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DATED 9 September 1996

DYLAN BOGG
and
PHILIP WRIGHT
and
MARK FIRTH

WE HEREBY CERTIFY THIS TO BE
A TRUE COPY OF THE ORIGINAL

Howes Percival 7/2/97
HOWES PERCIVAL SOLICITORS, MILTON KEYNES

and

PASSED FOR FILING

OPEN COMPUTERS & FINANCE PLC

and

CHRISTOPHER MORRIS

and

BRIAN MCGOWAN

and

BIG COMMUNICATIONS LIMITED

SHAREHOLDERS AGREEMENT

HOWES PERCIVAL
252 UPPER THIRD STREET
GRAFTON GATE EAST
CENTRAL MILTON KEYNES
MK9 1DZ

BWR/mls/AGMT/ocfp.ag2/15.08.96/Draft 3c



THIS AGREEMENT is made the 9 day of *September* 199610

BETWEEN

- (1) Dylan Bogg of 73 Howard Road, Leicester, LE2 1XN ("Mr Bogg");
- (2) Philip Charles Wright of Flat 2, Cranesthorpe Court, 8 Guys Cliffe Avenue, Leamington Spa, Warwickshire, CV32 6LY ("Mr Wright");
- (3) Mark Firth of 286 Victoria Park Road, Leicester, Leicestershire, LE2 1XE ("Mr Firth");
- (4) Open Computers & Finance plc whose registered office is at Rotunda Business Centre, Thorncliffe Park, Chapeltown, Sheffield, S30 4PH ("OCF");
- (5) Christopher Morris of Spring Cottage, Kington Lane, Claverdon, Warwickshire ("Mr Morris");
- (6) Brian McGowan of Beamhurst Hall, Beamhurst, Nr. Uttoxeter, Staffordshire ("Mr McGowan"); and
- (7) BIG Communications Limited whose registered office is at 252 Upper Third Street, Grafton Gate East, Central Milton Keynes, MK9 1DZ ("the Company").

BACKGROUND

- (A) Each of Mr Bogg, Mr Wright and Mr Firth are directors of the Company and each hold 10,000 Ordinary Shares in the Company fully paid.
- (B) Mr Morris is also a director of the Company and holds 3636 Ordinary Shares in the Company fully paid.

IT IS AGREED THAT:

1. INTERPRETATION

1.1 In this Agreement:

'AGREED FORM' means in the form agreed by the parties and initialled by them or on their behalf;

'AGREED PROPORTIONS' means the proportionate number of Ordinary Shares held by each Shareholder in relation to the total number of issued Ordinary Shares;

'ARTICLES' means the Articles of Association of the Company from time to time;

'BOARD' means the board of directors for the time being of the Company;

'BUSINESS' means the business of the Company as described in clause 2.1 and such other business as shall be agreed from time to time in accordance with this Agreement;

'COMPLETION' means the performance by the parties of the obligations assumed by them respectively under clause 3;

'DIRECTOR' means any director for the time being of the Company including where applicable any alternate director;

'ENCUMBRANCE' means any pledge, lien or charge over, or any option or other rights or encumbrances on or in respect of all or any of the Shares;

'EXECUTIVE SHAREHOLDERS' means each of Mr Bogg, Mr Wright and Mr Firth;

'GUARANTEES' means all guarantees, indemnities and covenants referred to in clause 9.1, as varied extended or renewed;

'OPTIONS' means the options granted to OCF and the Executive Shareholders pursuant to an option agreement between the Executive Shareholders and OCF to be entered into pursuant to Clause 3.2.3

'ORDINARY SHARES' means the Ordinary Shares of £1.00 each in the capital of the Company.

