and do such things as are requisite for complying with the terms of this Deed.

6 Payment

6.1 Where any amount is required to be paid by the Covenantors under this Deed in respect of an Actual Taxation Liability, the Covenantors shall pay such amount in cleared, immediately available funds on or before the date two business days before the date on which the Taxation in question is due for payment to the relevant Taxation Authority or, if later, five business days following the date on which the Purchaser notifies the Covenantors of their liability to make such payment.

6.2 If the Covenantors become liable to make a payment under clause 2 above in respect of any Deemed Taxation Liability or any other amount not being an Actual Taxation Liability, the Purchaser will notify the Covenantors in writing of the amount which the Covenantors are required to pay and the Covenantors shall pay such amount in cleared, immediately available funds on or before the date 14 business days after the date on which they receive such notice. Any dispute as to the amount contained in such notice shall be determined by an independent firm of chartered accountants, acting as experts and not arbitrators, appointed by agreement of the parties or in default of such agreement and at the instance of the first to apply by the President for the time being of the Institute of Chartered Accountants in England and Wales. The costs shall be borne equally unless the expert determines otherwise.

6.3 Sums not paid by the Covenantors on the dates specified in clauses 6.1 and 6.2 above shall bear interest (which shall accrue from day to day after, as well as before, judgment at 4 per cent above base rate of • Bank Limited/p.l.c. or, in the absence of such base rate, at such similar rate as the Purchaser may select and notify to the Covenantors) from the date following the said specified date up to and including the day of actual payment of such sums (or the next business day if such day of actual payment is not a business day) compounded quarterly.

7 Continuing Effect of this Deed

- 7.1 The provisions of this Deed shall bind the respective personal representatives of the Covenantors.

8 Notices

- 8.1 The provisions of clause 16 of the Agreement shall apply to this Deed (*mutatis mutandis*) as regards the giving of notices.

9 Choice of law

- 9.1 This Deed shall be governed by and interpreted in accordance with English law.

10 Counterparts

- 10.1 This Deed may be executed in any number of counterparts, and by the parties on separate counterparts, but in that case shall not be effective until each party has executed at least one counterpart.
- 10.2 Each counterpart shall constitute the original of this Deed, but all the counterparts shall together constitute one and the same instrument.

11 Limitations

- 11.1 The limitations contained in clause 14 of the Agreement shall apply to this Deed insofar as they are expressed therein to relate to this Deed.

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

Schedule 1

Parties

Part A - (the Covenantors)

M E Moors, Eaton Cottage, Congleton, Cheshire CW12 2NP
N J Barrett, The Cottage, Park Lane, Brockton, Stafford ST17 0TB
S R Ellis, Homestead, Stanley Road, Stockton Brook, Stoke-on-Trent ST9 9LL
J E A Marsh, 2 Grange Court, Biddulph, Stoke-on-Trent
M G Frewer, Granham House, 10 Well Lane, Giffow Heath, Biddulph, Stoke-on-Trent

Part B - (the Subsidiaries)

PMT Limited
PMT Engineering Limited
Paramount Leisure Limited
Crosville Limited
S Turner & Sons Limited
Pennine Blue Limited

Schedule 2
(Deemed Taxation Liabilities)

(1)

(2)

1. The unavailability of all or any part of any Relief which has been treated as an asset of any one or more of the Company and the Subsidiaries in preparing the Accounts.

1. So much of the amount of such asset as corresponds to the amount of the Relief unavailable.

2. The unavailability of all or any part of a right to repayment of Taxation which has been treated as an asset of any one or more of the Company and the Subsidiaries in preparing the Accounts.

2. So much of the amount of such asset as corresponds to the amount of the repayment unavailable.

3. The setting-off of a Relief (other than one to which paragraph 5 below applies) which has been treated as an asset of any one or more of the Company and the Subsidiaries in preparing the Accounts against an Actual Taxation Liability in respect of which the Purchaser (or the Subject Company) would, but for that setting-off, have been able to make a claim against the Covenantors under this Deed.

3. So much of the amount of such asset as corresponds to the amount of the Relief which would have been available but for such setting-off.

4. The setting-off of a right to repayment of Taxation which has been treated as an asset of any one or more of the Company and the Subsidiaries in preparing the Accounts against an Actual Taxation Liability in respect of which the Purchaser (or the Subject Company) would, but for that setting-off, have been able to make a claim against the Covenantors under this Deed.

4. So much of the amount of such asset as corresponds to the amount of the repayment which would have been obtainable but for such setting-off.

5. The setting-off against any income, profits or gains of any one or more of the Company and the Subsidiaries which were earned, accrued or received, or deemed for any Taxation purposes to be earned, accrued or received, on or before Completion, or in respect of a period ended on or before Completion, of any Relief which arises as a consequence of, or by reference to an Event occurring (or deemed to occur) after Completion and not as a consequence of or by reference to any Event occurring (or deemed to occur) on or before Completion in circumstances where, but for such setting-off, the Subject Company would have had an Actual Taxation Liability in respect of which the Purchaser (or the Subject Company) would have been able to make a claim against the Covenantors under this Deed.

6. The setting-off against an Actual Taxation Liability of any one or more of the Company and the Subsidiaries in respect of which the Purchaser (or the Subject Company) would, but for that setting off, have been able to make a claim against the Covenantors under this Deed, of any Relief or right to repayment of Taxation which arises as a consequence of, or by reference to, an Event occurring (or deemed to occur) after Completion and not as a consequence of, or by reference to, any Event occurring (or deemed to occur) on or before Completion.

5. The amount of the Actual Taxation Liability which would have arisen but for such setting-off.

6. The amount of the Actual Taxation Liability which would have arisen but for such setting-off.

7. The unavailability of any Relief assumed to be available and which has been taken into account in computing (and so reducing) any provision for deferred taxation which appears in the Accounts (or which, but for the presumed availability of such Relief, would have appeared in the Accounts).

7. (a) If the Relief unavailable was a deduction from or off-set against Taxation, the amount of the Relief unavailable.

(b) If the Relief unavailable was a deduction from or off-set against income, profits or gains, the amount of the Actual Taxation Liability which would, on the basis of the rates of Taxation current in the first accounting period of the Subject Company ending after Completion and assuming income, profits or gains chargeable to Taxation in that accounting period of an amount against which such Relief would have been available, have arisen but for the unavailability.

8. The setting-off against income, profits or gains not taken into account in the Accounts but which were earned, accrued or received or deemed for any Taxation purposes to be earned, accrued or received on or before the Accounts Date or in respect of a period ending on or before the Accounts Date of any Relief which has been taken into account in computing (and so reducing) any provision for deferred taxation which appears in the Accounts (or which, but for the presumed availability of such Relief, would have appeared in the Accounts).

8. The amount of the Actual Taxation Liability which would have arisen but for such setting-off.

9. The setting-off against an Actual Taxation Liability of any one or more of the Company and the Subsidiaries in respect of which the Purchaser (or the Subject Company) would, but for that setting off, have been able to make a claim against the Covenantors under this Deed, of any Relief arising in consequence of or by reference to an Event occurring, or deemed for any Taxation purposes to occur, on or before Completion which has been taken into account in computing (and so reducing) any provision for deferred taxation which appears in the Accounts (or which but for the presumed availability of such Relief would have appeared in the Accounts).

9. The amount of the Relief set off.

SIGNED and DELIVERED as a Deed)
by)
in the presence of:)

SIGNED and DELIVERED as a Deed)
by)
in the presence of:)

SIGNED and DELIVERED as a Deed)
by)
in the presence of:)

SIGNED and DELIVERED as a Deed)
by)
in the presence of:)

SIGNED and DELIVERED as a Deed)
by)
in the presence of:)

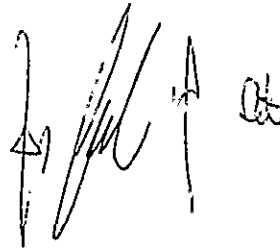
EXECUTED and DELIVERED)
as a DEED by)
BADGERLINE GROUP plc)

.....
Director

.....
Director/Secretary

Schedule 6
Additional Directors

J McLaughlin
G G T Varley
V J Wodley

Handwritten signatures and initials, including a large signature and the letters 'AT'.

Schedule 7
Retiring Directors

Part A

M E Moors
B Parkinson

Part B

A A Reeves

Schedule 8
Persons to receive Service Agreements

N J Barrett
S R Ellis
M G Frewer
J E A Marsh

Schedule 9

Warranties, representations and undertakings

The Warrantors severally warrant and represent to the Purchaser in respect of the Group (and so that all references in this schedule to the Company shall unless the context otherwise requires be construed as references to every company in the Group) that save as disclosed in the Disclosure Letter in the agreed form:

1 Compliance with legal requirements

- 1.1 Since 15 December 1986 compliance has been made with all legal and procedural requirements and other formalities (default in respect of which would have an adverse effect on the Company) concerning:
- (a) the Memorandum and Articles of Association (including all resolutions passed or purported to have been passed);
 - (b) the filing of all documents required by the Companies Acts 1985 and 1989 to be filed at Companies House;
 - (c) issues of shares, debentures or other securities;
 - (d) payments of interest and dividends and making of other distributions and
 - (e) Directors (including any shadow directors) and other officers.
- 1.2 Copies of all documents referred to in paragraph 1.1(b) above appear on publicly available records or have been supplied to the Purchaser.
- 1.3 The Company has received no written notice that it is not empowered and duly qualified to carry on business in all jurisdictions in which its present businesses are now carried on and the Company has all Operators Licences required for the operation of the Services.
- 1.4 The statutory books and minute books of the Company have been properly written up and contain an accurate and complete record of the matters which should be dealt with in those books and the Company has not received any application or request for rectification of its statutory registers.
- 1.5 So far as the Warrantors are aware there has been no material breach by the Company or any of its officers (in his capacity as such) of any relevant legislation and regulations other than covered in any other Warranty but excluding legislation and regulations relating to monopolies and restrictive trade practices.

2 Accounts and financial matters

2.1 The Accounts:

- (a) comply with the requirements of the Companies Acts 1985 and 1989;
- (b) comply with all current statements of standard accounting practice applicable to a company incorporated in the United Kingdom and have been prepared in accordance with the historical cost convention, on a recognised and consistent basis and on the same basis and in accordance with the same accounting policies as the corresponding accounts for the preceding 3 financial years;
- (c) give a true and fair view of the assets and liabilities of the Company as at the Accounts Date and its profit for the financial year ended on that date;
- (d) are accurate in all material respects; and
- (e) make full provision for all established liabilities or make proper provision for (or contain a note in accordance with good accounting practice respecting) all deferred or contingent liabilities (whether liquidated or unliquidated) at the date thereof, including (without limitation) for the cessation or diminution of any part of the businesses of the Company, closures, Provided that (without limitation):
 - (i) where provision for deferred taxation is not made in the Accounts details of all or any deferred taxation liability have been disclosed to the Purchaser; and
 - (ii) disclosure has been made to the Purchaser of any material difference between the accounting and the taxation treatment of any items in the Accounts.

2.2 (Without limiting paragraph 2.1(e) above):

- (a) due provision has been made in the Accounts:
 - (i) for depreciation of assets;
 - (ii) in valuing work-in-progress and stock for any foreseeable losses which may arise on completion or realisation;
 - (iii) for any foreseeable liabilities in relation to the disposal of any assets or the cessation or diminution of any part of the businesses of the Company or closures; and
 - (iv) for bad or doubtful debts;

- (b) the cost allowable for taxation purposes of any assets is not lower than the value adopted for the purposes of the Accounts; and
 - (c) stock and work-in-progress have been valued in the Accounts at the lower of cost and net realisable value;
- 2.3 The trading stock of the Company except where proper provisions has been made in the Accounts is good marketable stock and there is no old, obsolescent, slow-moving, unusable, unsaleable, deteriorated or excessive stock in excess of £5,000.
- 2.4 The accounting and other books and records of the Company have been properly written up and accurately present and reflect in all material respects in accordance with generally accepted accounting principles and standards all the transactions to which the Company has been a party.
- 2.5 No part of the Company's businesses has been materially and adversely affected by the loss during the 12 months ending on the Accounts Date of
 - (a) any important contract to supply goods or services having a gross value in excess of £100,000 per annum; or
 - (b) any source of supply having a gross value in excess of £100,000 per annum;
- 2.6 The Company has no capital commitment in excess of £10,000 save as disclosed in the Accounts and is not engaged in any scheme or project requiring the expenditure of such capital.
- 2.7 There have been no reports concerning the Company by accountants or by financial or management consultants commissioned by the Company or the Vendors within 3 years prior to the date hereof and the Warrantors are not aware of any such reports having been commissioned by anyone else with respect to the Company.
- 2.8 The Company is the owner free from encumbrances and Security Interests of its undertaking and all its assets comprised in the Accounts (which said undertaking and assets are in the possession or under the control of the Company).
- 2.9 The Company does not hold any security (including any guarantee or indemnity) which is not valid and enforceable by the Company against the grantor thereof in accordance with its terms.
- 2.10 Except as disclosed in the Accounts the Company does not:

(a) hold or beneficially own more than 3 per cent. of any class of share or loan capital of any company or a member of any partnership or unincorporated company or association; or

(b) have any substantial assets outside the United Kingdom.

2.11 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.

2.12 So far as the Warrantors are aware having made no special credits checks all debts (less any specific provision made) due to the Company included in the Accounts and all debts (less any specific provision made) now due to the Company have either prior to the date hereof been realised or will within 6 months after such date realise their full amount in cash.

3 Issues of shares and making of distributions

3.1 The shares set out in Part A of schedule 1 and in schedule 2 constitute the entire issued share capital of the Company and the Subsidiaries and the details of the shareholders set out in Part A of schedule 1 and schedule 2 are complete and accurate. There is no option, right to acquire, mortgage, charge, pledge, lien or other form of security or encumbrance on, over or affecting the Sale Shares, there is no agreement or commitment to give or create any of the foregoing and no person has made any claim to be entitled to any of the foregoing. The Vendors are entitled to sell and transfer or procure the sale and transfer of the full legal and beneficial ownership in the Sale Shares to the Purchaser on the terms set out in this Agreement.

3.2 No share or loan capital of the Company is now under option or is agreed conditionally or unconditionally to be created or issued or put under option.

3.3 The Disclosure Letter includes details of every purchase redemption or repayment of share capital by the Company since 15 December 1986 and since the date of the Disclosure Letter the Company has not purchased or redeemed or repaid any share capital;

3.4 The Company has not made and is not proposing to make a distribution other than the Distribution except out of profits available for the purpose and none of the reserves appearing in the Accounts are undistributable reserves except to the extent stated in the Accounts.

4 Plant and equipment

4.1 Except as disclosed in the Disclosure Letter the fixed and loose plant, machinery, furniture, fixtures, fittings, equipment and vehicles used in relation to the businesses of the Company and which have a value shown in the Accounts are the property of and held by the Company free from any Security Interest and so far as the Vendors are aware any other adverse claim.

- 4.2 No plant, machinery, furniture, fixtures, fittings, furnishings or other equipment located at any of the Properties is owned by the Vendors or the Warrantors (or any of them) personally.
- 4.3 All plant, machinery, vehicles and equipment owned or used by the Company is in reasonably good condition (dependent on its age and usage) and has been maintained on a regular basis by competent personnel.
- 4.4 (a) All leases and rental agreements for plant and machinery which have a value in the Accounts have been entered into in the normal course of trading and on an arms length basis.
- (b) In respect of all contracts for hire or rent, hire-purchase or purchase by way of credit or instalment payment or for maintenance of any of the Company's assets ("the Agreements") where the annual rental or charge exceeds £5,000 per item:
- (i) the Disclosure Letter contains details of all such Agreements including the amount of the last rental or payment due from the Company which was no less than the amount properly payable under such Agreement having regard to all its terms;
 - (ii) all such Agreement have been entered into in the normal course of trading and on an arms length basis; and
 - (iii) at the date hereof the Company has received no written notice that the other party to such Agreement is or might be entitled to require an upward adjustment to the rental or charge.

