

2254395

DATED 20 February 2008

C&C Corp/10435-35/CBW/NIH

Settlement Agreement

between

ID Data Group Plc

Alphatemp Plc

and

Peter Andrew Gregory



*I certify this to be a true copy
of the original.*

*John Wade Company Secretary
ID Data Group plc 27/03/08*

THIS AGREEMENT is dated 20th February 2008 and made

BETWEEN:

- (1) **ID Data Group Plc** ("**IDD**"), a public company registered in England and Wales with number 02254395 and having its registered office at New Mint House, Bedford Road, Petersfield, Hampshire GU32 3AL;
- (2) **Alphatemp Plc** ("**Alphatemp**"), a public company registered in England and Wales with number 4449715 and having its registered office at, Embsay Mill, Skipton Road, Embsay, North Yorkshire BD23 6QF; and
- (3) **Peter Andrew Gregory** ("**Peter Gregory**") of 3 Gainsborough Court, Skipton, North Yorkshire, BD23 5BS.

Background:

- (A) On 04 May 2007, the Parties entered into a business purchase agreement (the "**Agreement**") for the sale of the credEcard business from Alphatemp (at the time called credEcard Plc) to IDD. Peter Gregory was a guarantor for certain of the obligations of Alphatemp.
- (B) Differences of opinion have arisen between Alphatemp and IDD in relation to certain matters arising out of the Agreement and the pursuant sale.
- (C) It is the intention of this Settlement Agreement to effect a full and final settlement of all Claims made or intimated by the Parties in relation to the matters referred to above, or otherwise arising out of or in connection with the Agreement (hereinafter referred to as the "**Unsettled Matters**") on the terms set out below.

IT IS AGREED AS FOLLOWS:-

1. Definitions

- 1.1 In this Settlement Agreement, unless the context otherwise requires, the following expressions have the following meanings:

"**Claims**" means any claim, action, suit or proceeding (whether intimated, actual, prospective or contingent) which the Parties have, may have or have had or, but for the execution of this Settlement Agreement, could or might have, in respect of any monies, damages, losses, liabilities, interest or costs, of whatsoever nature and whensoever, wheresoever and howsoever arising, directly or indirectly.

"**Party or Parties**" means a party or parties to this Settlement Agreement.

"**Warranty Claim**" means any Relevant Claim (as defined in the Agreement).

- 1.2 In the interpretation of this Settlement Agreement, unless the context otherwise requires:

- (A) headings are for reference only and do not affect the interpretation of this Settlement Agreement;
- (B) references to clauses are to clauses of this Settlement Agreement, and

(C) the singular shall include the plural and vice versa.

2. Compromise, waiver and release

2.1 Save as provided in clause 2.2, as of the date of this Settlement Agreement, each of the Parties shall fully and finally compromise, waive and release all Claims, rights, proceedings or demands relating to the Unsettled Matters (whether pending, actual or prospective) or otherwise arising out of or in connection with the Agreement, including, without limitation, the matters referred to in schedule 1

2.2 Nothing in this Settlement Agreement shall prevent IDD making a Warranty Claim under the terms of the Agreement in relation to any matter which:

(A) is not the subject of a Warranty Claim in existence as at the date of this Settlement Agreement; and

(B) IDD becomes aware of after the date of this Settlement Agreement.

3. Settlement Sum Shares

In mutual consideration for the matters agreed in this Settlement Agreement:

(A) IDD will, within 21 days of the date of this Settlement Agreement allot and issue 6,500,000 new ordinary shares in IDD of 1p each, credited as fully paid, to Alphatemp (the "Settlement Sum Shares") and deliver to Alphatemp such suitable evidence of the allotment as IDD may reasonably consider appropriate; and

(B) Alphatemp and Peter Gregory each covenant with IDD that Alphatemp will only sell the Settlement Sum Shares through the brokers for the time being of IDD (or such other brokers as IDD may agree) and in such a way as the brokers may reasonably require in order to preserve an orderly market in IDD's shares from the date of this Settlement Agreement until the expiry of 14 days thereafter.