'SHAREHOLDERS' means the parties to this Agreement or any person or persons to whom they may properly transfer their Shares in accordance with the provisions of this Agreement;

'SHARES' means any shares of whatever class in the share capital of the Company;

'SUBSIDIARY' shall have the meaning ascribed to such expression by section 736 of the Companies Act 1985;

2. OBJECTS OF THE COMPANY

2.1 The primary object of the Company shall be to carry on the business of an advertising agency and related activities.

2.2 The Business shall be conducted in the best interests of the Company on sound commercial profit making principles so as to generate (after payment of salaries and bonuses) the maximum achievable maintainable profits available for distribution.

3. COMPLETION

3.1 Completion shall take place at 252 Upper Third Street, Grafton Gate East, Central Milton Keynes, MK9 1DZ immediately after the execution of this Agreement.

3.2 On Completion:

3.2.1 the Company shall issue and allot to Mr McGowan 1818 Ordinary Shares for a total price of £10,000 subject to immediate payment in cash;

the Company shall issue and allot to OCF 10,000 Ordinary Shares in consideration of:

- (a) the immediate payment in cash of £18,000; and
- (b) OCF providing to the Company free of charge the following:-

- (i) Two cars in good working order of a type equivalent to those supplied by OCF to its sales representatives, together with one BMW 3 series car, or equivalent car with a true mileage of less than 60,000 each for exclusive use by the Company for a period of 3 years from the date of this Agreement (together "the Cars"). The Cars shall be taxed by OCF, comprehensively insured by OCF for all drivers authorised by the Company and OCF shall pay for the repair, maintenance and other running expenses and shall replace each of the Cars at least every 12 months with a similar or equivalent car PROVIDED ALWAYS that the Company shall pay for petrol and oil;
- (ii) The equipment set out in Schedule 1 for a period of 3 years from the date of this Agreement and OCF shall maintain (free of charge) the equipment marked with an asterix in Schedule 1;
- (iii) Provide such assistance (including on site assistance) as is reasonably required by BIG to set up (and to teach the appropriate members of the Company's staff to use) the computers, programs and software reasonably required by the Company in connection with its accountancy and book keeping functions;
- (iv) For a period of 3 years from the date of this Agreement OCF's accountancy staff shall provide telephone assistance in relation to accountancy functions and computer software and programs relating thereto and shall, if requested by the Company, provide an

appropriate member of OCF's staff to attend the Company's premises not more than one day per month to ensure that the computer and software/programs relating thereto are being operated and are operating properly;

(v) reimbursement, in cash (and subject to production of receipts) of all costs incurred (whether by the Company or the Executive Shareholders) in connection with the lease/licence of the offices at 139 Queens Road, Leicester including, without limitation, rent, licence fees, rates and water rates;

(vi) payment, in cash (and subject to production of receipts) of all rents and rates (or replacements thereof) incurred in the period of 3 years from the date of this Agreement in connection with the lease/licence of 139 Queens Road, Leicester or such other offices (subject to a maximum of 1000 sq feet) that the Company occupies in place of 139 Queens Road, Leicester and PROVIDED THAT if the Company occupies offices exceeding 1000 square feet then OCF shall pay a proportion of the rent and rates incurred at such offices equal to 1000/actual square feet of office space;

3.2.3 the Executive Shareholders shall enter into the Option Agreement with OCF in the Agreed Form.

4. OCF MARKETING SPEND RENT AND RATES

4.1 OCF warrants and undertakes to each of the Executive Shareholders (for themselves and as agents for and on behalf of the Company) and to the Company that for a period of 3 years from the date of this Agreement or at all times that OCF holds Shares in the Company whichever is the longer it will (subject to the proviso to this clause 4.1) instruct the Company to carry out marketing work and assignments

(excluding telesales) PROVIDED THAT the services provided by the Company to OCF in relation to such work and assignments are carried out with a level of competence to be reasonably expected of a company of the nature of the Company and with all reasonable skill and care and that the fees charged by the Company for such work and assignments are reasonably comparable with the fees charged by other advertising agencies for the same type of assignments and quality of work.