5 Insurance

- 5.1 There is disclosed in the Disclosure Letter full details of the Company's current insurance policies, copies of which have been supplied to the Purchaser.
- 5.2 There are existing valid insurance policies for full replacement or rebuilding values (including where relevant the cost of any demolition and of all fees and expenses which may be incurred in such replacement or rebuilding) against all liabilities, risks and losses (including but not limited to losses caused by any unlawful act on the part of any person) against which it is normal to insure in respect of the Properties and all other property and assets owned by and in the businesses carried on by the Company against which it is normal to insure and (in respect of policies insuring those of the leasehold properties where the Company is responsible for maintaining the insurance) the policy conforms in all respects with the requirements of the relevant lease.
- 5.3 All premiums due on the said policies have been paid; all the other conditions of the said policies to be performed by the Company have been performed and

observed; and nothing has been done or has been omitted to be done by the Company whereby any of the said policies has or may become void or voidable.

- 5.4 So far as the Warrantors are aware having made enquiry of their insurance brokers none of the said policies is subject to any special or unusual terms or restrictions or to the payment of any premium in excess of the usual rate.
- 5.5 The said policies, together with the receipts for the latest premiums payable in respect thereof, are in the possession of the Company or their brokers.
- 5.6 So far as the Warrantors are aware having made enquiries of their insurance brokers the said policies will continue in full force and effect notwithstanding Completion and the Warrantors have not taken any action which may affect their continuance in full force and effect.
- 5.7 No claim in excess of £25,000 is outstanding either by the insurer or the insured under any of the said policies and no claim in excess of £25,000 against the Company by any third party is outstanding in respect of any risk covered by any of the said policies or by any policy previously held by the Company.
- 5.8 The Warrantors are not aware, having made due enquiry, of any circumstances which would or might entitle the Company to make a claim in excess of £10,000 under any of the said policies.
- 5.9 (a) Up until 30 October 1993 the Company maintained at all times full insurance cover for liabilities risks and losses arising from road traffic accidents against which it is normal or prudent for a company carrying out the Services to insure against;
- (b) the Disclosure Letter contains details of the insurance policies for road traffic accidents in effect since 30 October 1993 together with a schedule of all claims made since that date.
- 5.10 There is full insurance cover in place for all liabilities and losses which arise in relation to the asbestos poisoning of Mr Meigh.

6 Taxation and social security

- 6.1 (a) The returns or computations which ought to have been made by or in respect of the Company for any Taxation purposes, including (without limitation):
- (i) returns under section 203 ICTA and the Income Tax (Employments) Regulations 1992 (PAYE) and regulations governing the deduction of national insurance contributions;

- (ii) returns of distributions income tax and advance corporation tax under section 234(5)-(9) and Schedules 13 and 16 ICTA

have been duly made; all such returns and any other notices, accounts and information supplied to the Inland Revenue or H.M. Commissioners of Customs and Excise ("Customs") or other fiscal authority concerned for any such purposes are up-to-date, correct and have been made on a proper basis; none of such returns, notices, accounts or information is disputed in any material respect by the fiscal authority concerned and there is no fact known to the Warrantors having made all reasonable enquiries which might give rise to any such dispute or of any liability to Taxation not provided for in the Accounts in respect of any Accounting Period (as defined in section 12 ICTA) ending on or before the Accounts Date.

- (b) In all computations submitted to the Inland Revenue proper adjustment has been made for any disallowable expenditure by reason of section 74 and 577 ICTA.

- 6.2 All Taxation for which the Company is liable and which ought to have been paid has been paid and, without prejudice to the generality of the foregoing, all income tax deductible and payable under the PAYE system (including, but not limited to, income tax in relation to the sub-contractor's tax deduction scheme, casual labour and employee benefits) has so far as required been deducted from all payments made by the Company; all amounts due to be paid; to the Inland Revenue in respect of such income tax had been paid; and all deductions and payments required to be made by the Company in respect of National Insurance contributions (including employer's contributions) have been made.
- 6.3 All payments required to be made by the Company by way of statutory sick pay pursuant to section 1 Social Security and Housing Benefits Act 1982 and the Social Security Act 1985 and the regulations made thereunder have been duly made; no such payment or decision not to make a payment of statutory sick pay is under dispute or is likely to be disputed either by an employee (or any person acting on his behalf) or by the Secretary of State for Social Services; and no recovery of statutory sick pay paid has been denied, whether by reason of section 9(8) Social Security and Housing Benefit Act 1982 or otherwise.
- 6.4 No payment has been made by the Company to or in respect of any of its directors or any of the Vendors or any of the Warrantors including, but not limited to, pension contributions which will not be deductible for corporation tax purposes, either in computing its income profits or in computing the corporation tax payable by it.
- 6.5 The provisions included in the Accounts are sufficient to cover all Taxation in respect of all accounting periods ended on or before the Accounts Date for which the Company was then or might at any time thereafter become or have become liable including (without limitation) Taxation:

- (a) on or in respect of or by reference to the profits, gains or income earned or accrued or deemed for taxation purposes to be earned or accrued for any period ended on or before the Accounts Date; or
 - (b) in respect of distributions made and interest and charges on income paid on or before the Accounts Date.
- 6.6 Full disclosure has been made in the Disclosure Letter of all matters relating to Taxation in respect of which the Company has, or will at Completion have, an outstanding entitlement under any Taxation Statute to make:
 - (a) any claim or election for relief from Taxation;
 - (b) any election for an alternative basis or method of Taxation;
 - (c) any appeal against any assessment to Taxation; or
 - (d) any application for postponement of Taxation.
- 6.7 No assessment for the purposes of sections 423 and 424 ICTA has ever been made or threatened against the Company.
- 6.8 Since the Accounts Date:
 - (a) the Company has not made or agreed to make any such loan or advance or released or written off any such debt as is within sections 419 to 422 ICTA;
 - (b) save as provided in the Accounts, no dividend has been declared or paid on, and no distribution of capital made in respect of, any share capital and no loan or loan capital has been paid in whole or in part;
 - (c) the Company has not made any claim under sections 152, 153, 154 or 175 TCGA 1992;
 - (d) the Company has not done or agreed to do anything as a result of which any investment grant paid to the Company is or may be liable to be refunded in whole or in part;
 - (e) no expenditure has been incurred nor any rents, interest, annual payments or any other sums have been paid or are liable to be paid by the Company which are wholly or partly disallowable as a deduction or a charge on income in computing profits for the purposes of Corporation Tax.
 - (f) no event has occurred by reason of which any balancing charge may fall to be made against or any disposal value may fall to be brought into

account by the Company under the Capital Allowances Act 1990 (or other legislation relating to any capital allowances).

6.9 During the 3 years before the date hereof:

- (a) there has been no major change in the nature or conduct of a trade carried on by the Company; and
- (b) the scale of activities of any trade carried on by the Company has not been small or negligible within the meaning of sections 245 or 768 ICTA.

6.10 (a) Full disclosure has been made to the Purchaser of all capital expenditure qualifying for capital allowances and all balancing adjustments pursuant to the Capital Allowances Act 1990 and Chapter I Part XIII ICTA in respect of any accounting period (as defined in section 12 ICTA) of the Company ended in the six years before the Accounts Date;

- (b) since the end of the last such accounting period referred to in paragraph 6.11(a) above the Company has not done or omitted to do or agreed to do or permitted to be done any act as a result of which there may be made either a balancing charge in respect of such capital expenditure within the provisions referred to in paragraph 6.11(a) above or any recovery of excess relief within section 47 Capital Allowances Act 1990.

6.11 All chargeable assets of the Company were acquired at market value at the time of acquisition and there are no circumstances giving rise or which may give rise to liability or loss under or pursuant to any of sections 17, 30, 139, 140, 176, 177, 178 or 179 TCGA and no loss falls to be restricted under section 18 TCGA as a result of the proposed sale of the Sale Shares or of any other transaction.

6.12 Except as provided for in the Accounts no distribution (within the meaning of sections 209 and 210 ICTA) has been made by the Company during the 6 years ended on the Accounts Date.

6.13 The Company has not been concerned in any transaction in which the following provisions have been or could be applied except where all applicable clearances (based on full disclosure of material facts and circumstances) have been obtained:

section 139, or 140 TCGA 1992;
sections 703 and 704 ICTA;
sections 765, 766 and 767 ICTA;
section 770 ICTA;
section 776 ICTA;
sections 779 to 786 (inclusive) ICTA;
sections 135, 136 and 137 TCGA 1992;
section 192 TCGA 1992 and sections 213 to 218 (inclusive) ICTA;

sections 219 to 229 (inclusive) ICTA.

6.14 No circumstances exist by virtue of which the provisions of Chapter V of Part XVII ICTA could apply to a disposal of an asset by the Company.

6.15 In relation to Value Added Tax ("VAT"):

- (a) the Company is a registered and taxable person for the purposes of the Value Added Tax Act 1983 ("VATA") and has complied in all material respects with VATA and any statutory modification or re-enactment thereof and all orders, provisions, directions or other conditions made or imposed thereunder or under any other law relating to VAT;
- (b) no company in the Group has applied to Customs under section 29 VATA to be treated as nor have two or more such companies been treated as a group for VAT purposes;
- (c) all amounts due to be paid to Customs or received from Customs prior to Completion will have been paid at the date hereof, no dispute exists between the Company and Customs and there are no present circumstances which are likely to give rise to any such dispute;
- (d) on all invoices issued by the Company VAT at the percentage rate which at the time of the relevant supply was chargeable thereon has been so charged;
- (e) all statutory records required to be kept by the Company have been properly kept and all statutory returns required to be made by the Company have been correctly made up to the date hereof, no defaults have been suffered under the default surcharge provisions of Finance Act 1985 and all amounts claimed by way of input tax have been properly and rightly claimed;
- (f) no document has left the possession of the Company which if improperly used by a third party would lead to any liability on the part of the Company to pay any amount of VAT under paragraph 6 Schedule 7 VATA which but for such use would not have been payable by the Company;
- (g) disclosure has been made to the Purchaser of any claim for bad debt relief made by the Company under section 22 VATA and the regulations thereunder;
- (h) the Company has not made and does not make exempt supplies for VAT purposes (except such exempt supplies as may be disregarded in calculating the amount of input tax for which the Company may claim a credit or repayment under section 14 VATA);

- (i) the Company has not made an election pursuant to paragraph 2, Schedule 6A, VATA;
 - (j) no asset of the Company is a capital item the input tax on which may be subject to adjustment in accordance with the provisions of Part VA of the Value Added Tax (General) Regulations 1985.
 - (k) no election pursuant to paragraph 2 Schedule 6A VATA has been made by any relevant associate (within the meaning of paragraph 3 Schedule 6A, VATA) in respect of any property owned by the Company.
- 6.16 No claim has been made by the Company under section 42 Finance Act 1930 during the 12 months before the date hereof.
- 6.17 All documents in the possession of the Company or to the production of which the Company is entitled and which attract stamp or transfer duty in the United Kingdom or elsewhere have been duly stamped.
- 6.18 Neither the Inland Revenue nor Customs nor any other fiscal authority has at any time carried out or is at present conducting any investigation into the business or affairs of the Company (or any aspect thereof) and the Warrantors, having made all reasonable enquiries, know of no reason why any such investigation should be initiated.
- 6.19 The Company has not registered or applied to register a profit-related pay scheme with the Inland Revenue.
- 6.20 (a) Up-to-date copies of profit-related pay schemes which the Company has applied to register or has registered with the Inland Revenue have been supplied to the Purchaser.
- (b) No circumstances exist which will entitle the Inland Revenue to recover tax from the Company under section 179 ICTA and there are no other circumstances which have resulted or will result in any excess tax relief being given to employees who are or have been included in a profit-related pay scheme.
- (c) The annual returns and accountants' reports required under section 180 ICTA and any other information required under section 181 ICTA have been supplied to the Inland Revenue.
- 6.21 No election under Section 35 of the TCGA 1992 has been made in relation to assets owned by the Company and the Accounts have been prepared on the basis that no such election will be made.
- 6.22 No chargeable gain will accrue to the Company on the disposal of any debt owed to it.

- 6.23 The Company is under no obligation to pay nor has it since the Accounts Date paid or agreed to pay any compensation for loss of office or any gratuitous payment not deductible in computing its income for the purpose of Corporation Tax.
- 6.24 The Disclosure Letter gives the date of the first disposal (if any) made by the Company to which Section 35 of the TCGA 1992 applies, and the period during which an election under Section 35 could be made in relation to the Company has not expired.
- 6.25 The Company has not, within the last six years, surrendered or claimed or agreed to surrender or claim any amount by way of group relief under the provisions of Section 402 - Section 413 (inclusive) of ICTA 1988 or any amount of advance Corporation Tax under the provisions of Section 240 of ICTA 1988 nor made or received or agreed to make or receive any payment in respect of such surrender.
- 6.26 No tax has been or may be assessed on the Company pursuant to Section 190 TCGA 1992 in respect of any chargeable gain accrued prior to the date of this agreement.
- 6.27 The Company has not entered into any transaction to which the provisions of Section 34, Section 35, Section 36 or Section 780 of ICTA 1988 has been or could be applied.
- 6.28 There is no Inland Revenue charge as defined in Section 237 of the Inheritance Act 1984 outstanding in respect of any asset of the Company or the Shares.
- 6.29 There are not in existence any circumstances whereby the power mentioned in Section 212(i) of the Inheritance Tax Act 1984 could be exercised in relation of the Shares or any assets of the Company.
- 6.30 The Company is not and has not been a close investment holding company as defined in Section 13A ICTA.
- 6.31 The Company has not made a distribution within Section 418 ICTA within the last 7 years.
- 6.32 The Company has not at any time after 6 April 1965, repaid, redeemed or purchased or agreed to repay, redeem or purchase, or granted an option under which it may become liable to purchase, any shares of any class of its issued share capital nor has the Company after that date capitalised or agreed to capitalise in the form of shares or debentures any profits or reserves of any class or description or otherwise issued or agreed to issue any share capital other than for the receipt of new consideration (within the meaning of Part VI ICTA) or passed or agreed to pass any resolution to do so.

- 6.33 No balancing charge under Capital Allowances Act 1990 (or other legislation relating to any capital allowances) would be made on the Company on the disposal of any pool of assets (that is to say all those assets expenditure relating to which would be taken into account in computing whether a balancing charge will arise on a disposal of any of those assets) or of any asset not in such a form, on the assumption that a disposal made for a consideration equal to the book value shown in or adopted for the purposes of the Accounts for the assets in the pool or as the case may be for the assets.
- 6.34 None of the assets expenditure on which is qualified for a capital allowance under Part I of the Capital Allowances Act 1990 has at any time since that expenditure been incurred been used or otherwise than as an industrial building or structure.
- 6.35 The Company has not disposed of or acquired any assets in circumstances such that the provisions of Section 17 TCGA could apply to such disposal or acquisition nor given or agreed to give any consideration to which Section 128(1) or (2) could apply.
- 6.36 The Company does not own and has not owned any shares on the disposal of which Section 125 TCGA could apply nor received any assets by way of gift as mentioned in Section 282 TCGA. The Disclosure Letter contains full particulars of all elections made by the Company under Section 247 ICTA and all such elections are now in force but no assessment has been or may be made on the Company in respect of advance corporation tax which ought to have been paid or income tax which ought to have been deducted.
- 6.37 The Disclosure Letter contains full and complete particulars of all agreements and arrangements in relation to group relief as defined in Section 402(1) ICTA or the surrender of surplus advance corporation tax ("ACT") pursuant to Section 240 ICTA to which the Company is or has been a party and:
- (i) all claims made by the Company for group relief or surrender of ACT were when made valid and have been or will be allowed by way of relief from corporation tax;
 - (ii) the Company has not made nor is liable to make any payment under such arrangement or agreement;
 - (iii) the Company has received all payments due to it under any such arrangement or agreement for surrender of group relief or ACT made by it.
- 6.38 The Company has not been involved in any transaction or series of transactions which, or any part of which, may for any tax purposes be disregarded or reconstructed by reason of any motive to avoid, reduce or delay a possible liability for tax.

