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PRIVATE & CONFIDENTIAL

DATED 29 June 2004

THE PERSONS LISTED IN SCHEDULE 1 (1)

HIGHWAY INSURANCE HOLDINGS PLC (2)

AGREEMENT

for the sale and purchase of the issued shares of
A QUOTE INSURANCE SERVICES LIMITED

WE CERTIFY THIS TO BE A TRUE COPY OF
THE ORIGINAL

Lyons Davidson
LYONS DAVIDSON
SOLICITORS
BRISTOL

Lyons Davidson
Bridge House
48-52 Baldwin Street
Bristol
BS1 1QD

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DATED: 29 June

2004

PARTIES:

- (1) **THE PERSONS** whose names and addresses are listed in Part 2 of Schedule 1 ("Sellers");
- (2) **HIGHWAY INSURANCE HOLDINGS PLC** (Company Number 02998217) of Highway House, 171 Kings Road, Brentwood, Essex CM14 4EJ ("Buyer").

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement the words below have the meaning next to them unless the context requires otherwise:

"Accounts" the audited annual accounts of the Company prepared in compliance with section 226 CA 1985 (as defined in section 262 CA 1985) and also the audited balance sheet of the Company as at the Accounts Date including the notes to those accounts and the associated directors' and auditors' report;

"Accounts Date" 31 October 2003;

"Affiliate" in respect of a body corporate means:

- (a) any subsidiary of that body corporate;
- (b) any holding company of that body corporate;
- (c) any subsidiary of that holding company;
- (d) any subsidiary undertaking of that body corporate;
- (e) any subsidiary undertaking of that holding company; and
- (f) any Associated Company of that body corporate or that subsidiary or that holding company or that subsidiary undertaking;

"AJD" Andrew John Dunkerley;

"Associated Company" in relation to any company means any company or entity in which the Company or any Connected Person directly or indirectly owns or is interested in more than 20% of the voting share capital (or equivalent rights of ownership);

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| "Auditors" | the auditors of the Company, namely Menzies of Neville House, 55 Eden Street, Kingston upon Thames, Surrey KT1 1BW; |
| "Bank Facilities" | all bank accounts maintained or used by the Company and all overdraft, loan, invoice discounting and financial facilities available to the Company; |
| "Breach of Warranty" | anything which is a breach of any Warranty; |
| "business day" | a day which is not a Saturday or Sunday or a bank or national holiday in England; |
| "Buyer's Solicitors" | Lyons Davidson of Bridge House, 48-52 Baldwin Street, Bristol BS1 1QD; |
| "CA" | Companies Act; |
| "CAA" | Capital Allowances Act 2001; |
| "Claim" | a claim for Breach of Warranty; |
| "Company" | A Quote Insurance Services Limited (Company Number 02513362); |
| "Completion" | completion of the sale and purchase of the Shares by the Parties performing their obligations under Clause 5; |
| "Completion Accounts" | the completion accounts prepared in accordance with Clause 4 and Schedule 3; |
| "Completion Date" | the later of 2 nd July 2004 of two business days after the Conditions have been complied with;; |
| "Compromise Agreement(s)" | the compromise agreements to be entered into between each of AJD and MABD and the Company in the agreed form; |
| "Conditions" | means the Conditions to be met by the Sellers as set out in Schedule 10; |
| "Confidential Information" | all information which is not publicly known and which is used in or otherwise relating to the Company's business, customers or financial or other affairs including information relating to: <ul style="list-style-type: none"> (a) trade secrets, know-how, ideas, computer systems and computer software; |