- 4.2 OCF agrees to pay to the Company for a period of three years from the date of this Agreement the sum of £25,000 as a retainer in advance every 3 months ("the Quarterly Period") beginning on the date of this Agreement ("the Quarterly Payment") which sum shall represent in part, payment pursuant to clause 3.2.2(b)(vi), and the remainder being payment in advance for marketing work and assignments to be carried out by the Company in accordance with clause 4.1.
- 4.3 The Company shall raise and submit invoices for all work carried out by it for OCF and OCF shall be liable to pay in each Quarterly Period, all amounts due in excess of the amount paid in advance under clause 4.2.
- 4.4 Payments shall be made within 21 days of issue of the date of the invoice, failing which interest shall accrue on a daily basis on all outstanding amounts from the date due until paid at 3% above the base rate from time to time of Barclays Bank plc.
- 4.5 For the avoidance of doubt, in the event that the Company invoices OCF for less than £25,000 pursuant to clause 4.1 in any Quarterly Period, the Company shall under no circumstances be liable to repay any of the Quarterly Payment or use it for payment of future invoices under clause 4.1 but shall simply raise an invoice for such sum as a retainer.

5. APPOINTMENT OF DIRECTORS

5.1 The Directors of the Company shall be Dylan Bogg, Philip Wright, Mark Firth, Christopher Morris and Martin Thornton ("the Present Directors") provided always that in the event of any of them transferring all of their Shares in accordance with clause 12, then prior to the transfer being registered, the relevant Shareholder shall resign as a Director.

5.2 The maximum number of Directors holding office at any time shall be 5 unless otherwise expressly agreed in writing by four of the Present Directors.

5.3 The quorum for the meetings of the Board shall be 3 Directors of which 2 shall be Executive Directors.

5.4 The non executive directors shall not be entitled to any directors fees unless expressly agreed otherwise by the Board.

6. CONDUCT OF THE COMPANY'S AFFAIRS

6.1 Except as the shareholders may otherwise unanimously agree in writing, the Shareholders shall exercise all voting rights and other powers of control available to them in relation to the Company so as to procure (insofar as they are able by the exercise of such rights and powers) that at all times during the term of this Agreement:

6.1.1 The business of the Company consists exclusively of the Business;

6.1.2 The Shareholders shall each be entitled to examine the books and accounts kept by the Company and to be supplied with all relative information, including monthly management accounts and operating statistics and such other trading and financial information in such form as they may reasonably require to keep each of them properly informed about the business of the Company and generally to protect their

interests;

- 6.1.3 The Board will determine the general policy of the Company (subject to the express provisions of this Agreement) including the scope of its activities and operations and the Board will reserve to itself all matters involving major or unusual decisions;
- 6.1.4 The bankers of the Company shall be Barclays Bank plc;
- 6.1.5 The registered office of the Company shall be 252 Upper Third Street, Grafton Gate East, Central Milton Keynes, MK9 1DZ;
- 6.1.6 The Company shall comply with the provisions of its Memorandum and Articles of Association;
- 6.1.7 Such Memorandum and Articles of Association of the Company will not be altered and no further articles or resolutions inconsistent therewith will be adopted or passed unless the terms of such articles or resolution have been previously approved in writing by each of the Shareholders;
- 6.1.8 The Company shall procure that any company which becomes a Subsidiary of the Company at any time during the term of this Agreement shall adopt new Articles of Association in a form approved by the Shareholders;
- 6.1.9 All cheques bankers drafts and other forms of authorisation for payment drawn by the Company shall be signed by any two of the Executive Shareholders;
- 6.1.10 Board meetings shall (unless agreed otherwise in writing or at a board meeting) be convened, at regular intervals not exceeding 3 months during this Agreement by not less than 10 days notice in writing accompanied by an agenda specifying the business to be transacted;
- 6.1.11 The auditors of the Company shall be Harris & Co, Northampton; and
- 6.1.12 The Company transacts all its business on arms length terms;