6.39 The Company does not have and has never had any holding company nor apart from the Subsidiaries any subsidiaries.

7 Material transactions

7.1 Since the Accounts Date:

- (a) the Company has not created any mortgage or charge on the whole or any part of its assets now outstanding other than any charge registered at Companies House;
- (b) the Company has entered into transactions and incurred liabilities in the ordinary course of its day-to-day business (as operated on the Accounts Date) and not otherwise;
- (c) the assets of the Company have not been depleted by any unlawful act on the part of any person;
- (d) there has been no materially adverse change in the financial or trading position of the Company and the businesses have been carried on in the ordinary course and in the same manner (including nature and scale) as immediately before the Accounts Date;
- (e) no loan or loan capital has been repaid by the Company in whole or in part or no demand made for such repayment;
- (f) save for (i) the Resolutions set out in schedule 4; and (ii) the ordinary business of an Annual General Meeting, there has been no resolution of or consent by the members or any class of members of the Company; and
- (g) no transaction of any material importance to which the Company has been party has taken place which if it had taken place on or before the Accounts Date would have required to be disclosed or reflected in the Accounts or in the Report of the Directors accompanying the Accounts.

8 Employees

- 8.1 True, up-to-date and complete copies in all material respects of examples of all Union agreements, terms and conditions of employment and variations of the contracts of employment between the Company and the Employees and any other documents relating to the employment of the Employees and the Vendors have been given to the Purchaser.
- 8.2 The particulars of remuneration payable to every Director and employee of the Company supplied to the Purchaser are complete and correct in all material respects.

- 8.3 Since the Accounts Date no change has been made in the terms of employment by the Company of any person entitled to remuneration.
- 8.4 The Company is not involved in any dispute with its employees or any of them/affected by (or any negotiation under or affected by) the Employment Protection Act 1975, the Employment Protection (Consolidation) Act 1978, the Employment Acts 1980, 1982, 1983 and 1989, the Equal Pay Act 1970, the Sex Discrimination Act 1975 and 1986, the Race Relations Act 1976, the Wages Act 1986 and the Trade Union and Labour Relations (Consolidation) Act 1992 and so far as the Warrantors are aware prior to the date hereof and to the best of the Vendors knowledge information and belief pre-completion there are no present circumstances (including Completion) which are likely to give rise to any such dispute.
- 8.5 On Completion no money will be owed to any of the Vendors in respect of any expenses or remuneration whatsoever.

9 Contracts, commitments and financial and other arrangements

- 9.1 There are not now outstanding:
- (a) any contracts of service not disclosed between the Company and any Director or employee:
 - (i) which are not determinable without compensation (other than under the Employment Protection (Consolidation) Act 1978) by the Company by notice not exceeding 3 months; or
 - (ii) in relation to which any relevant requirements of section 319 Companies Act 1985 have not been complied with; or
 - (b) any contractual arrangements between the Company and any party which will or may be terminated as a result of the sale of the Sale Shares or of compliance with any other provision hereof;
 - (c) any agreements significant to the Company's business in respect of which prohibitions exist (whether as a matter of law or by the terms of the agreements) against disclosure to third parties either of their existence or of their terms;
 - (d) any agreements or arrangements to which the Company is a party for profit sharing or for payment to employees of bonuses or for incentive payments or for other similar matters;
 - (e) any agreements or other arrangements (binding or otherwise) between the Company and any trade union or other body representing its employees;

- (f) any obligations or ex-gratia arrangements for the Company to pay pensions, gratuities, retirement annuities and benefits, periodical sums or any compensation to any person other than as referred to in the Agreement;
- (g) any agreements or arrangements (whether by way of guarantee, indemnity, warranty, representation or otherwise) under which the Company is under a prospective or contingent liability in excess of £5,000 in respect of:
 - (i) any disposal by the Company of its assets or businesses or any part thereof; or
 - (ii) the obligations of any other person;
- (h) any liabilities for industrial training levy or for any other statutory or governmental levy or charge;
- (i) any bank or deposit accounts for the Company (apart from the bank account[s] in relation to which certificates of balance as at 18 February 1994 have been supplied to the Purchaser) and since such date there have been no payments out of any of the said accounts except for routine payments and the present balances on such accounts are not now substantially different from the balances shown on such statements;
- (j) any unpresented cheques drawn by the Company (i) in the normal course of business for amounts exceeding in aggregate £50,000 or (ii) otherwise than in the normal course of business;
- (k) any express powers of attorney or other express authorities and so far as the Vendors are aware any implied powers of attorney or other authorities which are still outstanding or effective to or in favour of any person to enter into any contract or commitment or to do anything on its behalf (other than such authority of directors or of employees as either is ostensible or is implied to enter into routine contracts in the normal course of their duties);
- (l) any agreements for the supply by or to the Company (whether as principal or as agent) of any goods or services having an annual gross value in excess of £20,000 including (but not limited to) distributorship, agency or other agreements granting rights as to the supply of goods or services but excluding agreements which in the ordinary course and in accordance with their terms are likely to be discharged by performance within 3 months from the date hereof;

9.2 The total amount borrowed by the Company:

- (a) from its bankers does not exceed its total facilities; and

- (b) from whatsoever source does not exceed any limitation on borrowing contained in the Articles of Association or any debenture or loan instrument or other deed or document binding on it.
- 9.3 No indebtedness (actual or contingent) and no contract or arrangement is outstanding between the Company and the Vendors or the Warrantors and the Vendors and the Warrantors have not given any guarantee, indemnity, created other like obligation or given comfort in support of the Company.
- 9.4 In the reasonable opinion of the Vendors having regard to the existing facilities available to it, 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 foreseeable future and for the purposes of executing, carrying out and fulfilling in accordance with their terms all projects and other contractual obligations which have been placed with or undertaken by the Company.
- 9.5 In relation to any subsisting encumbrances (if any) and Security Interests and in relation to all financial and leasing facilities available to the Company:
 - (a) full details thereof and true and correct copies of all documents relating thereto have been supplied to the Purchaser;
 - (b) the Company has received no written notice of any contravention of or non-compliance with any provision of any such document and to the best of the knowledge information and belief of the Warrantors there has been no such contravention of or non-compliance of subsisting encumbrances and Security Interests and so far as the Warrantors are aware no such contravention of or non-compliance with financial and leasing facilities;
 - (c) no demand has been made for payment and no steps for the enforcement of any encumbrances have been taken or threatened;
 - (d) there has not been any alteration in the terms and conditions of any of the said arrangements or facilities, all of which are in full force and effect;
 - (e) to the best of the knowledge information and belief of the Warrantors nothing has been done or omitted to be done to affect or prejudice the subsisting encumbrances and Security Interests and so far as the Vendors are aware nothing has been done or omitted to be done whereby the continuance of the said arrangements and facilities in full force and effect might be affected or prejudiced; and
 - (f) none of the arrangements is dependent on the guarantee or indemnity of or on any security provided by a third party.

9.6 No alteration has been made to the Memorandum or Articles of Association of the Company which has not been disclosed to the Purchaser.

9.7 There are in existence no contracts affecting the Company which are unusual or of a long-term nature or involving or which may involve obligations on the Company of a nature or magnitude calling for special mention including any such contracts which cannot be fulfilled or performed on time or without undue or unusual expenditure of money or effort.

9.8 So far as the Vendors are aware neither this Agreement nor Completion will or is likely to cause:

- (a) the Company to lose the benefit of any right or privilege which it presently enjoys; or
- (b) any person who normally does business with the Company not to continue to do so on the same basis; or
- (c) any officer or senior employee to terminate his engagement or employment with the Company

so far as the Vendors are aware the attitude or actions of customers, employees and other persons with regard to the Company will not be prejudicially affected thereby.

9.9 The Company has not been concerned in any agreement or arrangement which infringes or is registered or ought (or following the sale of the Sale Shares will require) to be registered in accordance with the Consumer Credit Act 1974, the Data Protection Act 1984, or the Resale Prices Act 1976 or to the best of the knowledge information and belief of the Warrantors any of the Treaties establishing the European Economic Community or any directive or regulation thereunder and to the best of the knowledge information and belief of the Warrantors the Company is not in default or in contravention of any of such provisions.

9.10 There has been no alteration to the bus routes and Services operated since the Accounts Date which is likely to have a material adverse effect on the business of the Company.

9.11 The Disclosure Letter contains full details of all written agreements between the Company and other persons in relation to the operation of significant bus routes and Services and so far as the Vendors are aware the Company is not in material breach of any such agreements and to the best of the knowledge information and belief of the Warrantors no significant breach by any other party to such agreements has occurred.

10 The Properties and other interests in land

- 10.1 The relevant proprietor specified in schedule 3 is the beneficial owner of the the Properties (which are the only properties owned or occupied by the Company) and the information set out in that schedule is true and complete and accurate at the date hereof.
- 10.2 All the documents relating to the title to the Properties have been produced to the Purchaser's Solicitors prior to the date of this Agreement.
- 10.3 Each of the Properties is free from any mortgage, charge, rent-charge, lien, encumbrance or other third party right in the nature of security.
- 10.4 Subject to the matters specified in schedule 3 the Company has vacant possession of each of the Properties vested in it and (subject as aforesaid) the Company has received no notice (written or otherwise) that any landlord or any other person purports or proposes to exercise any powers to terminate the continued possession or occupation of any of the Properties by the Company.
- 10.5 The Company has paid all rent or licence fees and all other outgoings which have become due in respect of each of the Properties and the Company has received no notice (written or otherwise) that it has not performed and observed any of its obligations under any covenants (whether affecting the Freeholds' or Leaseholds' titles), conditions, agreements, statutory requirements, planning consents, byelaws, orders and regulations affecting any of the Properties, its use and any business of the Company there carried on or that any use of any of the Properties contravenes any of such covenants, conditions, agreements, statutory requirements, planning consents, byelaws, orders or regulations.
- 10.6 The Warrantors have disclosed to the Purchaser any matters of which they are aware by way of outstanding orders or notices affecting any of the Properties and by way of proposals of any Local or other authority (involving compulsory acquisition or requisition or otherwise) or any other circumstances which may result in any such order or notice being made or served or which may otherwise adversely affect any of the Properties which would not ordinarily be revealed by searches and enquiries which a prudent purchaser may make.
- 10.7 There are not in force or required to be in force any licences (under the Licensing Act 1964) which apply to any of the Properties or to the business carried on therein.
- 10.8 The Warrantors are not aware of any material defect in the construction or condition of any of the Properties which would not be disclosed by a survey which a prudent purchaser may undertake.
- 10.9 (a) Copies of all leases, tenancies and licences for occupation of any of the Properties or any parts thereof given by the Company to any third party and of all written variations thereto and of the written grant of any

licences pursuant to the provisions of any such documents have been supplied to the Purchaser.

- (b) The Warrantors are not aware of any claim or dispute pending or expected, either by or with the Company or by or with any such sub-lessee, licensee or occupier.

10.10 No solicitors are instructed by or on behalf of the Company in connection with any matter relating to any of the Properties except for this Agreement and the Disclosure Letter.

10.11 Since the Accounts Date the Company has not acquired or disposed of or contracted to acquire or dispose of the whole or any part of any land or buildings or any interest therein, nor will it acquire or dispose of acquire or dispose of the whole or any part of any land or buildings or interest therein without the prior written consent of the Purchaser.

10.12 The Company has not at any time entered into either the lease of or a licence to assign any leasehold property as a guarantor of the lessee's covenants contained in any such document nor has the Company as lessee at any time assigned or otherwise disposed of any leasehold property without receiving a full and legally effective indemnity in respect of its liability under the relevant lease.

10.13 All written replies from the Vendors Solicitors to written enquiries raised by the Purchaser or the Purchaser's Solicitors were when given and remain and will be at Completion true, accurate and complete in all material respects and the Warrantors are not aware of any matter in relation to the Properties which would not be disclosed by enquiries that a prudent purchaser would make including in the relevant local authority, H M Land Registry and other usual public records and which might reasonably be expected to have a material effect (in the case of the Properties listed in Parts A and B of schedule 3) upon the value of any of the Properties or (in the case of all of the Properties) the proper use and enjoyment by the occupier thereof.

11 Environmental Matters

11.1 "Environmental Matters" means any of the following:

- (a) any release, emission, entry or introduction into the air including, without limitation, the air within buildings and other natural or man-made structures above or below ground;
- (b) any discharge, release or entry into water including, without limitation, into any river, watercourse, lake, loch, or pond (whether natural or artificial or above or below ground) or reservoir, or the surface of the riverbed, ground waters (as defined in section 1 (12) Environmental Protection Act 1990), sewer or the sea;

- (c) any release, deposit, keeping or disposal in or on land whether or not covered by the sea or other waters;
- (d) any deposit, disposal, keeping, treatment, importation, exportation, transportation, handling, processing, manufacture, collection, sorting or presence of any Relevant Substance;
- (e) any deposit, disposal, keeping, treatment, importation, production or carrying of any waste, including, without limitation, any substance which constitutes a scrap material or an effluent or other unwanted surplus substance arising from the application of any process or activity (including making it re-usable or reclaiming substances from it) and any substance or article which requires to be disposed of as being broken, worn out, contaminated or otherwise spoiled;
- (f) nuisance, noise, defective premises, health and safety at work, industrial illness, industrial injury due to environmental factors, environmental health problems, genetically modified organisms the conservation, preservation or protection of the natural or built environment or of man or any living organisms supported by the environment; or

"Relevant Substance" means/includes (without limitation) any hazardous, dangerous, toxic, poisonous, noxious, offensive, radioactive, flammable, explosive, infectious or polluting substance, including, without limitation, asbestos, polychlorinated biphenyls, polychlorinated triphenyls, petroleum (including crude oil and any fractions thereof and any petroleum products and distillates) and any other substance or waste described or listed in or pursuant to any Environmental Laws as hazardous, dangerous, special, toxic, radioactive, noxious or offensive and any other substance which is included under or regulated by or pursuant to any Environmental Laws relating to matters which come within the scope of the definition of Environmental Matters, or anything made using any of those substances.

"Relevant Property" means any freehold or leasehold property owned, leased, licensed or otherwise occupied by the Company in the period from 15 December 1986 and to the extent of the Warrantors knowledge includes freehold or leasehold property previously owned, leased, licensed or otherwise occupied by the Company prior to 15 December 1986.

"Environmental Licences" means any licence, authorisation, approval, consent relating to Environmental Matters and includes any conditions or limitations imposed on such licence, authorisation, approval or consent and any subsequent amendment or alteration.

"Environmental Laws" means in relation to Environmental Matters, all or any relevant statutes, rules, regulations, statutory instruments, treaties, directives, directions, by-laws, orders, notices, demands, injunctions, statute law or common law, statutory or common law duty of care, of any governmental

authority or agency or any regulatory or other body in the jurisdiction of the European Community.