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| | <p>(b) future projects, business development or planning, commercial relationships and negotiations; and</p> <p>(c) the marketing of goods or services or plots including customer names and lists, sales targets and statistics;</p> |
| "Connected Person" | a person connected with either of the Sellers or the Company as defined in section 839 Taxes Act; |
| "Consideration" | the total price for the Shares in accordance with Clause 3; |
| "Consideration Shares" | such number of ordinary shares of £0.20 each in the capital of the Buyer credited as fully paid to be allotted to the Sellers (as detailed in Schedule 1) pursuant to Clause 3; |
| "Disclosed" | disclosed in the Disclosure Letter in accordance with Clause 6.4; |
| "Disclosure Documents" | the Disclosure Letter and the two identical bundles of documents collated by or on behalf of the Sellers which are initialled for identification; |
| "Disclosure Letter" | the letter dated today from the Sellers to the Buyer disclosing certain matters in relation to the Warranties which has been delivered to the Buyer prior to the execution of this Agreement in the agreed form; |
| "DPA" | Data Protection Act 1998; |
| "Effective Date" | close of business on 30 June 2004 |
| "Encumbrance" | any encumbrance, including any claim, mortgage, charge, security, lien, option, pledge, assignment, debenture, hypothecation, title retention, right of set off or other security interest however created and whether relating to existing or future assets or any agreement or commitment to create any of these things; |
| "Employee" | a director (whether or not employed by the Company) or employee or worker of the Company; |
| "ERA" | Employment Rights Act 1996; |
| "Event" | Has the meaning given to it in the Tax Deed; |

“Finally Determined”

determined finally either:

- (i) by a court in respect of whose decision there is no appeal or the time limit for lodging an appeal has expired; or
- (ii) by the Sellers agreeing in writing that the Buyer is entitled to a payment for the claim;

“FRS”

a Financial Reporting Standard adopted or issued by the Accounting Standards Board Limited;

“Guarantee”

any guarantee, indemnity, suretyship, letter of comfort or other assurance, security or right of set-off given or undertaken by a person to secure or support the obligations of any third party and whether given directly or by way of counter-indemnity to any third party who has provided any of the above;

“HTA 1984”

Inheritance Taxes Act 1984;

“Intellectual Property Right”

copyrights, moral rights, related rights, patents, utility models, trade marks, trade or business names, service marks, design rights (registered or unregistered), database rights, rights in unfair competition, rights in undisclosed or confidential information (such as know-how, trade secrets and inventions) (whether patentable or not), domain names, rights protecting goodwill and reputation, rights under licenses and consents in relation to these things and other similar intellectual property rights (whether registered or not) and applications for such rights as may exist anywhere in the world;

“Issue Price”

the average of the closing mid price of an ordinary share of the Buyer derived from the London Share Service in the Financial Times (London Edition) in the first edition published after each of the seven dealing days up to and including the third dealing day prior to the Completion Date;

“IT Contracts”

any agreements, arrangements or licences with third parties relating to IT Systems;

“IT Systems”

all computer, telecommunications and network equipment and peripherals and any and all computer programs in all forms and formats and in both source and object form owned or used by the Company;

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| "Joint Account" | the joint account to be opened pursuant to Clause 9; |
| "Listing Rules" | the listing rules of the Stock Exchange as amended or revised from time to time; |
| "Loan Notes" | the Loan Notes as defined in the Loan Notes Instrument; |
| "Loan Notes Instrument" | the Instrument in the agreed form constituting Loan Notes in an aggregate nominal amount of £188,485; |
| "MABD" | Mark Andrew Bower-Dyke; |
| "Management Accounts" | the management accounts of the Company for the period from 1 November 2003 to the Management Accounts Date; |
| "Management Accounts Date" | 31 May 2004; |
| "Minority Shareholders" | the shareholders listed in Part 1 of Schedule 1 other than the Sellers; |
| "Minority Shareholders SPA" | the agreement in the agreed form for the sale and purchase of the Shares being sold by the Minority Shareholders; |
| "Nominated Account" | the Sellers' Solicitors client account numbered [REDACTED] at Allied Irish Bank (GB) Limited, [REDACTED] [REDACTED] [REDACTED] |
| "Parties" | the parties to this Agreement; |
| "Payment Date" | fifteen months after the Completion Date; |
| "Prohibited Area" | the area within a fifteen mile radius of Andover town centre; |
| "Properties" | The properties referred to in Schedule 5; |
| "Restricted Business" | the business of selling or offering for sale personal lines insurance; |
| "Retained Earnings" | the figure for retained earnings shown in the Completion Accounts and calculated in accordance with Clause 4 and Schedule 3; |
| "Retention" | the sum referred to in Clause 3.1.1 as reduced from time to time by payments made in accordance with this Agreement; |