7. MATTERS REQUIRING CONSENT OF SHAREHOLDERS

- 7.1 The Shareholders shall exercise all voting rights and other powers of control available to them in relation to the Company so as to procure (insofar as they are able by the exercise of such rights and powers) that the Company shall

not without the prior written consent of the Shareholders holding all of the issued Ordinary Shares:

- 7.1.1 create any fixed or floating charge, lien (other than a lien arising by operation of law) or other encumbrance over the whole or any part of the undertaking, property or assets of the Company, except for the purpose of securing the indebtedness of the Company to its bankers for sums borrowed in the ordinary and proper course of the Business;
- 7.1.2 make any loan or advance or give any credit (other than normal trade credit) to any person, except for the purpose of making deposits with bankers which shall be repayable upon the giving of no more than 7 days' notice;
- 7.1.3 give any guarantee or indemnity to secure the liabilities or obligations of any person;
- 7.1.4 sell, transfer, lease, assign, or otherwise dispose of a material part of the undertaking, property and/or assets of the Company (or any interest therein), or contract so to do otherwise than in the ordinary and proper course of the Business;
- 7.1.5 issue any Shares that may from time to time be unissued in the capital of the Company or create or issue any new Shares;
- 7.1.6 alter any rights attaching to any class of share in the capital of the Company;
- 7.1.7 consolidate, sub-divide, re-classify, or convert any of the Company's share capital;
- 7.1.8 issue renounceable allotment letters or permit any person entitled to receive an allotment of shares to nominate another person to receive such allotment except on terms that no such renunciation or nomination shall be registered unless the renouncee or person nominated is approved by the Board; or
- 7.1.9 knowingly do or permit or suffer to be done any act or thing whereby the Company may be wound up (whether voluntarily or compulsorily);
- 7.1.10 issue any debentures or other securities convertible into shares or debentures or any share warrants or any options in respect of shares;
- 7.1.11 enter into any contract or transaction except in the

ordinary and proper course of the Business on arm's length terms;

7.1.12 acquire, purchase or subscribe for any shares, debentures, mortgages or securities (or any interest therein) in any company, trust or other body;

7.1.13 create any contract or obligation to pay money or money's worth to any member of the Company or to any person as a nominee or associate of any such member other than contracts or obligations relating to the remuneration or fees of Directors.

7.2 The Shareholders shall exercise all voting rights and other powers of control available to them in relation to the Company so as to procure (insofar as they are able by the exercise of such rights and powers) that the Company shall not without the prior written consent of the Shareholders holding 80% of the issued Ordinary Shares:

7.2.1 create, acquire or dispose of any Subsidiary or of any shares in any Subsidiary;

7.2.2 enter into any partnership or profit sharing agreement with any person.

7.3 The Shareholders shall exercise all voting rights and other powers of control available to them in relation to the Company so as to procure (insofar as they are able by the exercise of such rights and powers) that the Company shall not without the prior written consent of the Shareholders holding 75% of the issued Ordinary Shares:

7.3.1 borrow any sum (except from the Company's bankers in the ordinary and proper course of the Business) in excess of a maximum aggregate sum outstanding at any time of £10,000;

7.3.2 enter into any contract, arrangement or commitment involving expenditure on capital account or the realisation of capital assets if the amount or the aggregate amount of such expenditure or realisation by the Company would exceed £30,000 in any one year or in relation to any one project, and for the purpose of this paragraph, the aggregate amount payable under any agreement for hire, hire purchase or purchase on credit sale or conditional sale terms shall be

deemed to be capital expenditure incurred in the year in which such agreement is entered into;

7.3.3 engage any new employee at remuneration which could exceed the rate of £20,000 per annum;

7.3.4 with the exception of Directors remuneration increase the remuneration of any employee to a rate which could exceed the rate of £20,000 per annum or increase the remuneration of any employee whose existing remuneration does exceed such rate;

7.3.5 take or agree to take any freehold or leasehold interest in or licence over any land;

7.3.6 appoint or dismiss any Director but without prejudice to the rights conferred on each of the Shareholders pursuant to clause 5 to appoint and remove Directors.