- 11.2 To the best of the knowledge information and belief of the Warrantors the Company has not carried on its business in contravention of any Environmental Laws.
- 11.3 The Company has received no notice that there has been a breach or that there is an existing breach, by the Company or any director, secretary, manager or other similar officer of the Company or any of the Company's members of any Environmental Laws.
- 11.4 To the best of the knowledge information and belief of the Warrantors the Company has all necessary Environmental Licences to enable it lawfully to carry on its business as presently carried on by it and all such Environmental Licences are currently in full force and effect.
- 11.5 The Warrantors have provided the Purchaser with copies of all Environmental Licences and the terms and conditions thereof, and all orders, notices, directions, applications, appeals, amendments and reports relating to or in connection with, any Environmental Licences.
- 11.6 The Warrantors have received no notice that the Company has not complied in all respects with the terms of all Environmental Licences and all orders, notices, amendments and directions relating to Environmental Licences, has taken all necessary or appropriate action in connection with the renewal or continuation or extension of Environmental Licences, including the payment of all sums necessary, and is not required to make any investment or carry out any repairs, improvements or other works by the terms of any Environmental Licence or in order to renew or maintain the same in full force and effect.
- 11.7 No application for or to surrender or to vary the terms of an Environmental Licence or to transfer an Environmental Licence to or from the Company is pending or has been refused for any reason.
- 11.8 The Company has received no notice that any Environmental Licence (whether in part or in whole) is to be revoked, suspended, amended, varied, withdrawn or not renewed and to the best of the knowledge information and belief of the Warrantors no event has occurred or circumstance exists which would entitle any Environmental Licence (whether in part or in whole) to be revoked, suspended, amended, varied, withdrawn or not renewed and none of the conditions of any Environmental Licence is personal to any of the Vendors.
- 11.9 The Company has not carried on and does not carry on a process or emit any substance which is prescribed by the Secretary of State pursuant to section 2 Environmental Protection Act 1990 and in respect of which the Company did not or does not have a valid current authorisation under that Act.

- 11.10 No process is or has been carried out on any Relevant Property which may result or may have resulted in trade effluent or commercial or industrial waste requiring or which required disposal, or the emission of any Relevant Substance into the air or the discharge of any Relevant Substance into any water.
- 11.11 No regulatory body, court, organisation or other person has given any written notice to the Company prohibiting, suspending or requiring the halting of all or any part of any activity, keeping or process carried out by the Company or requiring any remedial action, repair, improvement, modification or other works to be carried out.
- 11.12 The Company has not deposited, disposed of, kept, treated, imported, exported, transported, processed, manufactured, collected, sorted or produced or caused or consented to the presence of any Relevant Substance at any time (whether or not on a Relevant Property) and so far as the Warrantors are aware not having made specific enquiry no other person has at any time deposited, disposed of, kept, treated, imported, exported, transported, processed, manufactured, collected, sorted or produced or caused or consented to the presence of any Relevant Substance on any Relevant Property.
- 11.13 Neither the Company nor so far as the Warrantors are aware not having made specific enquiry any former owner or occupier of any Relevant Property has carried on any manufacturing or other process, mineral extraction or deposit, keeping or treatment of waste material on any Relevant Property which has resulted in the contamination or pollution of the soil on any such property or adjacent land or of any water standing or running through such property (whether a natural or man-made watercourse or by percolation).
- 11.14 So far as the Warrantors are aware there is nothing in, on or under any Relevant Property which may cause or may have caused pollution of the environment or harm to human health (in each case within the meaning of the Environmental Protection Act 1990).
- 11.15 So far as the Warrantors are aware there are no deposits or accumulations of Relevant Substances in, on or under any Relevant Property.
- 11.16 All storage tanks located on any Relevant Property (whether above or below ground) are in a state of good repair (fair wear and tear excepted), are regularly and adequately inspected and maintained, are fully and adequately banded in accordance with recommended best practice and are used only for the storage of substances other than Relevant Substances.
- 11.17 Neither the Company nor so far as the Warrantors are aware any other person (whether or not on behalf of the Company) has conducted any environmental inspections, investigations, studies, audits, tests, reviews or other analyses in relation to the Company any Relevant Property or the business carried on at any Relevant Property."

- 11.18 No civil, criminal or administrative claim, accusation, allegation, notice of violation, demand, cause of action, abatement or other order (conditional or otherwise) has in writing been made or brought against or served on the Company or any director, secretary, manager or other similar officer of the Company or any of the Company's members (in their capacity as such) in relation to any Environmental Matters relating to the Company and none of the Warrantors are aware of any fact or matter which could or might form the basis of any such claim, accusation, allegation, notice of violation, demand, cause of action or abatement or other order.

12 Intellectual Property Rights

- 12.1 There are no Intellectual Property Rights used or required by the Company in connection with its businesses other than the Trade Marks which are in full force and effect and are vested in and beneficially owned by the Company free from and clear of any restrictions or encumbrances and the Company is registered as proprietor thereof and to the best of information, knowledge and belief of the Warrantors no person has made any claim adverse to the continuing enjoyment by the Company of the benefit of such registration.
- 12.2 To the best of the knowledge, information and belief of the Warrantors the Company has not infringed the Intellectual Property Rights of any other person and no other person has infringed the Trade Marks of the Company.
- 12.3 No disclosure has been made to any person other than the Purchaser of any of the commercial or industrial know-how or the financial or trade secrets of the Company except properly and in the ordinary course of business and on the footing that such disclosure is to be treated as being of a confidential nature.
- 12.4 No act has been done or has been omitted to be done to entitle any authority or person to cancel, forfeit or modify any Trade Marks owned or used by the Company.

13 Litigation and other disputes

- 13.1 The Company is not engaged in any capacity in any litigation, arbitration, prosecution or other legal proceedings or in any proceedings or hearings before any statutory or Governmental body, department, board or agency and the Company has not received notice of any such matters being threatened or pending and the Warrantors are not aware:
- (a) prior to the date hereof of any circumstances which may give rise to any such matter;
 - (b) in the period from the date hereof to the Completion Date (having made reasonable enquiries) of any circumstances which may give rise to any such matter.

- 13.2 In the three years before the date hereof no dispute has arisen between the Company and any material number or category of its employees.
- 13.3 No loan has been made by the Company in breach of the Consumer Credit Act 1974 and all charges by or in favour of the Company have been registered (if appropriate) under sections 395-398 (inclusive) Companies Act 1985 and are valid and enforceable.
- 13.4 No liability in respect of any claim against the Company arising out of any error or omission on the part of the Company in the supply of any service before Completion will exceed in amount the limit of insurance cover in force for the benefit of the Company against such a claim.
- 13.5 The Company has not received any notice that it is under a liability in excess of £5,000:
- (a) for breach of any contract for the supply of any goods or services;
 - (b) to make good any errors or omissions in services supplied or contracted to be supplied under any such contract;

14 Insolvency

- 14.1 No order has been made and no resolution has been passed for the winding up of the Company or for a provisional liquidator to be appointed in respect of the Company and no petition has been presented and no meeting has been convened for the purpose of winding up the Company.
- 14.2 No administration order has been made and no petition for such an order has been presented in respect of the Company.
- 14.3 No receiver (which expression shall include an administrative receiver) has been appointed in respect of the Company or in respect of all or any part of their respective assets.
- 14.4 No voluntary arrangement has been proposed under section 1 Insolvency Act 1986.

15 Miscellaneous

15.1 None of the Warrantors:

- (a) has any interest in any other company or business which has a close trading relationship with or is in competition with the Company; or
- (b) has been prosecuted or is liable to be prosecuted or been convicted in any part of the world of any criminal offence (other than a minor traffic offence not resulting in imprisonment); or

(c) has any unsatisfied order or judgment against him or has had any order made in respect of him under sections 295-300 (inclusive) Companies Act 1985; or

(d) has been adjudged bankrupt or has committed an act of bankruptcy or has compounded with his creditors generally.

15.2 So far as the Warrantors are aware the Company is not and never has been a party to any agreement, decision or concerted practice which infringes Article 85(1) of the EEC Treaty or benefited from an exemption under Article 85(3) of the EEC Treaty.

15.3 The Company is not and never has been in receipt of State aids (as defined in Article 92(1) of the EEC Treaty), other than a State aid which has been authorised or approved by the European Commission or the European Council in accordance with the EEC Treaty and acts made thereunder.

15.4 All information disclosed in the Disclosure Letter was when given and remains and will at Completion be true and accurate in all material respects.

15.5 No-one is entitled to receive from the Company any finder's fee, brokerage or commission in connection with the sale of the Sale Shares.

15.6 All warranties and representations contained in the foregoing provisions of this schedule shall be deemed to be repeated immediately before Completion and to relate to the facts then existing.

Schedule 10
Calculation of Bonus Payment

- 1 The Management Accounts shall be prepared by the Company and examined by KPMG Peat Marwick of Stoke-on-Trent ("KPMG") who shall calculate the Net Profit. The Reporting Accountants shall then review the Management Accounts and the Net Profit Calculation (including the Auditors working papers thereon), within 28 days of receiving all relevant papers and calculations and the Reporting Accountants shall either:
 - (a) approve the amount of the Net Profit; or
 - (b) notify KPMG that they disagree with the calculation of the Net Profit.
- 2 Any unresolved disagreement between KPMG and the Reporting Accountants as to the calculation of the Net Profit shall be referred to the decision of a single chartered accountant or firm of chartered accountants to be agreed on between Mr M E Moors and the Purchaser within a period of 14 days or in default of such agreement to be selected by the President for the time being of the Institute of Chartered Accountants in England and Wales, and so that:
 - (a) any such chartered accountant or firm of chartered accountants (whose costs shall be payable as he or they shall direct) shall act as expert and not as arbitrator in connection with the giving of a decision on what the Net Profit is;
 - (b) the decision of such accountant or firm shall be final and binding on Mr M E Moors and the Purchaser.
- 3 The Management Accounts shall be prepared under the historical cost convention and in accordance with generally accepted accounting principles and practices consistently applied and on bases and policies consistent in all material respects with those adopted in the Accounts.

Schedule 11

Pension arrangements

The Warrantors severally warrant and represent to the Purchaser in the terms set out in this Schedule.

PART I

This Part of the Schedule relates to the Butler Woodhouse Directors' Pension Scheme (called in this Part "the Scheme", which expression shall include the trustees thereof where the context admits).

- 1 The Scheme was formerly known as The PMT Limited Directors' Pension Scheme, established by Interim Deed dated 24th July 1987.
- 2 So far as the Warrantors are aware, having made all reasonable enquiries of their advisers full and accurate details of the Scheme have been given to the Purchaser in the form of:
 - (a) copies of all current Trust Deeds and Rules governing or relating to the Scheme;
 - (b) copies of all Explanatory Booklets issued to Employees who are members of the Scheme;
 - (c) copies of any Announcement to Employees relating to pension matters in respect of benefit improvements or other amendments not yet incorporated into the documentation of the Scheme;
 - (d) a copy of the report of the last actuarial valuation or funding review of the Scheme which has been received (in draft or final form) prior to the date hereof, together with copies of any subsequent actuarial advice relating to the Scheme not included in the report;
 - (e) a copy of the last Trustees' report and financial statements.
- 3 The individuals listed in Appendix A ("the Members") are the only Employees entitled to benefits under the Scheme.
- 4 No discretion or power has been exercised to -
 - (a) augment or provide benefits under the Scheme in respect of any of the Members which would not otherwise have been augmented or provided;
 - (b) admit to membership thereof any other Employee;
 - (c) pay a contribution to the Scheme in respect of an Employee which would not otherwise have been paid.

- 5 No benefits are payable under the Scheme on the death of a Member, other than the payment of the reserve held in the Scheme on the Member's behalf, nor during periods of sickness or disability.
- 6 There has been no breach of the trusts of the Scheme and there are no actions, suits or claims (other than routine claims for benefits) outstanding, pending or threatened against the trustees or administrator of the Scheme or against the Group, the Vendor or any other employer which participates in the Scheme in respect of any act, event, omission or other matter arising out of or in connection with the Scheme.
- 7 The trustees of the Scheme are Pensioneer Trustees Limited, M E Moors, N J Barrett, S R Ellis and B Parkinson.
- 8 The Disclosure Letter sets out the contributions made to the Scheme since 1st January 1993 and the normal basis on which the Company and any other participating employer has previously paid contributions. The Company and the Subsidiaries are under no obligation, whether legal or otherwise, to make any future contributions to the Scheme for or in respect of any Employees.
- The contributions made to the Scheme since 1st January 1993 will be ordinary (and not special) contributions for the purposes of their allowance for tax purposes.
- 9 The only benefits payable under the Scheme, whether immediate, prospective or contingent, are those which can be provided by the funds available for each Member under the Scheme from time to time and no representation or guarantee has been made as to the level of any benefits to be provided under it.
- 10 The Scheme is approved by the Commissioners of Inland Revenue as an exempt approved scheme for the purposes of Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 and the Vendor knows of no reason why such approval should be withdrawn.
- 11 The Scheme has complied with and been administered in accordance with -
- (a) the preservation requirements within the meaning of Part IV of the Pension Schemes Act 1993
 - (b) the equal access requirements of Part VI of the Pension Schemes Act 1993;
 - (c) Article 119 of the Treaty of Rome and the regulations and directives thereunder;
 - (d) the requirements of the Pension Schemes Office and the Occupational Pensions Board; and

- (e) subject thereto, in accordance with the trusts, powers and provisions of the Scheme and all relevant legislation (including without limitation the Financial Services Act 1986).
- 12 No payment or repayment of any of the assets of the Scheme has been made to any employer participating in the Scheme.
- 13 None of the funds of the Scheme are invested in employer-related investments (as defined in Section 112 of the Pension Schemes Act 1993).
- All benefits (other than refunds of contributions) payable under the Scheme on the death of a Member are fully insured with an insurance company of good repute.
- 14 Butler Woodhouse Ltd, PMT Ltd and PMT Engineering Ltd are the only employers participating in the Scheme and have adhered to the Scheme by deed of adherence or other trust deed.
- 15 Mr Moors (so as to bind his estate) will indemnify the Purchaser and the Group against any costs, claims or liabilities arising from or in connection with transfer payments from the Scheme in respect of N J Barrett, S R Ellis and B Parkinson and the amendments made or purported to be made by the Deed of Amendment. Mr Moors further acknowledges and undertakes that (except as mentioned in paragraph 17 of this Part of schedule 11) the Purchaser and the Group shall have no obligation whatsoever following Completion in respect of or in connection with the Scheme (and, in particular but without limitation, shall have no obligation to pay any costs of administration or contributions or to maintain its exempt approval). Mr Moors further acknowledges and undertakes that neither the Group nor any other occupational pension scheme connected with the Group shall have any obligation in connection with the insurance or provision of any benefits for or in respect of Mr Moors or his dependants.
- 16 Mr Parkinson, Mr Barrett and Mr Ellis acknowledge and undertake that (except as mentioned in paragraph 17 of this Part of schedule 11) the Group shall have no liability or obligation in connection with obtaining exempt or other approval from the Inland Revenue of their respective New Schemes or consent to the payment thereto of transfer values and (so as to bind their respective estates) will indemnify the Purchaser and the Group against any costs, claims or liabilities arising from or in connection with the establishment of the New Schemes, their tax treatment and benefits provided thereunder.
- 17 The Purchaser undertakes with each of Messrs Moors Barrett, Ellis and Parkinson (in respect of the schemes in which they are respectively interested in) to procure that the Company:
- (a) does nothing with intent and does not omit to do anything with intent to cause any of the BWD Scheme and the New Schemes to fail to comply

with or to be administered in accordance with the matters referred to in paragraph 11 of this Part of schedule 11 or to cease to hold exempt or other approval in respect of them; and

- (b) as principal employer of the BWD Scheme and the New Schemes and at their request and cost (on the basis of reasonable charges for work done) does all things that the respective trustees of those schemes reasonably require connection with their administration.