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| "Retention Account Instructions" | the instructions set out in Schedule 9; |
| "Security Interest" | An Encumbrance (or an agreement or commitment to create one) excluding: <ul style="list-style-type: none"> (a) any lien arising in the ordinary course of business to secure amounts which are not material; (b) any unpaid seller'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 (c) liens arising by operation of law, excluding a banker's lien; |
| "Sellers' Solicitors" | Mundays of Cedar House, 78 Portsmouth Road, Cobham, Surrey KT11 1AN; |
| "Service Agreements" | the service agreements to be entered into by each of AJD and MABD and Highway Group Services Plc in the agreed form; |
| "Shares" | the entire issued share capital of the Company as described in Schedule 2; |
| "Stock Exchange" | London Stock Exchange plc |
| "subsidiary" and "subsidiary undertaking" | have the meaning given by sections 736 and 736A CA 1985 section 258 CA 1985 respectively; |
| "Tax" or "Taxation" | has the meaning given to these words in the Tax Deed; |
| "Taxation Authority" | has the meaning given to it in the Tax Deed; |
| "Taxation Liability" | has the meaning given to it in the Tax Deed; |
| "TA" | Income and Corporation Taxes Act 1988; |
| "Tax Deed" | the tax deed in the agreed form between the Sellers and the Buyer; |
| "Tax Warranties" | the Warranties in Part 2 of Schedule 7; |
| "TCGA" | Taxation and Chargeable Gains Act 1992; |
| "TULRCA" | Trade Union and Labour Relations Consolidation |

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| | Act 1992; |
| "TUPE" | Transfer of Undertakings (Protection of Employment) Regulations 1981; |
| "UK" | United Kingdom; |
| "UK GAAP" | all statements of standard accounting practice, financial reporting standards and urgent issues task force abstracts issued by the Accounting Standards Board (or any replacement body) and extant at the Accounts Date; |
| "VATA 1994" | Value Added Tax Act 1994; |
| "Warranties" | the warranties referred to in Clause 6 and set out in Schedule 7 including any Warranties repeated on or before Completion. |

1.2 In this Agreement unless the context requires otherwise:

- 1.2.1 a document "in the agreed form" or similar is a document which has been agreed by the Parties before Completion and which has been initialled by them or on their behalf for identification;
- 1.2.2 references to a Clause or Schedule are to a clause of, or a schedule to, this Agreement; references to this Agreement include its schedules; and references in a Schedule to a paragraph are to a paragraph of that Schedule;
- 1.2.3 references to this Agreement or any other document are to this Agreement or that document as amended from time to time;
- 1.2.4 the singular includes the plural and vice versa; references to any gender include every gender; and references to persons include corporations, partnerships and other unincorporated associations or bodies of persons;
- 1.2.5 all headings are for convenience, have no legal effect and should be ignored when interpreting this Agreement;
- 1.2.6 the words "other", "including" and "in particular" do not limit the generality of any preceding words;
- 1.2.7 any obligation not to do anything is deemed to include an obligation not to suffer, permit or cause that thing to be done if it is within the power of the relevant person to prevent that thing being done;
- 1.2.8 "agreement" includes any agreement, arrangement, contract, commitment, scheme or understanding whether legally binding or not and references to being party to an agreement will be construed accordingly;
- 1.2.9 "enactment" means any statute or statutory provision (of the UK or elsewhere) and any subordinate legislation made under any statute or statutory provision;

1.2.10 a reference to any enactment includes a reference to:

1.2.10.1 any enactment which that enactment has directly or indirectly replaced (with or without modification); and

1.2.10.2 that enactment as re-enacted, replaced or modified at any time except to the extent that the liability of any Party would be increased or extended as a result;

1.2.11 any agreement, covenant, warranty, undertaking or liability arising under this Agreement on the part of two persons shall be deemed to be made or given by such persons jointly and severally.

2. SALE OF SHARES

2.1 The Sellers will sell the Shares registered in their respective names as set out in Schedule 1 and shall procure the sale of the Shares held by the Minority Shareholders as set out in Schedule 1 (with all rights attaching or accruing to them at Completion) to the Buyer, and the Buyer will buy them from the Sellers and the Minority Shareholders.