7.4 The monetary figures in clauses 7.3.1, 7.3.2, 7.3.3 and 7.3.4 shall be increased in proportion to the increase in the retail price index from the date of this Agreement.

8. FURTHER FINANCE

8.1 The Shareholders shall each use reasonable endeavours to procure that the requirements of the Company for working capital to finance the Business are met as far as practicable by borrowings from banks and other similar sources on the most favourable terms reasonably obtainable as to interest, repayment and security, but without allowing any prospective lender a right to participate in the equity share capital of the Company as a condition of any loan.

9. GUARANTEES GIVEN BY THE SHAREHOLDERS

9.1 The Executive Shareholders agree that, subject to clauses 9.2 and 9.3, the aggregate amount of any actual liability incurred by them pursuant to any joint and several guarantee given by them to any third party in respect of any liabilities or obligations of the Company or pursuant to any guarantee or indemnity (whether several or joint and several) given in respect of such obligations or liabilities

by any of them with the written consent of the other Executive Shareholders shall be borne by them in proportion to their shareholdings in the Company from time to time and each shall indemnify and keep indemnified the other Executive Shareholders accordingly.

9.2 If any liability incurred under a Guarantee is solely attributable to the act or default of one Executive Shareholder then, notwithstanding clause 9.1, the whole of such liability shall be borne by such Executive Shareholder who shall indemnify and keep indemnified the other Executive Shareholders accordingly.

9.3 If any Executive Shareholder disposes of all his Shares to the other Shareholder(s) then the Shareholder(s) acquiring such Shares will use all reasonable endeavours to obtain the release of that Executive Shareholder from any Guarantees it may have given pursuant to this Agreement and, pending the obtaining of such release, they shall jointly and severally keep the Shareholder fully and effectively indemnified against any liability pursuant to any such Guarantees which arises in respect of the period between the completion of the sale of the shares and the date the guarantee(s) is/are released.

10. DISPOSAL OR CHARGING OF THE SHARES

10.1 None of the Shareholders shall:

10.1.1 create any Encumbrance over the shares otherwise than pursuant to the Options;

10.1.2 transfer or agree to transfer any or all of its Shares to any competitor of the Company.

10.1.3 transfer or dispose of any shares (otherwise than by a transfer of shares in accordance with the provisions of this Agreement).

11. ISSUE OF SHARES

11.1 The issue of Shares shall be regulated in accordance with

the provisions set out in the Articles and this Agreement.

12. TRANSFER OF SHARES

- 12.1 The Directors shall refuse to register the transfer of any Share unless such transfer is permitted by, or is made pursuant to and in accordance with clause 13. The Directors shall also refuse to register the transfer of any Share which is prohibited under clause 14 and the Articles.
- 12.2 Subject to paragraphs 12.3 and 12.7 the Directors shall not be entitled to decline to register the transfer of any Share which is permitted by, or is, made pursuant to and in accordance with clause 13 and the provisions of the Articles.
- 12.3 For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of this Agreement or under the provisions of the Articles, the Directors may require the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the Directors may think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.
- 12.4 If a member or other person entitled to transfer a Share at any time attempts to deal with or dispose of the Share or any interest therein otherwise than in accordance with the provisions of clause 13 and the Articles or in contravention of clause 14 he shall be deemed immediately prior to such attempt or event to have given a Transfer Notice (as defined in clause 13.1) in respect of such share.
- 12.5 Where a Transfer Notice in respect of any Share is deemed to have been given under any provision of this Agreement or under the Articles and the circumstances are such that the

Directors are unaware of the facts giving rise to the same such Transfer Notice shall be deemed to have been received by the Directors on the date on which the Directors receive actual notice of such facts and the provisions of clause 13 shall apply accordingly.

12.6 Notwithstanding the provisions of clause 13.3 a Transfer Notice deemed given in accordance with the provisions of Clause 12.4 shall not be revocable.