18 In this schedule:

"Deed of Amendment"	means a deed intended to be executed before Completion in a form agreed by the Purchaser's Solicitors to change the trustees of the BWD Scheme and for other purposes;
"BWD Scheme"	means the Pension Scheme as defined in schedule 11 Part 1;
"New Schemes"	means the BWE (No. 1) Scheme and the BWE (No.2) Scheme;
"BWE (No.1) Scheme"	means the Butler Woodhouse Senior Executives (No.1) Pension Scheme intended to be established before Completion in a form agreed by the Purchaser's Solicitors;
"BWE (No.2) Scheme"	means the Butler Woodhouse Senior Executive (No.2) Pension Scheme intended to be established before Completion in a form agreed by the Purchaser's Solicitors.

Appendix A
M E Moors
N J Barrett
S R Ellis
B Parkinson

PART II

This Part of the Schedule relates to the scheme established under the declaration of trust made by Save & Prosper Insurance Limited on 2nd January 1975 and known as the Crosville 1988 Pension Scheme (called in this Part "the Scheme"), which expression shall include the trustees thereof where the context admits).

- 1 So far as the Warrantors are aware, having made all reasonable enquiries of their advisers full and accurate details of the Schemes (so far as they are within the possession of the Group or their agents) have been given to the Purchaser in the form of:
 - (a) copies of all current Trust Deeds and Rules governing or relating to the Schemes;
 - (b) copies of all Explanatory Booklets issued to Employees who are members of the Schemes;
 - (c) copies of any Announcement to Employees relating to pension matters in respect of benefit improvements or other amendments not yet incorporated into the documentation of the Schemes.
- 2 The Scheme comprises only one category of membership.
- 3 The members listed in Appendix A ("the Members") are the only Employees entitled to benefits under the Scheme.
- 4 No discretion or power has been exercised to -
 - (a) augment or provide benefits under the Schemes in respect of any of the Members which would not otherwise have been augmented or provided;
 - (b) admit to membership thereof any Employee who would not otherwise have been eligible to be admitted to membership;
 - (c) pay a contribution to the Schemes in respect of an Employee which would not otherwise have been paid.
- 5 All lump sum benefits (other than the accrued fund value) payable under the Schemes on the death of a Member thereof who is an Employee, or during periods of sickness or disability of such a Member, are at the date hereof fully insured under a policy effected with an insurance company of good repute and each such Member has been covered for such insurance by such insurance company at its normal rates and on its normal terms for persons in good health and all insurance premiums payable have been paid.
- 6 There has been no breach of the trusts of the Scheme and no actions, suits or claims (other than routine claims for benefits) outstanding, pending or threatened against the trustees or administrator of the Schemes or against the Company or any other employer which participates in the Scheme in respect of any act, event, omission or other matter arising out of or in connection with the Scheme.

- 7 The sole trustee of the Scheme is Save & Prosper Insurance Limited. The Member's Committee comprises N J Barrett, J Burroughs, D Overmire and M Lawrence.
- 8 The Disclosure Letter sets out the contributions made to the Schemes since 1st January 1993 and the normal basis on which the Company and any other participating employer has previously paid contributions. The Company and the Subsidiaries are under no obligation, whether legal or otherwise, to make any future contributions to the Scheme for or in respect of any Employees, other than at the rate of 4% of pensionable pay and the rebate in respect of National Insurance Contributions payable in consequence of contracting-out.
- 9 The only benefits payable under the Scheme, whether immediate, prospective or contingent, are those which can be provided by the funds available for each Member under the Scheme from time to time and no representation or guarantee has been made as to the level of any benefits to be provided under it.
- 10 The Scheme is a contracted-out scheme for the purposes of the Pension Schemes Act 1993 and has been administered in accordance with the contracting-out requirements of that Act (and the original provisions consolidated in the Act). The Company holds or is named upon a current contracting-out certificate issued in relation to the Scheme.
- 11 The Scheme is approved by the Commissioners of Inland Revenue as an exempt approved scheme for the purposes of Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 and the Vendor knows of no reason why such approval should be withdrawn.
- 12 The Schemes have complied with and been administered in accordance with -
- (a) the preservation requirements within the meaning of Part IV of the Pension Schemes Act 1993
 - (b) the equal access requirements of Part VI of the Pension Schemes Act 1993;
 - (c) Article 119 of the Treaty of Rome and the regulations and directives thereunder;
 - (d) the requirements of the Pension Schemes Office and the Occupational Pensions Board; and
 - (e) subject thereto, in accordance with the trusts, powers and provisions of the Scheme and all relevant legislation (including without limitation the Financial Services Act 1986).
- 13 No payment or repayment of any of the assets of the Scheme has been made to any employer participating in the Scheme.

- 14 None of the funds of the Scheme are invested in employer-related investments (as defined in Section 112 of the Pension Schemes Act 1993).
- 15 The Company is the only employer participating in the Scheme.
- 16 No Employees have been admitted to membership of the Scheme since 16th December 1993.
- 17 The administrator of the Scheme is Independent Financial Partnership Limited.

PART III

This Part of the Schedule relates to the PMT Pension Scheme established by trust deed dated 15th December 1986 (called in this Part "the Scheme", which expression shall include the trustees thereof where the context admits).

- 1 So far as the Warrantors are aware, having made all reasonable enquiries of their advisers, full and accurate details of the Scheme have been given to the Purchaser in the form of:
 - (a) copies of all current Trust Deeds and Rules governing or relating to the Scheme;
 - (b) copies of all Explanatory Booklets issued to Employees who are members of the Scheme;
 - (c) copies of any Announcement to Employees relating to pension matters in respect of benefit improvements or other amendments not yet incorporated into the documentation of the Scheme;
 - (d) a copy of the report of the last actuarial valuation or funding review of the Scheme which has been received (in draft or final form) prior to the date thereof, together with copies of any subsequent actuarial advice relating to the Scheme not included in the report;
 - (e) a copy of the last Trustees' report and financial statements in relation to the Scheme.
- 2 The members listed in Appendix A ("the Members") are the only Employees entitled to benefits under the Scheme.
- 3 No discretion or power has been exercised to -
 - (a) augment or provide benefits under the Scheme in respect of any of the Members which would not otherwise have been augmented or provided;

- (b) admit to membership thereof any Employee who would not otherwise have been eligible to be admitted to membership;
- (c) pay a contribution to the Scheme in respect of an Employee which would not otherwise have been paid.

- 4 All benefits (other than refunds of contributions) payable under the Scheme on the death of a Member thereof who is an Employee, or during periods of sickness or disability of such a Member, are at the date hereof fully insured under a policy effected with an insurance company of good repute and each such Member has been covered for such insurance by such insurance company at its normal rates and on its normal terms for persons in good health and all insurance premiums payable have been paid.
- 5 There has been no breach of the trusts of the Scheme and there are no actions, suits or claims (other than routine claims for benefits) outstanding, pending or threatened against the trustees or administrator of the Scheme or against the Company, the Subsidiaries or any other employer which participates in the Scheme in respect of any act, event, omission or other matter arising out of or in connection with the Scheme.
- 6 The trustees of the Scheme are M E Moors, N J Barrett, J Tanner and A J Tyler.
- 7 The Disclosure Letter sets out the contributions made to the Scheme since 6th April 1993. Employers' contributions (including contributions to meet administration and death in service insurance costs) have been paid at the rate of at least 9.7% of Contribution Earnings from 6th April 1993. All amounts due to the Scheme or any insurance company in connection therewith have been paid.
- 8 The last actuarial valuation of the Scheme has been prepared on the basis of the data supplied and in accordance with the valuation methods, actuarial principles and on the basis of the assumptions set out in it and there are no material omissions from or inaccuracies in the data supplied to the Scheme's actuary for the purpose of the valuations. All information made available by the Company and the Subsidiaries to the actuary to the Scheme since the effective date of the last actuarial valuation is complete and accurate in all material respects.
- 9 The benefits which were prospectively and contingently payable under the Scheme as at 6th April 1993 ("the Valuation Date"), including additional benefits which would be payable if any established custom to award the same on a discretionary basis continued unaltered and any increases and improvements in benefits announced to beneficiaries but excluding benefits to liabilities for which are fully guaranteed by contracts of insurance specifically allocated to the provision of them, were funded at the Valuation Date on the basis of the actuarial assumptions (including allowance for prospective increases in earnings) employed in the actuarial valuation as at the Valuation Date (both as an ongoing

scheme and on discontinuance) to the extent disclosed in the actuarial valuation as at the Valuation Date and the Company is and the other participating employers are paying contributions to the Scheme at the rate which is recommended in such valuation to be sufficient to provide for future service benefits and to eliminate the deficit in respect of past service benefits.

- 10 The Scheme is a contracted-out scheme for the purposes of the Pension Schemes Act 1993 and has been administered in accordance with the contracting-out requirements of that Act (and the original provisions consolidated in the Act). The participating employees hold or are named upon a current contracting-out certificate issued in relation to the Scheme.
- 11 The Scheme is approved by the Commissioners of Inland Revenue as an exempt approved scheme for the purposes of Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 and the Vendor knows of no reason why such approval should be withdrawn.
- 12 The Scheme has complied with and been administered in accordance with -
 - (a) the preservation requirements within the meaning of Part IV of the Pension Schemes Act 1993
 - (b) the equal access requirements of Part VI of the Pension Schemes Act 1993;
 - (c) Article 119 of the Treaty of Rome and the regulations and directives thereunder;
 - (d) the requirements of the Pension Schemes Office and the Occupational Pensions Board; and
 - (e) subject thereto, in accordance with the trusts, powers and provisions of the Schemes and all relevant legislation (including without limitation the Financial Services Act 1986).
- 13 No payment or repayment of any of the assets of the Scheme has been made to any employer participating in the Scheme.
- 14 None of the funds of the Scheme are invested in employer-related investments (as defined in Section 112 of the Pension Schemes Act 1993).
- 15 The Company, PMT Limited and PMT Engineering Limited are the only employers participating in the Scheme and have adhered to the Scheme by deed of adherence or other trust deed.

PART IV

- 1 Other than the Crosville 1988 Pension Scheme, the Butler Woodhouse Directors' Pension Scheme and the PMT Pension Scheme (together in this Part, "the Schemes"), there are no agreements, arrangements, customs or practices (whether legally enforceable or not) in operation at the date hereof for the payment of, or contribution towards any pensions, allowances, lump sums or other like benefits on retirement or on death or during periods of sickness or disablement for the benefit of any of the Employees or for the benefit of dependants or relatives of any such Employees, nor has any proposal to establish any such agreement or arrangement been announced.
- 2 No undertaking or assurance has been given as to the continuance or introduction or increase or improvement of any pension rights or entitlements which any company within the Group would be required to implement in accordance with law or good industrial relations practice (whether or not there is any legal obligation to do so).
- 3 The Company shall procure that none of the Schemes is placed in full or partial winding up before Completion and that no amendments are made to any of them before Completion (whatever the effective date of such winding up or amendment).
- 4 Neither the Company nor any of the Subsidiaries nor the trustees of the Schemes are engaged in any litigation or arbitration proceedings in respect of any retirement benefits scheme (as defined in Section 611 ICTA) or any benefit provided thereunder in relation to the Employees or former employees of the Group and there are no current submissions or referrals to the Pensions Ombudsman or to the Occupational Pensions Advisory Service in respect of the Company, any of the Subsidiaries or the Schemes.
- 5 There are no circumstances in existence such that a debt is or may become due from the Company or any of the Subsidiaries in respect of its participation in a retirement benefits scheme (as defined in Section 611 ICTA) as a result of the operation of Section 144 of the Pension Schemes Act 1993 or otherwise.
- 6 There are no circumstances in existence by virtue of which the Company, any of the Subsidiaries or the trustees of any retirement benefits scheme (as defined in Section 611 ICTA) of which the Employees are or may become members may have a claim in respect of the infringement of any legal requirement relating to the equality of pay or treatment between male and female Employees arising either directly or indirectly from the terms and conditions of employment of any Employees or former employees of any company within the Group insofar as they relate to a retirement benefits scheme and the provisions of any such retirement benefits scheme relating to any Employees or former employees of that company, including the actuarial assumptions used in connection with any such scheme.

~~7 The Warrantors hereby agree severally to indemnify the PMT Pension Scheme against any claims, costs or liabilities arising from or in connection with the change in normal retirement date announced on 30th July 1991 to members and prospective members.~~

PART V

- 1 So far as the Warrantors are aware, having made all reasonable enquiries of their advisers, full details of The PMT/T&GWU Ill Heath Retirement Trust Fund ("the Scheme") have been given to the Purchaser in the form of the Rules, the 1993 draft account and the financial statements as at 31st December 1992.
- 2 The Company and the Subsidiaries are under no obligation, whether legal or otherwise, to make any future contributions to the Scheme or in respect of any Employees, former employees or the dependants of either.
- 3 There is no obligation on the trustees for the time being of the Scheme to provide benefits to any Employee, former employee or any dependant of either and no representation or guarantee has been made as to the provision of any benefits under the Scheme.
- 4 The Scheme is a registered charity and the Vendor knows of no reason why such registration should be withdrawn.
- 5 None of the funds of the Scheme are invested in non-qualifying investments for the purposes of section 506 of the Taxes Act 1988, nor have any funds been applied in making non-qualifying expenditure for the purposes of section 506.
- 6 There has been no breach of the trusts of the Scheme and there are no actions, suits or claims (other than routine claims for benefits) outstanding, pending or threatened against the trustees or administrator of the Scheme or against the Group, the Vendor or any other employer which participates in the Scheme in respect of any act, event, omission or other matter arising out of or in connection with the Scheme.

PMT PENSION SCHEME

List of Members

10-64-33 27 JAN 1994

(MILLER GULLS
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NOT BLACK)

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1	MR	ALLEN, JOHN TH
2	MR	ALLEN, K
3	MR	ALLEN, S
4	MR	ALLEN, C
5	MR	ALLEN, J
6	MR	ALLEN, G
7	MR	ALLEN, A
8	MR	ALLEN, J
9	MR	ALLEN, J
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DATE	TIME	FROM	TO	REMARKS	STATUS	AMOUNT
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PAGE 3

1010-LAST. DEPARTMENT 1A 48.....

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001702	HA	11 / 07 / 53	12541.79
003200	HA	21 / 06 / 55	8955.87
002291	HA	21 / 01 / 60	10276.51
008572	HA	22 / 02 / 47	12845.62
002103	HA	30 / 06 / 59	7543.50
003204	HA	29 / 12 / 67	9777.53
003517	HA	20 / 08 / 55	11794.73
003927	HA	29 / 04 / 51	12177.42
004463	HA	23 / 05 / 54	12730.89
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005127	HA	13 / 11 / 50	9660.27
			6765.00

10:43:47 27 JAN 1994

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010600	HA	MR SHARBY	05/15/46 H	14205.10	11339.00
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001500	NO	MR ADLEY	10/16/41 H	10001.50	7157.00
001100	NE	MR ELLI	02/01/46 H	12703.51	9164.00
000000	CE	MR ADLEY	10/02/49 H	11658.04	8826.00
004000	NO	MR ADLEY	09/10/42 H	10918.68	8042.00
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005000	NE	MR ADLEY	05/09/46 H	10557.56	7449.00
002100	LU	MR ADLEY	08/12/45 H	11119.92	7672.00
001700	BJ	MR ADLEY	12/05/42 H	0102.15	6271.00
006000	CH	MR ADLEY	18/08/49 H	17085.39	16257.00
006000	CH	MR ADLEY	28/07/43 H	16034.71	13666.00
005000	ZZ	MR ADLEY	15/02/48 H	0.00	0.00
000700	HA	MR ADLEY	23/06/43 H	10734.29	7900.00
004000	9J	MR ADLEY	05/04/44 H	1258.56	1773.00

10:44:05 27 JAN 1994

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001305	HA	001305	16/03/97	9819.06	8485.00
001305	HA	001305	20/09/93	4347.85	6980.00
001305	HA	001305	21/03/94	11258.30	5527.00
001305	HA	001305	01/03/92	15250.16	8472.00
001305	HA	001305	07/05/93	10192.71	12353.00
001305	HA	001305	20/03/90	11545.51	7347.00
001305	HA	001305	15/05/95	1057.72	8704.00
001305	HA	001305	17/01/93	9604.57	564.00
001305	HA	001305			5112.00

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U10-LAS1. J6PAR146RT NAME..... ADDR.....

