

G

COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

Please do not write in this margin

Pursuant to section 155(6) of the Companies Act 1985

Please complete legibly, preferably in black type, or bold block lettering

To the Registrar of Companies

For official use

Company number

2726798

Note
Please read the notes on page 3 before completing this form

Name of company

* PROGRESS COMPUTER SYSTEMS LIMITED

*Insert full name of company

†Insert name(s) and address(es) of all the directors

Wet Brian John Griffiths of 88 Wargrave Road Twyford Reading Berkshire RG10 9PJ,
John Kenneth Churchill Fison of 26 Netherton Road St. Margaret Middlesex TW12 1LZ and
Christopher Leonard Thomas Davis of Asheridge House 4 Longmoor Barns Aston Abbots
Aylesbury Bucks HP22 4ND

§ Delete as appropriate

‡Delete whichever is inappropriate

~~the sole director~~ All the directors of the above company do solemnly and sincerely declare that:

The business of the company is:

~~(a) that of a recognised bank licensed institution within the meaning of the Banking Act 1979 ‡~~

~~(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom ‡~~

(c) something other than the above ‡

The company is proposing to give financial assistance in connection with the acquisition of shares in the [company] ~~company's holding company §~~

The assistance is for the purpose of ~~that acquisition~~ [reducing or discharging a liability incurred for the purpose of that acquisition].

The number and class of the shares acquired or to be acquired is: the entire issued share capital in the Company.

Presenter's name, address and reference (if any):

Pitmans (NWS/JCH)
47 Castle Street
Reading RG1 7SR
DX 40102 READING
(CASTLE STREET)

For official use
General Section



The assistance is to be given to: (note 2)

Keltec Progress Limited

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block
lettering

The assistance will take the form of:

The execution by the Company of an agreement for the transfer of the entire business and assets of the Company to Keltec Progress Limited (the "Hive-up Agreement") at a fair value as determined by the Company's directors in due course.

The person who ~~[has acquired]~~ ~~[will acquire]~~* the shares is:
Keltec Progress Limited

*Delete as
appropriate

The principal terms on which the assistance will be given are:

Pursuant to the terms of the Hive-up Agreement, the entire business and assets of the Company are to be transferred to Keltec Progress Limited in consideration of Keltec Progress Limited undertaking to discharge all the liabilities of the Company and, to the extent that the Company's assets exceed its liabilities, to account for the difference by way of an interest free inter-company loan from the Company to Keltec Progress Limited

The amount of cash to be transferred to the person assisted is £

The value of any asset to be transferred to the person assisted is £

The date on which the assistance is to be given is 22nd December

) The amounts of cash and assets
) to be transferred will be
) determined by the director s
) in due course (see Clause 3
) of the Hive-Up Agreement
annexed hereto)

1998

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

†Delete either (a) or
(b) as appropriate

~~X~~We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~I~~We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date] † (note 3)

(b) [It is intended to commence the winding-up of the company within 12 months of that date, and I/we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding-up.] † (note 3)

And I/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at

Declarants to sign below

2 Bracknell Enterprise Centre
Easthampstead Road, Bracknell
the 22 day of December
One thousand nine hundred and ninety eight
R. L. H. Wright

Brian J. Giff
John
[Signature]

before me

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account-see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.

Annex to form 155(6) a

DATED ^{22nd} DECEMBER 1998

x

PROGRESS COMPUTER SYSTEMS LIMITED

and

KELTEC PROGRESS LIMITED

HIVE UP AGREEMENT

relating to
the Business and Assets of
Progress Computer Systems Limited

THIS AGREEMENT is made the 22nd day of December 1998

X

BETWEEN

- (1) PROGRESS COMPUTER SYSTEMS LIMITED (Registered No. 2726798 whose Registered Office is at 2 Bracknell Enterprise Centre Easthampstead Road Bracknell Berkshire RG12 1NF ("the Transferor") and
- (2) KELTEC PROGRESS LIMITED (Registered No. 3552955 whose Registered Office is at 2 Bracknell Enterprise Centre Easthampstead Road Bracknell Berkshire RG12 1NF ("the Transferee"))

RECITALS

The Transferee is desirous of acquiring all the assets of the business carried on by the Transferor ("the Business") with effect from close of business on the 22nd day of December 1998 (hereinafter called "the Transfer Date").