12.7 The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any Share which would otherwise be permitted under this Agreement if it is a transfer of a share on which the Company has a lien.

13. PRE-EMPTION RIGHTS

13. No transfer of Shares or any interest in Shares shall be made by any member unless the following provisions are complied with in respect of such transfer.

13.1 Any member who wishes to transfer Shares or any interest in Shares (the "Vendor") shall give to the Company notice thereof in writing (the "Transfer Notice"). Subject as hereinafter mentioned, a Transfer Notice shall constitute the Company the Vendor's agent for the sale of the Shares specified therein ("the Sale Shares") at a price ("the Sale Price") to be agreed upon by the Vendor and the Directors within one month of the date of the Transfer Notice or, in the absence of such agreement, at the price determined by the Company's auditors (or if in the Transfer Notice the Vendor objects to the Company's auditors, by an independent chartered accountant agreed upon by the Vendor and the Company, or in the absence of agreement, appointed by the President for the time being of the Institute of Chartered Accountants of England and Wales upon the request of either the Vendor or the Company)("the Accountants"). The Accountants shall act as an expert and not as an arbitrator

and shall determine the fair value of the Sale Shares within three months of being instructed as at the date of the Transfer Notice as between a willing seller and a willing buyer contracting on arm's length terms, having regard to the value of the business of the Company (and its subsidiaries) as a going concern but without taking into account (if it be the case) that the Sale Shares constitute a minority or majority interest such that the Sale Shares are valued as a rateable proportion of the Company as a whole. The fair value shall be set out in an Accountants certificate which the Accountants shall deliver to the Company and the Vendor.

- 13.2 The Accountant's Certificate shall be binding upon all parties.
- 13.3 If the Accountant's are asked to certify the Sale Price the Company shall within 7 days of the issue of the Accountant's Certificate furnish a copy thereof to the Vendor and the Vendor shall be entitled, by notice in writing given to the Company within 14 days of the service upon him of the said copy, to withdraw the Transfer Notice. The cost of obtaining the certificate shall be borne by the Company unless the Vendor withdraws the Transfer Notice in which case it will be paid by the Vendor. Except as otherwise expressly provided in this article a Transfer Notice shall not be revocable except with the consent of the Company, who may impose such condition to any consent as they think fit, including a condition that the Vendor bears all costs arising therefrom.
- 13.4 Upon the Sale Price being agreed or fixed as aforesaid and provided the Vendor does not give notice of withdrawal as aforesaid the Directors shall forthwith by notice in writing offer to the Executive Shareholders (if any) the Sale Shares at the Sale Price. Such offer shall be open for a period of 28 days from the date of the notice ("the Acceptance Period") and shall notify the Executive Shareholders that they may apply for more Shares than allocated to them. If

the Executive Shareholders within the Acceptance Period apply for all of the Sale Shares the Directors shall allocate the Sale Shares or such of the Sale Shares as are applied for to the Executive Shareholders. In the case of competition the Directors shall allocate the Sale Shares in proportion to the Executive Shareholders then existing holdings of Shares.

13.5 If, at the date of determination of the Sale Price there are no Executive Shareholders, or if not all the Sale Shares are allocated under the offer in clause 13.4, the Sale Shares or the balance of the Sale Shares as the case may be, ("the Remaining Shares") shall be offered by notice in writing to other members. Such offer shall be open for a further period of 28 days from the date of the notice ("the Further Acceptance Period") and shall notify such members that they may apply for more Shares than allocated to them. If the other members shall within the Acceptance Period apply the Remaining Shares the Directors shall allocate the Remaining Shares or such of the Remaining Shares as are applied for to the other members. In the case of competition, the Directors shall allocate their members their existing holdings of Shares.