029107	CH	CR FORB TV	27/07/57 "	14190.35	17099.1	17014.6
031445	BJ	CR FORB TV	14/07/45 "	9723.55		6874.00
000548	BJ	CR FORB TV	10/05/45 "	9906.28		6167.00
029460	BJ	CR FORB TV	01/07/30 "	9746.60		6906.00
030520	HE	CR FORB TV	25/07/59 "	9513.06		6671.00
034100	HE	CR FORB TV	04/03/52 "	9659.82		6823.00
051910	HA	CR FORB TV	08/01/47 "	12277.97		9442.00
002451	CR	CR FORB TV	27/09/70 "	6616.70		1857.00
136011	HA	CR FORB TV	20/09/57 "	13391.77		10537.00
132750	BJ	CR FORB TV	17/07/57 "	9284.15		6444.00
132742	BJ	CR FORB TV	07/11/54 "	16326.95		11325.00
00712	HA	CR FORB TV	27/04/45 "	11576.74		8746.00
000890	BJ	CR FORB TV	27/05/47 "	9278.81		6442.00
034054	HA	CR FORB TV	05/09/55 "	11589.87		8161.00
001937	BJ	CR FORB TV	03/04/65 "	7903.08		5082.00
032076	HA	CR FORB TV	27/05/49 "	10160.23		7332.00
002050	BJ	CR FORB TV	01/01/62 "	9734.13		4979.00
001829	BJ	CR FORB TV	15/05/59 "	11649.04		5816.00
134661	BJ	CR FORB TV	05/12/56 "	11617.46		7785.00

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1010-1451. OLPAKIN_HF NAME.....

1Y014.6

1Y002.1

1Y014.6

34608	NO	7001 600Y	1Y014.6	1Y014.6	1Y014.6
34301	HA	00111 1Y	1Y014.6	1Y014.6	1Y014.6
000711	BJ	00111 1100	1Y014.6	1Y014.6	1Y014.6
34306	HA	00111 1100	1Y014.6	1Y014.6	1Y014.6
000626	GL	00111 1100	1Y014.6	1Y014.6	1Y014.6
001728	LO	00111 1100	1Y014.6	1Y014.6	1Y014.6
000407	BJ	00111 1100	1Y014.6	1Y014.6	1Y014.6
035595	HE	00111 1100	1Y014.6	1Y014.6	1Y014.6
037245	HJ	00111 1100	1Y014.6	1Y014.6	1Y014.6
038719	ZL	00111 1100	1Y014.6	1Y014.6	1Y014.6
037745	HA	00111 1100	1Y014.6	1Y014.6	1Y014.6
001790	HL	00111 1100	1Y014.6	1Y014.6	1Y014.6
000224	ZL	00111 1100	1Y014.6	1Y014.6	1Y014.6
002500	LE	00111 1100	1Y014.6	1Y014.6	1Y014.6
0376.3	HE	00111 1100	1Y014.6	1Y014.6	1Y014.6
002185	CE	00111 1100	1Y014.6	1Y014.6	1Y014.6
037338	JO	00111 1100	1Y014.6	1Y014.6	1Y014.6
000945	LO	00111 1100	1Y014.6	1Y014.6	1Y014.6

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7010-1451- DEPARTMENT OF JUSTICE
JUL 1 1964
JUL 1 1964
JUL 1 1964

FP10-1A51. DEPARTMNT	NAME	DOB	SSN	10000.1	10000.1
037151	NAME: PRA M	07/12/44	10204.60	7353.00	10014.6
042425	NAME: JAVEL M	04/10/45	11430.91	8602.00	7353.00
030612	NAME: AIT L	30/05/64	10042.02	7203.00	7353.00
039145	NAME: AIT SA	16/12/44	12213.60	9358.00	7353.00
001509	NAME: FROTH FA	17/03/45	11446.67	8608.00	7353.00
002099	NAME: FROTH A	23/10/45	7579.88	4735.00	7353.00
037473	NAME: FROTH L	31/10/35	11187.59	8361.00	7353.00
001840	NAME: Y MA	28/02/61	6780.72	4365.00	7353.00
037447	NAME: Y M	25/07/31	11947.43	9111.00	7353.00
037390	NAME: Y M	05/07/63	9550.84	6554.00	7353.00
000685	NAME: Y A	02/09/41	10665.22	7839.00	7353.00
001625	NAME: Y A	04/03/31	7644.94	4812.00	7353.00
038763	NAME: Y M	24/03/45	9402.80	6617.00	7353.00
001203	NAME: Y A	19/10/44	10142.56	7308.00	7353.00
038218	NAME: Y A	02/05/34	12120.19	9283.00	7353.00
001013	NAME: Y A	24/06/46	11370.26	8533.00	7353.00
000707	NAME: Y L	07/12/32	8646.44	5811.00	7353.00
037213	NAME: Y J	20/04/41	8910.08	6075.00	7353.00
038997	NAME: Y A	01/11/41	11429.33	9595.00	7353.00

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P10-LAST, DEPARTMENT NAME.....				DATE.....	AMOUNT	BALANCE
047003	HO	047003	047003	1/01/91	3468.56	10014.6
000888	HO	000888	000888	30/09/91	1383.85	5635.00
001043	CE	001043	001043	06/01/91	5922.99	743.00
001527	HE	001527	001527	26/06/91	1327.83	9089.00
045719	ZZ	045719	045719	07/05/91	0.00	7442.00
047355	HA	047355	047355	06/01/91	12192.76	0.00
000942	ED	000942	000942	14/01/92	11378.22	9355.00
001806	HI	001806	001806	12/03/92	539.27	8535.00
002496	BJ	002496	002496	12/04/92	8201.45	424.90
002350	VI	002350	002350	10/02/92	5143.09	1113.00
048624	ZZ	048624	048624	17/11/93	0.00	2583.00
001636	HL	001636	001636	01/12/93	9064.62	0.00
049344	HL	049344	049344	26/05/91	10795.28	6233.00
000559	ZZ	000559	000559	10/10/96	0.00	7118.00
001196	HA	001196	001196	07/02/92	9524.42	0.00
048261	HA	048261	048261	26/12/94	9509.14	6690.90
002142	LU	002142	002142	15/12/95	9637.09	6668.00
049572	ZZ	049572	049572	22/10/93	0.00	6799.00
						0.00

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NAME	10	DATE	TIME	LOCATION	STATUS	REMARKS	INITIALS	TIME	LOCATION	STATUS	REMARKS	INITIALS
1010-1451	HA	10/10/75	10:10	HA	HA	1010-1451	HA	10/10/75	10:10	HA	1010-1451	HA
101550	HA	10/10/75	10:15	HA	HA	101550	HA	10/10/75	10:15	HA	101550	HA
101901	HA	10/10/75	10:19	HA	HA	101901	HA	10/10/75	10:19	HA	101901	HA
101975	HA	10/10/75	10:19	HA	HA	101975	HA	10/10/75	10:19	HA	101975	HA
155374	HA	10/10/75	15:53	HA	HA	155374	HA	10/10/75	15:53	HA	155374	HA
155355	HA	10/10/75	15:53	HA	HA	155355	HA	10/10/75	15:53	HA	155355	HA
100408	HA	10/10/75	10:04	HA	HA	100408	HA	10/10/75	10:04	HA	100408	HA
053420	HA	10/10/75	05:34	HA	HA	053420	HA	10/10/75	05:34	HA	053420	HA
001333	HA	10/10/75	00:13	HA	HA	001333	HA	10/10/75	00:13	HA	001333	HA
000426	HA	10/10/75	00:04	HA	HA	000426	HA	10/10/75	00:04	HA	000426	HA
001551	HA	10/10/75	00:15	HA	HA	001551	HA	10/10/75	00:15	HA	001551	HA
040717	HA	10/10/75	04:07	HA	HA	040717	HA	10/10/75	04:07	HA	040717	HA
050539	HA	10/10/75	05:05	HA	HA	050539	HA	10/10/75	05:05	HA	050539	HA
052229	HA	10/10/75	05:22	HA	HA	052229	HA	10/10/75	05:22	HA	052229	HA
052612	HA	10/10/75	05:26	HA	HA	052612	HA	10/10/75	05:26	HA	052612	HA
000742	HA	10/10/75	00:07	HA	HA	000742	HA	10/10/75	00:07	HA	000742	HA
000474	HA	10/10/75	00:04	HA	HA	000474	HA	10/10/75	00:04	HA	000474	HA
001241	HA	10/10/75	00:12	HA	HA	001241	HA	10/10/75	00:12	HA	001241	HA
050749	HA	10/10/75	05:07	HA	HA	050749	HA	10/10/75	05:07	HA	050749	HA
055161	HA	10/10/75	05:51	HA	HA	055161	HA	10/10/75	05:51	HA	055161	HA

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IP10-LAS1. DEPARTMENT NAME..... MORRIS.....

1Y009.1

1Y014.6

05010	HE	LOKLEY H	26/09/55 M	13618.53	10784.00
002194	CL	LOJTH C	21/10/65 M	9601.97	6156.00
001490	ZZ	LOVATT TA	14/12/72 M	109.20	55.00
002097	HA	LOVATT KH	27/09/57 M	7557.15	4823.00
051593	CH	LOVATT H	27/10/55 M	10556.86	7725.00
055094	BJ	LOJH P	04/10/60 M	8740.35	5888.00
050105	PJ	LOKJ D	17/06/76 M	10698.37	7844.00
002190	WT	LOJH T	14/03/44 M	5691.83	4084.00
056725	HC	MACHIN JE	28/11/38 M	10226.58	6645.00
058569	DE	MACHIN CW	20/07/43 M	10797.43	7972.00
058995	HA	MACHIN S	12/02/43 M	9855.40	7028.00
000864	HL	MACHIN J	03/12/40 M	10729.90	6661.00
053607	HC	MACHIN PB	15/12/50 M	12203.66	9442.00
001997	WT	MACHIN J	06/03/36 M	2843.87	1935.00
054643	HA	MACHIN T	25/04/31 M	9207.90	6367.00
054300	EU	MACHIN AJ	26/09/35 M	11349.52	8503.00
054898	BI	MACHIN M	13/04/45 M	13590.50	10751.00
001162	HO	MACHIN KR	16/01/64 M	9746.12	6967.00
001548	BI	MACHIN AP	15/01.69 M	11626.38	8795.00

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PA	LAST	DEPARTMENT NAME	DOB	1Y099.1	1Y014.6
000397	93	MR MAGG	17/03/65 M	10191.15	4607.00
056430	00	MR CASSEY	01/08/53 M	10369.36	7537.00
055533	10	MR DE VINY	05/03/57 M	10945.33	8110.00
001628	00	MR MCJILLIARD	12/10/45 M	9847.56	7013.00
001785	77	MR MEADOWS	22/09/45 M	0.00	0.00
052843	HA	MR GELDER	13/11/55 M	10111.99	7273.00
056975	00	MR GILLIS	29/11/45 M	12423.40	9602.00
001380	PA	MR MITCHELL	19/02/69 M	9850.25	6997.00
005368	LO	MR MITCHELL	25/09/65 M	10201.19	4238.00
001324	0J	MR MOLLART	19/06/42 M	4204.25	2769.00
057091	06	MR MURPHY	17/01/32 M	12419.63	9589.00
001510	00	MR JOHNSON	09/04/56 M	9003.24	6171.00
000341	HA	MR MURPHY	18/07/64 M	12836.79	9349.00
001766	00	MR MURPHY	13/04/70 M	7916.04	5093.00
002195	0E	MR MURPHY	07/04/50 M	7571.92	131.00
000661	00	MR MULLIS	16/01/66 M	7772.07	5145.00
001062	CV	MR MULLIS	18/09/61 M	8895.27	6072.00
053721	0E	MR MURPHY	22/07/52 M	0972.99	7135.00

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FP10-LA-1, DEPARTMENTS NAME..... MONTH..... YEAR.....

001471	MD	SURFV	12/08/93	10197.99	1014.6
000161	HA	WEEKLY	03/12/90	569.65	3115.00
055933	EN	AVAIL	11/10/31	6824.27	3996.00
057429	ZZ	AVAIL	07/06/35	0.00	0.00
000514	CH	WEEKLY	12/01/97	13279.12	10441.00
060418	HL	WEEKLY	12/07/98	15132.33	10299.00
060454	HA	WEEKLY	05/05/97	11067.70	8233.00
060444	CA	WEEKLY	22/11/91	9692.35	5858.00
060029	HA	WEEKLY	09/10/95	8846.97	6043.00
060513	BU	WEEKLY	12/05/93	10321.27	7487.00
060165	HU	WEEKLY	12/04/98	9116.42	6288.00
002044	BU	WEEKLY	10/05/71	8665.09	5821.00
061496	HE	WEEKLY	14/08/99	10902.00	8104.00
061628	ZZ	WEEKLY	22/12/92	0.00	0.00
061023	HL	WEEKLY	12/07/93	11044.87	8211.00
061592	HA	WEEKLY	02/05/94	14984.60	12151.00
001327	BU	WEEKLY	12/10/90	7908.89	5075.00
001726	NL	WEEKLY	12/08/94	9619.68	5784.00
063951	CA	WEEKLY	20/06/91	9576.8	6747.00

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IP10-LAS1, DEPARTM AT (ASH).....