2.2 The Sellers will and will procure that the Minority Shareholders will transfer the Shares free from all Encumbrances and with full title guarantee.

2.3 The Buyer need not buy any of the Shares unless the purchase of all the Shares is completed simultaneously.

2.4 The Sellers hereby waive and warrant and undertake that the Minority Shareholders have waived all rights of pre-emption they may have in respect of the Shares.

2.5 Completion is conditional upon fulfilment of the Condition on or before 31 July 2004 and the Sellers must use their reasonable endeavours to ensure that the Conditions for which they are respectively responsible are met as soon as possible and, in any event, by this date.

2.6 The Buyer may waive (to the extent it wishes) the Condition in Schedule 10.

2.7 If the Condition (if not previously waived) is not fulfilled on or before 31 July 2004, all obligations under this Agreement will end and no party will be able to claim against the others except for prior breach of Clause 2.5.

2.8 Pending Completion or earlier termination of this Agreement under Clause 2.7, the Sellers:

2.8.1 Will allow the Buyer or its authorised representatives reasonable access to the Properties and the Company's books and records;

2.8.2 Agree not to make any material decision concerning the business, assets or affairs of the Company without the prior written consent of the Buyer;

2.8.3 Will procure that the business of the Company is carried on in the ordinary course so as to maintain that business as a going concern;

2.8.4 Will procure that the Company does not take any action which will cause an adverse change in the financial or trading position or prospects of the Company;

- 2.8.5 Will procure that the Company takes all reasonable steps to preserve and protect its assets;
- 2.8.6 Will not dispose of any material part of its assets except in the ordinary course of trading nor borrow any money from its bankers other than pursuant to existing facilities and not enter into any guarantee or indemnity to secure and financial or other obligations of any other party nor enter into any long term, unusual or onerous contract or commitment;
- 2.8.7 Will procure that the Company will not create any Encumbrance over any of the Properties or any other asset of the Company nor will it appoint any additional directors or take on any new employee, officer or directors or terminate the employment or engagement of any employee, officer or director without the prior written consent of the Buyer;
- 2.8.8 Will procure that the Company will not permit any insurance to lapse or do anything which will make any policy of insurance void or voidable;
- 2.8.9 Will procure that the Company does not create, allot, issue, grant or agree to grant any option over, or acquire, repay or redeem any class of share or loan capital and does not vary or agree to vary the rights of, any class of share or loan capital.

3. **PRICE**

- 3.1 The Consideration for the Shares shall (subject to adjustment pursuant to the provision of Clause 4) be the sum of four million six hundred thousand pounds (£4,600,000) which shall be paid or satisfied as follows:
 - 3.1.1 the sum of £350,000 being paid in the manner provided by Clause 9;
 - 3.1.2 the sum of £230,000 being satisfied by the allotment (subject to Clause 5.7) at Completion of such number of ordinary shares, excluding fractions, of the Buyer, credited as fully paid, and entitled to the final dividend, but not the interim, dividend for the year ended 31 December 2004, as shall have the nearest aggregate value to but not less than £230,000 determined by reference to the Issue Price;
 - 3.1.3 the sum of £188,485 being satisfied by the issue on Completion of the Loan Notes;
 - 3.1.4 the balance of £3,831,515 being paid in cash at Completion.
- 3.2 The Sellers and the Minority Shareholders shall be entitled to the Consideration as set out in Schedule 1.
- 3.3 The Consideration Shares shall (subject to Clause 5.7) be issued on terms that they will rank pari passu in all respects with the ordinary shares of £0.20 each of the Buyer in issue at the date of allotment save as regards any dividend declared or paid by reference to a record date which is prior to the Completion Date. If the Buyer has failed to deliver the Consideration Shares to the Sellers within twenty-one days of the Completion Date either Seller may at any time thereafter elect by notice in writing to the Buyer to receive cash of

£230,000 (or an appropriate proportion thereof) in lieu of the Consideration Shares to which he is entitled.