NOW IT IS HEREBY AGREED AS FOLLOWS:-

1. Transfer of Business

In consideration of the assumption by the Transferee of the liabilities of the Transferor set out in clause 2 below and of the further provisions as to payment set out in clause 3 below the Transferor shall transfer and the Transferee shall acquire the Business as a going concern free from all liens charges and encumbrances as at the close of business on the Transfer Date comprising (insofar as the same are the property of the Transferor and appertain to the Business):-

- 1.1 the goodwill including the technical knowledge expertise and know-how of the Transferor in carrying on the Business together with the exclusive right (so far as the Transferor is able to assign the same) for the Purchaser to use the name Progress Computer Systems Limited in relation to the Business and to represent the Transferee as carrying on the Business in succession to the Transferor;
- 1.2 all plant machinery equipment furniture fixtures and fittings motor vehicles and other chattels owned or used by the Transferor in connection with the Business;
- 1.3 all stocks (whether of material or of finished goods) and work-in-progress;
- 1.4 any patents trade marks registered designs design right copyright know-how confidential information and all other industrial property rights and interests (including applications therefor) of whatsoever nature owned or used by the Transferor in connection with the Business (but subject always to any licences and to all the other rights of and obligations to third parties to which the Transferor may be subject);

- 1.5 the full benefit (subject to the burden) of all quotations contracts engagements and orders subsisting in connection with the Business;
- 1.6 subject where necessary to the consent of the insurers lessors or other relevant person concerned all policies of insurance and agreements for leasing or hire purchase of any asset;
- 1.7 all prepayments and progress payments in respect of uncompleted orders;
- 1.8 all cash in hand or at the bank;
- 1.9 all stationery accounting and other records and other chattels;
- 1.10 all book and other debts due to the Transferor in connection with the Business as carried on prior to the Transfer Date;
- 1.11 to the extent to which the Transferor is legally entitle to assign the same all the Transferor's rights against manufacturers and suppliers (including without limitation all rights in connection with such manufacturers' and suppliers' guarantees representations warranties and conditions of contract) with respect to all goods purchased by the Transferor and sold to the Transferee herewith;
- 1.12 any other property or assets owned by the Transferor

2. Transfer of Liabilities

- 2.1 The Transferee shall pay satisfy and discharge all trade debts and other liabilities of the Transferor whatsoever and whensoever arising (and without prejudice to the generality of the foregoing) including:-
 - (a) all creditors for goods and services supplied;
 - (b) all creditors for rent rates and other outgoings in respect of the properties used for the conduct of the Business;
 - (c) all liability in respect of the hire purchase and leasing agreements acquired by the Transferee hereunder;
 - (d) all liability in respect of loans made to the Transferor whether from the bank or otherwise;
 - (e) any liability for taxation assessed or to be assessed in respect of the profits gains income sales or other transactions of the Business earned made or effected up to the Transfer Date

- 2.2 The Transferee shall indemnify and keep indemnified the Transferor from and against all proceedings costs demands and liabilities in respect of the liabilities referred to in clause 2.1 above.

3. Consideration

The assets of the Transferor shall be transferred to the Transferee at a fair value (as determined by the Company's directors in due course) at the close of business 22nd December 1998 the consideration for such transfer being the assumption by the Transferee of the liabilities of the Transferor as referred to in clause 2 and to the extent that the assets of the Transferor exceed the amount of the liabilities as aforesaid the amount of such excess will remain as an interest free debt due from the Transferee to the Transferor.

4. Contracts

The Transferee shall observe and perform all the obligations of the Transferor in respect of or arising under the debts liabilities quotations contracts engagements orders and other agreements in respect of which the Transferee agrees to assume liability hereunder and shall indemnify and keep the Transferor indemnified against all actions proceedings claims costs and demands in respect thereof brought or made against or incurred by the Transferor after the commencement of business on the Transfer Date.

5. Title

The Transferee shall without investigation objection or requisition accept such title as the Transferor has to the undertaking property and assets hereby agreed to be transferred.