				IP099.1	IP014.6
064245	HA	05/06/95 H		12599.41	9768.00
064095	HA	05/06/95 H		11103.54	8258.00
064092	HA	05/06/95 H		11785.19	8077.00
000816	HA	05/06/95 H		9835.50	6265.00
065172	HA	17/09/92 H		15743.60	12911.00
000264	HA	11/06/95 H		14234.68	11405.00
000934	HA	06/01/95 H		10134.49	4550.00
068907	CH	05/01/95 H		12563.30	9731.00
000911	HA	22/09/95 H		7528.04	4697.00
066945	HA	16/01/95 H		9945.62	7110.00
066543	HA	18/10/96 H		9878.40	7039.00
001156	HA	12/09/95 H		10286.76	7455.00
067275	HA	09/02/97 H		11594.75	7846.00
067601	CH	06/01/92 H		9525.39	6681.00
066635	HA	07/06/95 H		8675.92	5840.00
001268	HA	06/01/95 H		10617.13	7781.00
002164	CH	07/02/93 H		8496.67	5672.00
000540	CH	07/02/92 H		8428.00	5593.00

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PAGE 25	FP10-4,451, DEPARTMENT	DATE	TIME	STATION	TIME	STATION	TIME	STATION
071515	HE	071515	14/04/46 H	12508.85	3716.00	12508.85	3716.00	12508.85
071511	HA	071511	09/06/51 H	12829.94	9287.00	12829.94	9287.00	12829.94
071519	BU	071519	20/07/54 H	7201.18	3563.00	7201.18	3563.00	7201.18
071467	HA	071467	03/01/50 H	8987.28	6143.00	8987.28	6143.00	8987.28
071697	BU	071697	14/12/50 H	12085.84	9250.00	12085.84	9250.00	12085.84
071116	HA	071116	07/04/58 H	9555.29	6720.00	9555.29	6720.00	9555.29
000070	BU	000070	17/05/41 F	8479.07	5646.00	8479.07	5646.00	8479.07
000398	BU	000398	08/07/48 H	8806.64	5979.00	8806.64	5979.00	8806.64
000427	BU	000427	16/07/42 H	8850.46	6012.00	8850.46	6012.00	8850.46
070695	CH	070695	17/04/55 H	13158.44	10323.00	13158.44	10323.00	13158.44
071403	BU	071403	24/07/56 H	12487.80	9646.00	12487.80	9646.00	12487.80
072476	BU	072476	01/12/50 H	9607.61	6763.00	9607.61	6763.00	9607.61
077266	BU	077266	12/09/43 H	13429.38	10505.00	13429.38	10505.00	13429.38
000984	BU	000984	30/04/49 H	11641.33	8690.00	11641.33	8690.00	11641.33
001435	BU	001435	01/07/56 H	7219.00	4443.00	7219.00	4443.00	7219.00
001532	22	001532	02/01/57 H	1123.11	367.00	1123.11	367.00	1123.11
001553	LO	001553	05/07/38 H	9850.92	7012.00	9850.92	7012.00	9850.92
070965	BU	070965	31/12/37 H	10868.56	8030.00	10868.56	8030.00	10868.56
			07/01/51 H	18022.21	15012.00	18022.21	15012.00	18022.21

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IP10-LAUF. DEPARTMENT NAME	DATE	TIME	AMOUNT	DATE	TIME	AMOUNT
071990	64	071990	7033.81	19/10/40	1	7033.81
072035	64	072035	9886.03	05/02/22	11	9886.03
078644	HE	078644	5946.62	24/02/42	11	5946.62
002187	60	002187	7892.22	05/10/46	11	7892.22
078686	HE	078686	13702.62	12/12/41	11	13702.62
001619	HA	001619	11420.34	19/11/65	11	11420.34
001807	JJ	001807	10484.30	16/07/69	11	10484.30
075905	HA	075905	9258.08	21/05/52	11	9258.08
071378	64	071378	9002.50	31/01/22	11	9002.50
071245	HE	071245	7926.61	10/06/50	11	7926.61
071435	HE	071435	8902.03	14/12/41	11	8902.03
071959	HE	071959	11500.34	27/09/37	11	11500.34
001540	HE	001540	7648.31	15/05/55	11	7648.31
076967	BU	076967	9713.85	27/03/47	11	9713.85
002137	LU	002137	8004.00	02/11/62	11	8004.00
070518	HE	070518	11874.19	22/05/37	11	11874.19
001685	LU	001685	1859.00	20/06/69	11	1859.00
070668	HE	070668	11650.82	06/04/54	11	11650.82

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FP10-LAST, DEPARTMENT NAME..... (0000)..... SEX.

000673	CL	JURRISON	12/10/34 M	10090.1	1014.6
000339	LU	WILLIAMS	13/02/58 M	5142.19	3631.00
070410	HL	WILLIAMS	11/04/29 M	10364.67	7525.00
001793	RU	WILLIAMS	20/11/57 M	11157.48	8326.00
073231	QU	WILLIAMS	17/09/18 M	8719.39	5720.00
080992	HL	WILLIAMS	23/07/57 M	10036.44	7180.00
080037	BU	WILLIAMS	01/04/44 M	13152.25	10317.00
001581	UT	WILLIAMS	01/01/43 M	6122.40	4302.00
079162	CU	WILLIAMS	09/07/61 M	10501.48	8704.00
079633	HA	WILLIAMS	02/11/47 M	10053.74	7223.00
079654	QU	WILLIAMS	02/11/47 M	13288.55	10452.00
080878	BU	WILLIAMS	02/01/44 M	576.43	351.00
001567	HA	WILLIAMS	13/04/29 M	9995.10	7161.00
002220	HL	WILLIAMS	18/05/67 M	10188.22	7353.00
079831	HL	WILLIAMS	13/02/49 M	6803.91	4024.00
080172	HA	WILLIAMS	13/12/32 M	11502.57	8675.00
081265	BU	WILLIAMS	10/03/36 M	9051.72	6212.00
002045	BU	WILLIAMS	09/07/35 M	9637.42	6793.00
079178	HL	WILLIAMS	11/12/71 M	9504.19	6672.00
			07/04/44 M	917	0

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FD10-LAST, DEPARTMENT JAP

..... SCS

1Y099.1

1Y014.6

070700	CU	46	10/04/55 H	11672.46	3751.00
0854	HA	46	05/01/59 F	9501.41	6668.00
001171	HA	4155	29/12/57 H	11008.63	8252.00
082601	LL	46	1/06/44 H	7409.87	4667.00
095500	HA	46	22/01/49 H	13305.03	10479.00
083539	HU	46	03/10/36 H	5551.51	4140.00
093809	BJ	46	03/12/55 H	1935.19	1349.00
000296	HE	46	20/05/61 H	6478.27	3650.00
001164	LU	46	10/02/57 H	10194.08	7562.00
001696	HE	46	08/05/54 H	11250.17	9415.00
048622	CU	46	12/07/36 H	9006.18	4183.00
000695	HA	46	13/10/52 H	8376.41	5540.00
000900	HJ	46	14/06/55 H	10210.50	7359.00
091505	HE	46	06/07/51 H	9256.01	5336.00
091988	CH	46	22/03/55 H	11392.18	8554.00
092057	LE	46	21/08/36 H	7766.07	3920.00
002354	LU	46	01/07/61 H	7965.74	4245.00
052414	HJ	46	30/07/42 H	6874.70	2205.00
099502	HU	46	02/01/50 H	10242.60	

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1010-1A51, 2L0A-14, 01 1A 11..... 1000..... 517.

083155	HE	9835 JH111 101 101 JH111 101	08/01/47 H	12005.06	1Y099.1	1Y014.6
083440	50	101 JH111 101	08/10/46 H	10000.74		7245.00
101166	60	101 JH111 101	02/01/66 I	7605.68		4835.00
000874	6J	101 JH111 101	04/03/47 H	10169.20		7340.00
083819	0J	101 JH111 101	14/07/57 H	11228.02		8395.00
002345	6I	101 JH111 101	01/09/65 H	4343.01		1216.00
090116	2L	101 JH111 101	31/05/37 H	8060.09		5647.00
090741	00	101 JH111 101	26/10/32 H	8602.34		5822.00
094014	0E	101 JH111 101	04/06/46 H	12745.51		8987.00
001704	09	101 JH111 101	02/07/45 H	5984.17		3313.00
084465	10	101 JH111 101	16/12/37 I	8449.50		5616.00
000864	0L	101 JH111 101	00/11/40 H	11218.16		9087.00
003522	2L	101 JH111 101	16/07/45 I	11324.89		8561.00
042955	6J	101 JH111 101	07/06/45 H	8949.91		6127.00
001915	6J	101 JH111 101	20/08/44 F	9224.92		6384.00
000164	6W	101 JH111 101	24/10/31 I	12861.17		10040.00
001070	0J	101 JH111 101	11/11/51 H	11214.60		8370.00
002266	40	101 JH111 101	24/11/67 H	9347.60		4167.00

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FOI0-1A-1. REPLYING INFO.....

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O. Miller

A. Williams

A. Baker

A. G. Frewer

A. Davis

J. Lloyd

K. E. Leake

J. E. A. Marsh

J. Booth

J. O. Smith

C. Leake

T. G. Mamey

A. Marsh

P. Dorey

A. Foster

P. Taylor

K. Madeley

V. Antill

P. Reenan

L. Williams

S. F. Asher

J. Cooper

W. Sampson

AS AMENDED AT 21/2/94
TO SHOW LEAVERS +
STARTERS SINCE 6/4/93
AS PER ANNEXURE B.

PMT PENSION SCHEME

ANNEXURE B

1 NEW MEMBERS SINCE 6TH APRIL 1993:-

H. G. Stanton	S. C. Dean
C. J. Ray	G. White
I. Leese	I. C. Rodgers
A. Cunliffe	P. E. Bowyer
J. Dickinson	D. S. Critchlow
D. Brammer	D. A. Teague
P. R. Saunders	S. J. Grosvenor
W. A. Donnell	S. R. Furnival
S. Romano	M. Gibson
G. Cummings	J. McDermott
M. A. Fowell	D. J. Pickford
F. A. Millership	I. G. Baskeyfield
A. Grocott	I. W. Lloyd
D. Tomkinson	K. Potts
R. T. Russell	E. L. Breyer
G. S. Buttery	R. W. Marsh
K. Hussey	D. A. Turner
C. A. Evans	

2 LEAVERS FROM 6TH APRIL 1993

C. Warren	R. Porthouse
T. J. Dainty	F. Swindells
D. J. Blake	C. Louth
A. McWilliams	D. Farrington
D. Dooky	H. G. Stanton
G. Broad	J. Lincoln
J. Straughan	D. S. Critchlow
S. J. Woodridge	D. E. Coxey
R. Bradbury	P. Jervis
J. R. Stewart	M. Lawton
E. J. Exon	H. Leese
T. Ward	K. Myott
E. T. Meadowcroft	J. M. Jackson
W. Hargreaves	J. S. Steele
G. N. Mudryj	J. H. Bailey
H. Burton	K. E. Smith

CROSVILLE 1988 PENSION SCHEME

List of Members

CROSVILLE 1988 PENSION SCHEME

ANNEXURE A

1 NEW MEMBERS SINCE 6TH APRIL 1993

K. Croft	W. E. Silvano
M. Needham	A. P. Gannon
P. A. Williams	D. C. Williams
P. D. V. Edge	

2 LEAVERS FROM 6TH APRIL 1993

W. F. Watherson	R. Sutcliffe
P. J. Cavanagh	C. A. Rowe
D. Doughty	P. H. Starkey
G. A. C. Bannister	N. E. Fenwick
E. A. Evans	A. E. Stringfellow
P. F. R. Robson	

APPENDIX A

CROSUILLE PENSION MBR'S AT APRIL 93

PAGE 1		15:02:55 27 JAN 1994		(SALARIES QUOTED ARE BASED ON LAST TAX YEAR EARNINGS)	
FP10-LAST DEPART.	NAME	BIRTH	SEX	TOTAL GROSS FY099.1	CUMULATIVE GROSS FY014.6
701130	ADAMS GA MR	26/01/46	H	10138.50	7302.00
700843	ANSELL GE MR	08/07/38	H	10043.50	7206.00
700738	ASTLEY TG MR	13/07/34	H	7952.02	
701980	ATHLETON PJ MR	22/06/46	H	8910.06	6073.00
703834	ATKINS AV MR	16/09/47	H	13700.97	10860.00
700370	BANFORD JT MR	28/11/34	H	8870.62	
700924	BANISTER GA MR	10/09/37	H	11275.41	
703205	BARLOW P MR	18/04/55	H	9547.31	6718.00
700428	BARNELL H MR	14/05/34	H	8628.51	
703931	BATEP H MR	14/08/39	H	12043.12	
700320	BEAHOIT C MR	20/07/42	H	13442.45	10525.00
700835	BELLIS LR MR	21/12/41	H	10185.26	
700371	BINCH RA MR	12/01/51	H	11388.63	8555.00
703796	BITHELL RV MR	07/07/48	H	9803.76	6972.00
702587	BOYLE VO MR	24/08/43	F	4622.82	
700240	BRADLEY L MR	27/04/38	H	10826.53	
702200	BRYSOH GJ MR	15/02/56	H	10157.36	7315.00
701211	BURROUGHS J MR	25/11/51	H	10349.75	7513.00
700504	BURTON AM MR	24/11/34	H	8268.93	

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PAGE	4	FP10-LAST, DEPARTMENT NAME.....	BORN.....	SEX,	1Y099.1	1Y014.6
702447	XU	MR DUTTON G	05/03/43	M	10491.92	
700827	XU	MR BYRON DG	10/05/54	M	10296.10	7458.00
700894	XU	MR CAJONS PD	11/05/47	M	10112.14	7279.00
702412	XU	MR CAMDEN J	02/07/51	M	9839.76	6998.00
700053	XU	MR CAMPBELL J	20/11/31	M	16151.51	
703710	XL	MR CAMPBELL JH	07/05/51	M	11188.64	8355.00
704261	XL	MR CAMPBELL SAH	27/12/54	F	11004.72	8159.00
702084	XC	MRS CAHEY M	06/06/58	M	14950.71	12117.00
700851	XU	MR CARUS JJ	12/05/30	M	12085.08	
701726	XU	MR CASEY J	06/10/47	M	9538.25	6703.00
702056	XD	MR CASHMAN PS	26/10/63	M	3058.22	1961.00
701963	ZZ	MR CAVANAGH PJ	22/07/48	M	0.00	0.00
703702	XE	MR CHADWICK GL	01/10/35	M	8868.61	
702960	XC	MR CHALONER SH	12/07/62	M	8383.01	5546.00
702102	XD	MR CHANCE EF	26/01/39	M	10386.22	
703753	XE	MR CHANDLER CG	23/10/57	M	13193.46	10354.00
702757	XC	MR CHARD JG	02/09/44	M	13782.66	10953.00
703818	XE	MR CLARK CD	07/06/44	M	13100.18	10254.00

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PAGE	NAME	DOB	SEX	17099.1	17014.6
701440	MR GILFYLE	02/09/43	M	7722.27	4795.00
702137	MR GILFYLE	21/04/45	M	10986.35	8152.00
700068	MR GILFYLE	25/03/36	F	2560.78	
700309	MR GILFYLE	25/09/61	M	9697.29	6856.00
702068	MR GILFYLE	22/07/43	M	11248.91	8416.00
701161	MR GILFYLE	09/08/42	M	9851.84	
703334	MR GILFYLE	06/03/46	M	1692.06	351.00
704168	MR GILFYLE	25/06/51	M	10983.60	8147.00
701319	MR GILFYLE	08/03/39	M	9944.57	
703044	MR GILFYLE	25/02/43	M	11420.24	
701270	MR GILFYLE	28/02/31	M	8773.75	
702595	MR GILFYLE	08/01/64	M	12071.42	9238.00
703184	MR GILFYLE	23/04/35	M	10307.02	
702617	MR GILFYLE	04/01/40	F	8138.26	
703028	MR GILFYLE	16/02/63	M	8852.57	6026.00
703290	MR GILFYLE	26/06/54	M	11455.39	8609.00
704407	MR GILFYLE	27/08/63	F	8200.27	5365.00
700046	MR GILFYLE	05/03/49	F	9091.1	6254.00
	MR GILFYLE			1417.84	

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157-1. DEPARTMENT NAME..... BORN..... SEX.