4. COMPLETION ACCOUNTS

- 4.1 The Completion Accounts shall be prepared, and the Retained Earnings ascertained, in accordance with the provisions of Schedule 3.
- 4.2 If the Retained Earnings amount is a positive figure, the Consideration shall be increased by the amount of such Retained Earnings and paid to the Sellers and the Minority Shareholders in the proportions set out in Schedule 1 on 1 October 2004 or if the Completion Accounts have not been agreed by that date pursuant to the provisions of Schedule 3 then payment shall be made within seven days of the Completion Accounts being agreed or determined in accordance with Schedule 3. Interest shall accrue on such payment from 1 October 2004 until the date of payment to the Sellers and the Minority Shareholders at the rate of 2% over the base rate for the time being of Lloyds TSB Bank plc from time to time prevailing.
- 4.3 If the Retained Earnings amount to a negative figure (i.e. there are losses shown in the Completion Accounts) (agreed or determined in accordance with Schedule 3) the Consideration for the Shares shall be reduced by the amount of the negative figure and the Sellers and the Buyer authorise the Sellers' Solicitors and the Buyer's Solicitors to pay the relevant amount to the Buyer in cash from the Retention (together with interest earned thereon) within fourteen days after approval of the Completion Accounts or determination pursuant to Schedule 3 and should the Retention be insufficient to pay any reduction the Sellers undertake to pay the balance of the reduction within the said fourteen days and failing payment in full within the period of fourteen days, the balance outstanding shall bear interest from the Completion Date until actual payment at the same rate as is referred to in Clause 4.2.
- 4.4 Any payment to be made by the Buyer under this Agreement shall be made by telegraphic transfer from the Buyer's Solicitors to the Nominated Account whose receipt shall be an absolute discharge to the Buyer of its obligations to make such payment and the Buyer shall have no obligation to make any enquiries as to the allocation or payment of such amounts between the Sellers and the Minority Shareholders.

5. COMPLETION

- 5.1 Completion of the sale and purchase of the Shares will take place at the offices of the Sellers' Solicitors at noon on the Completion Date.
- 5.2 At Completion the Sellers will give to the Buyer the items listed in paragraph 1 of Schedule 4 and will procure the holding of a board meeting of the Company at which, amongst other things, the matters listed in paragraph 2 of Schedule 4 will be considered.
- 5.3 On Completion the Sellers will repay and will procure the repayment by any of their Connected Persons of all money owing by each of them to the Company whether due for payment or not.
- 5.4 Subject to the Sellers complying with their obligations under Clauses 5.1 to 5.3 (inclusive), the Buyer will carry out the actions in paragraph 3 of Schedule 4.

SCHEDULE 1

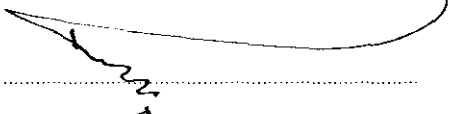
PART 2

SELLERS DETAILS

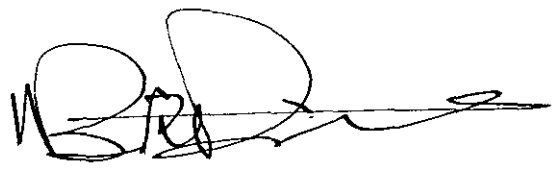
1. Andrew John Dunkerley
Kerrera
Ockham Road North
West Horsley
Surrey
KT24 6PF
2. Mark Andrew Bowyer-Dyke
Rowans
Houghton
Stockbridge
Hants
SO20 6LT

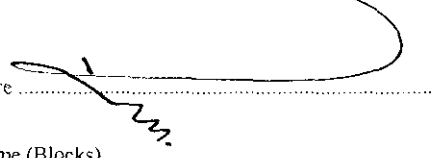
EXECUTED as a Deed by)
ANDREW JOHN DUNKERLEY)
in the presence of:)



W Signature 
I Full Name (Blocks) PETER MUNDAY
T Address CEDAR HOUSE
N PORTSMOUTH ROAD
E COBHAM
S SURREY
S Occupation SOLICITOR

EXECUTED as a Deed by)
MARK ANDREW BOWER-DYKE)
in the presence of:)



W Signature 
I Full Name (Blocks)
T Address as before
N
E
S
S Occupation

SIGNED by Ian Patrick on behalf of)
HIGHWAY INSURANCE HOLDINGS)
PLC)