6. Completion

- 6.1 Completion shall take place forthwith when the Transferor shall so far as possible make and give physical delivery and possession (insofar as this has not already been done) of the property and assets hereby agreed to be transferred and the Transferor shall not hereafter carry on the Business;
- 6.2 So far as the Transferee shall time to time thereafter reasonably require the Transferor shall execute or do or procure to be done all such assurances and things for vesting the property and assets hereby agreed to be transferred in the Transferee and for giving to it the full benefit of this Agreement and pending the executing or doing of all such assurances and things the Transferor shall hold the legal estate in such property and assets in trust for the Transferee;
- 6.3 If the Transferor having used its best endeavours so to do cannot for any reason whatsoever transfer to the Transferee the legal title to any of the said property or assets the Transferor hold the same upon trust and for the benefit of the Transferee absolutely.

7. VAT

Whilst it is believed that the transfer to be made hereunder is a transaction which may be treated under the provisions of Section 49 of the Value Added Tax Act 1994 and Article 5 of the Value Added Tax (Special Provisions) Order 1995 it is hereby agreed that the consideration for the sale of the assets is stated exclusive of VAT and if for any reason VAT is payable such VAT shall be paid by the Transferee in addition against delivery by the Transferor of an appropriate VAT invoice.

8. Employees

The parties hereby declare that it is their intention that the contracts of employment of all of the employees of the Transferor shall be transferred by this Agreement to the Transferee pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 1981.

9. Whole Agreement

- 9.1 It is acknowledged and agreed that this Agreement (including the documents and instruments referred to herein) shall supersede all prior representations arrangements understandings and agreements between the parties relating to the subject matter hereof and shall constitute the entire complete and exclusive agreement and understanding between the parties hereto.
- 9.2 The parties irrevocably and unconditionally waive any right they may have to claim damages for any misrepresentation arrangement understanding or agreement not contained in this Agreement or for any breach of any representation not contained in this Agreement (unless such misrepresentation or representation was made fraudulently).
- 9.3 It is further acknowledged and agreed that no representations arrangements understandings or agreements (whether written or oral) made by or on behalf of any of the other parties have been relied upon other than those expressly set out or referred to in this Agreement.

10. General

- 10.1 This Agreement shall be construed and governed in all respects in accordance with the laws of England and the parties submit to the exclusive jurisdiction of the English Courts.
- 10.2 The headings to the clauses of this Agreement are for ease of reference only and shall not be taken into account in the construction or interpretation of any provision to which they refer.
- 10.3 Insofar as the provisions of this Agreement remain to be fulfilled or performed after Completion the same shall continue in full force and effect notwithstanding Completion.
- 10.4 Each of the clauses and sub-clauses of this Agreement shall be construed, except where the context or terms expressly so require, without reference to any other clause or sub-clause and as a distinct and separate provision.

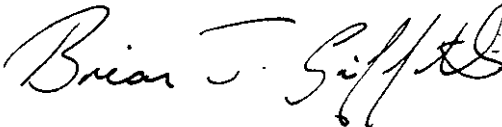
- 10.5 Any notice given under this Agreement shall be in writing and shall be delivered or sent by first class mail or fax. The notice shall be deemed served if delivered at the time of delivery or if sent by post 48 hours after the notice shall have been posted or if sent by fax when transmission was duly completed provided such correspondence was addressed to the registered office or trading address of or fax number of the party to receive the notice.

IN WITNESS whereof this Agreement has been signed the date first before written

SIGNED by
for and on behalf of
PROGRESS COMPUTER SYSTEMS
LIMITED

)
) 
)

SIGNED by
for and on behalf of
KELTEC PROGRESS LIMITED

)
) 
)

KPMG

Arlington Business Park
Theale
Reading, RG7 4SD
United Kingdom

Tel +44 (0) 118 964 2000
Fax +44 (0) 118 964 2222
DX 4053 Reading 1

Private & confidential

The Board of Directors
Progress Computer Systems Limited
2 Chiltern Court
Asheridge Road
Chesham
Bucks
HP5 2PX

Our ref ngr/adm/134/021

22 December 1998

Dear Sirs

Auditors' report to the directors of Progress Computer System Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 22 December 1998 in connection with the proposal that the company should give financial assistance for the purchase of 100% of the company's ordinary shares. We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

KPMG

KPMG

Registered auditors



Member firm of
KPMG International

KPMG is registered
to carry on audit work and
authorised to carry on
investment business

by the Institute of
Chartered Accountants in
England and Wales. The
principal place of

business is 8 Salsbury
Square, London EC4Y 8BB
where a list of partners'
names is open to inspection