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700940	XJ	MR H HOLEY ZH	30/03/35 M	9593.86	6743.00
702501	XG	MR HOBGATSON DS	01/08/65 M	11670.16	8816.00
703460	XE	MR HOBAND SM	02/03/66 M	10059.91	7227.00
703524	XG	MR HOBAND MS	17/11/38 M	9109.54	
702919	XG	MR HUGHES JP	21/03/64 M	8566.66	5732.00
701874	XJ	MR HULME LG	31/08/37 M	11407.21	
701831	XB	MR HULSE BW	22/06/44 M	10446.35	
702315	XJ	MR HUGHES CW	11/12/48 M	9387.29	6549.00
700266	XJ	MR HUGHES ZH	28/07/37 M	18010.86	
703222	XC	MR HUGHSON JF	03/10/44 M	11117.16	8281.00
700274	XB	MR JONES Y	06/11/52 M	16252.86	13298.00
700983	XJ	MR JONES JJ	25/07/45 M	1530.38	604.00
701335	XJ	MR JONES GC	13/03/45 M	9799.95	6961.00
702633	XC	MR JONES KE	27/03/28 M	12434.81	
702740	XC	MR JONES D	27/07/37 M	8460.80	
703109	XC	MR JONES HG	25/06/47 M	11992.18	9157.00
703141	XC	MR JONES WP	26/03/45 M	10096.73	7265.00
703559	XC	MR JONES JP	18/03/32 M	11038.34	

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FP10-LAS1, DEPARTMENT NAME..... DORR..... SEC.

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10186.64 5263.00

15365.21 12484.00

11090.81 8250.00

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703591 XC JONES
703168 XC HUS
702858 XC KEAY
702064 XE KENRICK
703761 XE KING
704415 X3 KING
700460 X0 LAIN
702730 XC LAURENCE
701840 X0 LAFAY
700967 X3 LAWSON
700169 X0 LEUSOME
703958 XE LFE
702609 XE LEWIS
703230 XC LEWIS
703311 XC LLOYD
702153 X0 LOCKLEY
701858 X0 LONGMAN
700339 X0 LOUGHANE
701174 X0 LYON

21/03/39 M

18/02/42 M

20/06/65 M

07/01/38 M

27/03/50 M

12/10/46 M

01/10/65 M

11/03/60 M

05/08/42 M

17/09/39 M

20/06/37 M

29/08/47 M

04/01/69 F

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24/10/46 M

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21/10/44 M

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NAME	SEX	BORN	1Y099.1	1Y014.6
MR LYONS	M	08/10/42	11183.18	
MR MAUDOX	M	27/09/53	10780.65	7940.00
MR MAHSH	M	25/04/50	11580.32	8745.00
MR HASOH	M	23/04/29	13735.26	
MR MAY	M	19/08/51	11489.12	8651.00
MR MCINTYRE	M	01/08/58	12947.08	10062.00
MR MCLOUGHLIN	M	25/08/48	10292.28	7450.00
MR MCMAHON	M	19/04/50	10538.80	7698.00
MR MCNEE	M	05/03/32	11384.99	8553.00
MR MILLEN	M	14/11/38	10059.00	
MR MITCHELL	M	24/12/50	10603.94	7764.00
MR MORRIS	M	09/05/58	10189.64	7354.00
MR MORRIS	M	20/01/49	10977.19	8145.00
MR MURRAY	M	19/03/34	9573.09	
MR O'DONOHUE	M	04/07/48	9845.16	7001.00
MR O'HALLORAN	M	30/12/64	10433.76	7602.00
MR J'ROURKE	M	19/01/41	8957.72	
MR O'SHAUGHNESSY	M	19/10/47	13341.36	10122.00

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FP10-LAST, DEPARTMENT NAME..... BORN..... SEX-

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701105 XU 06/11/45 H 10529.82 7690.00

701850 XE 29/09/49 H 12554.28 10406.00

700282 XU 03/10/52 H 10826.54 7992.00

703605 XC 10/04/39 M 9542.19

700860 XD 19/03/31 H 6378.24

701041 XU 20/08/41 H 9163.09 6325.00

703893 XE 03/07/49 H 14606.71 11779.00

702194 XU 21/01/48 H 10915.25 8073.00

704369 XL 06/04/56 H 8017.50 5187.00

700193 XJ 26/01/59 H 12246.10 9407.00

703370 XC 26/09/53 H 1802.44 886.00

703451 XC 01/10/50 H 12466.49 9632.00

700251 XU 22/10/40 H 18059.54

700312 XU 11/17/30 H 11377.39

702842 XC 19/04/48 H 8662.28

700177 XU 19/05/49 H 14805.44 12027.00

703281 XC 02/06/39 H 10435.61 7602.00

703130 XL 23/01/37 H 11510.72

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PICKAVANCE
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FP10-LAST, DEPARTMENT NAME..... DORN..... SEX.

703737	XL	ADVERTS DE	1Y099-1	1Y014-6
701742	XU	MR MOUTINSON RG	13452-76	10613-00
703052	XC	MR MOUSON PF	10726-03	7892-00
703125	XC	MR MOUTLEGE G	10217-27	7394-00
702544	XC	MR MOUT C	9905-28	
701745	XU	MR MOWLANDS E	1104-01	0-00
703656	XE	MR MOWLEY A	9248-38	
703047	XC	MR MUSSELL VF	10912-82	8068-00
703060	XC	MR MUNE D	11247-35	8405-00
702560	XC	MR SLATER E	11199-33	8367-00
702650	XC	MR SHELLIE LJ	7483-02	
702129	XU	MR SMITH YG	11282-96	8453-00
702145	XJ	MR SMITH HJ	10697-11	7854-00
700150	XB	MR SPREALL JH	9965-60	7124-00
703800	XL	MR STARKEY FH	8518-56	5686-00
702005	XB	MR STRINGFELLOW AE	10598-39	7766-00
703516	XC	MR SUTCLIFFE R	9861-76	
700142	XU	MR THOMAS UC	10059-72	
702110	XU	MR THOMAS THOMAS	12071-44	
			1907738 H	9496-57

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FP10-LAST, DEPARTMENT NAME.....	BORN.....	SEX.	1Y009.1	1Y014.6
MR THOMAS	21/05/60 M		9695.35	6858.00
MR THOMAS	23/08/33 M		11513.95	
MR THOMAS	28/09/55 M		8454.08	5627.00
MR THOMAS	21/02/64 M		8189.82	5449.00
MR THOMPSON	24/09/38 M		11117.21	8281.00
MR THURNHILL	06/11/32 M		10797.47	7954.00
MR TIERMAN	03/08/40 M		8998.75	
MR TRANIER	19/08/38 M		8294.38	
MR TREVITT	01/01/43 M		1381.14	
MR VEANEY	22/04/37 M		9528.59	
MR WALLS	31/07/43 F		8092.99	5254.00
MR JALTON	05/09/40 M		9429.98	
MR WATTENSON	24/12/33 M		427.74	
MR WELB	15/01/41 M		10911.11	
MR WHINN	23/07/35 M		10530.99	
MR WHITEHOUSE	17/08/37 M		8600.22	
MR WHITFIELD	29/03/65 M		8647.65	5812.00
MR WILKINSON	14/01/45 M		92 03	6472.00
MR			9357.44	4978.00

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10-451. DEPARTMENT NAME..... BORN..... SEX. 1Y099-1 1Y011-6

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MR WILLIAMS	X5
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MR WILLIAMS	X6
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MR WILLIAMS	X5
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MR WILLIAMS	X5
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MR WILLIAMS	X6
MJ	
MR WILLIAMS	X6
JO	
MR WILSON	X6
A	
MR BRIGHT	X6
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DR WILLIAMS

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AS AMENDED AT 2/12/94 TO SHOW
LEAVERS + STARTERS SINCE 6/4/94 AS PER ANNEXURE A.

Schedule 12
Trade Marks

Butler Woodhouse Limited - registered trademarks

Mark	Number	Class	Renewal Date
*Paramount	B1282547	37	01.10.2007
Paramount	B1282548	39	01.10.2007
PMT	1280541	12	29.09.2007
PMT	1282549	37	01.10.2007
PMT	1282550	39	01.10.2007
Crosville	B1437315	39	21.08.1997
Flexi	B1348508	39	22.06.1995
Lynx*	B1291648	39	04.11.1993
Leaping Lynx* Logo	1291232	39	22.10.1993

There is a registered user agreement for this registration with Paramount Service Stations Limited dated 15 October 1992 and entered into the Register on 3 March 1993.

* Lapsed and not renewed

Schedule 13
Set-Off Provisions

- 1 In respect of all Claims which arise in the Claims Period, pending (in the case of Claims) pending the settlement of the Claims or if no settlement is reached, final judgment being obtained by the Purchaser (or if applicable a Group company) in respect of the Claims the following provisions apply to the Warrantor Loan Notes:-
- (a) Where the Claims Value exceeds the aggregate nominal value of the Warrantor Loan Notes the Purchaser shall not be obliged to comply with the provisions of any redemption notice served by a Noteholder holding Warrantor Loan Notes;
 - (b) Where the Claims Value is less than the aggregate nominal value of the Warrantor Loan Notes the Purchaser shall only be obliged to comply with the provisions of any redemption notice served by a Noteholder holding Warrantor Loan Notes to the extent;
 - (i) that after the repayment of the requested Warrantor Loan Notes the aggregate nominal value of the remaining Warrantor Loan Notes (the "Remaining Notes") is at least equal to the Claims Value;
 - (ii) of such Noteholders entitlement to receive repayment of the Remaining Notes which shall be pro rata to the percentage which the nominal value of his Warrantor Loan Notes bears to the total nominal value of the Warrantor Loan Notes;
 - (c) Interest on the Warrantor Loan Notes shall continue to be paid by the Purchaser to the Noteholders in accordance with the conditions of the Warrantor Loan Notes.
- 2 (a) (i) The Warrantors hereby grant to the Purchaser an express contractual right to set-off against the Warrantor Loan Notes the amount of any Determined Claim. The Purchaser shall be obliged to set-off such amount pro rata against Warrantor Loan Notes of Noteholders unless the Claim has been otherwise satisfied by the Warrantors;
- (b) Upon the Purchaser exercising its right of set-off against the Warrantor Loan Notes pursuant to paragraph 2(a), the amount which is set-off shall result in the equivalent value of Warrantor Loan Notes being deemed to have been repaid by the Purchaser and such repaid Warrantor Loan Notes shall be cancelled. A Noteholder whose Warrantor Loan Notes are cancelled pursuant to this paragraph shall, upon being notified by the Purchaser, be required to surrender his certificate(s) for the Warrantor

Loan Notes to the Purchaser. The Purchaser shall (if applicable) issue a new certificate to the Noteholder for the balance of the Warrantor Loan Notes not repaid. If a Noteholder fails to surrender his certificate(s) upon being notified the Purchaser shall not, until receipt of the certificate(s), be required to pay interest on any of the Warrantor Loan Notes held by the Noteholder and interest in respect of Warrantor Loan Notes not cancelled shall be paid by the Purchaser into a separate bank account in the Purchaser's name pending receipt of the certificate(s). The Purchaser's shall not be required to account to the Noteholder for the interest in such bank account until it has received the certificate(s).

3 If following:

- (a) the settlement of all Claims or the Purchaser (or if applicable the relevant Group companies) obtaining final judgment of all Claims not settled against the Warrantors; and
- (b) the operation of the set-off provisions contained in paragraph 2 of this schedule;

not all Warrantor Loan Notes have been cancelled the Purchaser shall comply fully with the provisions of such Warrantor Loan Notes thereafter.

4 In respect of each Claim the Purchaser (or if applicable the relevant Group company) shall, unless such Claim is settled, be required to commence proceedings on or within six months after notifying the Warrantors of such Claim, however failure to do so shall not prejudice or affect the Purchaser's or such Group company's rights and remedies in respect of such Claim other than the right of set-off under this Schedule.

- 5
- (a) The Claims Value shall be calculated by the Purchaser and shall be the amount equal to the aggregate value of the Claims received in the Claims Period and the Purchaser shall include within its calculation an amount in respect of the estimated legal and other third party costs and expenses of the Purchaser and the Group in relation to obtaining final judgment of the Claims. The Purchaser shall notify the Warrantors in writing of the value of each Claim as soon as practical after it is made and of the aggregate the Claims Value as soon as practicable after the end of the Claims Period.
 - (b) If the Warrantors disagree with the Claims Value notified to them, and such disagreement is not resolved between the parties within 21 days of the Warrantors being notified, the Purchaser shall instruct a leading Counsel to opine on the Claims Value, such leading Counsel to be agreed on between the Purchaser and Mr M E Moors and in default of agreement to be selected by the President of the time being of The Law Society, and so that:

- (i) Counsel shall be instructed to opine on the Claims Value on the assumption that the Purchaser or the Group company will obtain judgment in its favour for all of the Claims.
- (ii) Counsel shall include within the calculation of the Claims Value an estimate of the amount of the Purchaser's (or if applicable any Group company's) legal and other third party costs and expenses relating to obtaining final judgment of the Claims.
- (iii) Counsel's opinion as to the Claims Value shall be sent to the Warrantors by the Purchaser and shall be binding on the Purchaser and the Warrantors for the purpose of the provisions contained in this schedule.

6 The amount of a Determined Claim shall be:

- (a) the amount agreed to be paid by the Warrantors to the Purchaser or a Group company in settlement of a Claim (including for the avoidance of doubt any amount agreed to be paid in respect of the Purchaser or a Group company's costs; or
- (b) the amount of the final judgment obtained by the Purchaser or (if applicable) other Group company against the Warrantors in respect of a Claim together with the amount of any orders for costs made against the Warrantors in respect of such Claim.

SIGNED as a Deed by the said
MICHAEL ERIC MOORS
in the presence of:

P. Ellis
as above

SIGNED as a Deed by the said
NIGEL JOHN BARRATT
in the presence of:

P. Ellis
as above

SIGNED as a Deed by the said
STEVEN ROBERT ELLIS
in the presence of:

P. Ellis
as above

SIGNED as a Deed by the said
JOHN EDWARD ANTHONY MARSH
in the presence of:

P. Ellis
as above

SIGNED as a Deed by the said
MICHAEL GEORGE FREWER
in the presence of:

P. Ellis
as above

SIGNED as a Deed by the said
JOSIAH BOOTH
in the presence of:

P. Ellis
as above

SIGNED as a Deed by the said
ALAN DAVIES
in the presence of:

P. Ellis
as above

SIGNED as a Deed by the said
KATHLEEN ELIZABETH
PEAKE in the presence of:

P. Ellis
as above

Mr Moor

John Marsh

S. R. Ellis

John Edward Anthony Marsh

Michael George Frewer

J Booth

Alan Davies

K E Peake

SIGNED as a Deed by the said
JOHN DEREK SMITH
in the presence of:

P. Kelly
as above

)
)
)

[Signature]

SIGNED as a Deed by the said
PETER THORLEY
in the presence of:

P. Kelly
as above

)
)
)

P. Thorley

SIGNED as a Deed by the said
ANDREW JOHN FOSTER
in the presence of:

P. Kelly
as above

)
)
)

A. J. Foster

SIGNED as a Deed by the said
SANDRA F MOORS
in the presence of:

[Signature]
[Signature]
[Signature]

)
)
)

Sandra F Moors

SIGNED by
for and on behalf of
BADGERLINE GROUP plc
in the presence of:

[Signature]
[Signature]
[Signature]

)
)
)
)

[Signature]
.....
Director

SIGNED as a Deed by
MICHAEL ERIC MOORS
as a trustee of M E MOORS
ACCUMULATION AND
MAINTENANCE SETTLEMENT

[Signature]
as above

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)
)
)

[Signature]

SIGNED as a Deed by
SANDRA F MOORS
as a trustee of M E MOORS
ACCUMULATION AND

[Signature]
as above

)
)
)
)

Sandra F Moors

MAINTENANCE SETTLEMENT)

SIGNED as a Deed by)
MICHAEL ERIC MOORS)
as a trustee of M E)
MOORS DISCRETIONARY)
SETTLEMENT)

ME Moors
Sandra F Moors

Michael Eric Moors
as trustee

SIGNED as a Deed by)
SANDRA F MOORS)
as a trustee of M E)
MOORS DISCRETIONARY)
SETTLEMENT)

Sandra F Moors

Sandra F Moors
as trustee