4. Undertakings

Alphatemp and Peter Gregory each undertake with IDD that Alphatemp will, within 14 days of the date of the Settlement Sum Shares being allotted in accordance with clause 3(A), effect all the requirements of schedule 2.

5. Non-admission of liability

It is expressly agreed and acknowledged by the Parties that the execution and performance of this Settlement Agreement is not, and is not to be construed as, any admission whatsoever of any liability on the part of either Party other than to perform this Settlement Agreement.

6. Confidentiality

6.1 Subject only to clause 6 hereof, the Parties agree to keep confidential the existence and terms of this Settlement Agreement save that the Parties may make disclosure pursuant to.

(A) compulsion of law,

(B) to any of their respective professional advisors, auditors, insurers or regulators, or in order to secure compliance with the terms of this settlement in the event of breach by any Party; or

(C) the consent of all the other Parties to this Settlement Agreement.

6.2 Neither Party shall issue any press or other public statement with respect to this matter.

7. **Miscellaneous**

7.1 None of the Parties shall assign or transfer any of its rights and or obligations under this Settlement Agreement without the prior consent of the other Parties (not to be unreasonably withheld)

7.2 This Settlement Agreement shall be binding upon and enure to the benefit of the successors in title and assigns of each Party

7.3 Each Party warrants that this Settlement Agreement constitutes its legal, valid and binding obligation that it has full power and authority to enter into and perform and has taken all necessary action to authorise its entry into and performance of this Settlement Agreement.

7.4 Each of the Parties shall bear its or their own costs in relation to the negotiation, agreement and completion of this Settlement Agreement and in relation to any legal documentation arising out of this Settlement Agreement.

7.5 This Settlement Agreement supersedes any previous written or oral agreement between the Parties in relation to the matters dealt with in this Settlement Agreement and contains the whole agreement between the Parties relating to its subject matter.

7.6 This Settlement Agreement may be executed in one or more counterparts, each of which, when executed, shall be deemed to form part of and together constitute the Settlement Agreement.

8. **Governing law and jurisdiction**

8.1 This Settlement Agreement shall be governed by and construed in accordance with English law.

8.2 The Parties shall submit to the exclusive jurisdiction of the English Courts for the purpose of any action to enforce the terms of this Settlement Agreement.

IN WITNESS the hands of the duly authorised representatives of the parties on the date first before written.


SIGNED by J.S. Mitchell
duly authorised for on behalf
of ID DATA GROUP PLC

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SIGNED by WALKER FOSTER
on and behalf
of ALPHATEMP PLC

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SIGNED by WALKER FOSTER
on and behalf of PETER ANDREW
GREGORY

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SCHEDULE 1: SPECIFIC MATTERS

1. **IDD will not proceed with any existing Warranty Claim under the Agreement.**
2. **IDD will not make a Warranty Claim in relation to any matter which IDD was aware of prior to the date of this Settlement Agreement or which IDD ought reasonably to have been aware of, taking into account the actual knowledge of all IDD, credEcard Group plc and credEcard Limited directors and senior management**
3. **Alphatemp and Peter Gregory will not seek any entitlement to or otherwise claim for any Additional Consideration (as defined in the Agreement) pursuant to the provisions of the Agreement.**
4. **Alphatemp and Peter Gregory will not make any claim against IDD, or any of its subsidiaries, for any other amount, including in respect of any intercompany accounts or claims which may have been due to Alphatemp or Peter Gregory, including the agreed balance owing to Alphatemp of £40,796.26.**

SCHEDULE 2: SPECIFIC OBLIGATIONS

- 1 Alphatemp will pay all unpaid invoices, rendered to Alphatemp by third parties prior to 01 April 2007, in respect of activities related to the credEcard business.
2. Alphatemp will pay the following unpaid invoices rendered to Alphatemp by PayPoint:

<u>Invoice number</u>	<u>Amount due</u>
25858	£28,787 50
34076	£500.00