13.6 If within the Acceptance Period and the Further Acceptance Period the Executive Shareholders and the remaining members ("the Transferees") accept the offer of all or any of the Sale Shares at the Sale Price the Directors shall forthwith give notice in writing ("the Acceptance Notice") of such acceptance to the Vendor and shall specify in such notice the place and time (being not earlier than 7 and not later than 28 days after the date of the Acceptance Notice) at which the sale of the Sale Shares for shall be completed PROVIDED THAT if members do not accept the offer for all of the Shares the Vendor may by written notice served on the Company within 7 days of receipt of the Acceptance Notice give notice that he is not willing to sell any of the Shares.

13.7

The Vendor shall be bound to transfer the Sale Shares (or part thereof provided that the Vendor has not given notice in accordance with the proviso to Clause 13.6) to the Transferees at the time and place specified in the Acceptance Notice and payment of the Sale Price for the Sale Shares or such of the Sale Shares as are applied for shall be made to the Directors as agents for the Vendor. . If the Vendor shall fail to transfer the Sale Shares the chairman of the Company or some other person appointed by the Company shall be deemed to have been appointed attorney of the Vendor with full power to execute, complete and deliver, in the name and on behalf of the Vendor, a transfer of the Sale Shares to the Transferees against payment of the Sale Price to the Company. On payment of the Sale Price to the Company the Transferees shall be deemed respectively to have obtained a good discharge for such payment and on execution and delivery of the transfers the Transferees shall be entitled to insist upon their respective names being entered in the register of members as the holders by transfer of the Sale Shares. The Company shall forthwith pay the price into a separate bank account in the Company's name and shall hold such price in trust for the Vendor subject to applying the same on its behalf in settling any fees or expenses falling to be borne by the Vendor. After the names of the Transferees have been entered in the register of members in purported exercise of the aforesaid powers of validity of the proceedings shall not be questioned by any person.

13.8

If the offer of the Sale Shares at the Sale Price shall not be accepted in whole by the Transferees within the Acceptance Period then the Vendor for a period of 6 months thereafter shall be at liberty to transfer all of the Sale Shares to any persons at a price not being less than the Sale Price provided that the Directors may require to be satisfied that the Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfers without any deduction, rebate or allowance of any kind to the purchasers and if not so satisfied may refuse to register the relevant instruments of transfer.

Provided that any Director nominated by the Vendor or whose shareholding in the Company comprises the Sale Shares shall not be entitled to vote at any board meeting at which a resolution considering such sale is proposed.

13.9 Upon transferring the Sale Shares to the Transferees or to a third party in accordance with the provisions of this Clause 13 the Vendor shall procure that all Directors appointed by it to the board of the Company shall resign.

13.10 The restrictions on transfer contained in this Clause 13 shall not apply to:

13.10.1 any transfer approved in writing by all the members;

13.10.2 any transfer from the holder of shares to a Member of his Family.

13.10.3 any transfer pursuant to Clause 24

13.10.4 any transfer pursuant to the Option Agreement referred to in Clause 3.2.3.

"Member of his Family" means the husband, wife, or cohabitee of the holder of shares.

13.11 For the purposes of this Clause 13 the following shall be deemed (without limitation) to be service of a Transfer Notice:

13.11.1 any direction (by way of renunciation nomination or otherwise) by a member entitled to an allotment or transfer of shares to the effect that such shares or any of them be allotted or issued or transferred to some person other than himself;

13.11.2 any sale or other disposition of any beneficial interest in a share (whether or not for consideration or otherwise) by whomsoever made and whether or not effected by an instrument in writing;

13.11.3 the death, bankruptcy or liquidation of any member.

13.12 OCF shall be deemed to have served a Transfer Notice if it is in breach of clause 4 above, (and if a remedial breach fails to remedy such breach within 14 days of notice from the Company specifying in reasonable detail the breach and

requiring remedy) or has failed to pay any sum due under clause 26.1 within 7 days of being notified of the amount by the Company's Auditors (time being of the essence). If a Transfer Notice is deemed to be served pursuant to this clause 13.12 then notwithstanding the other provisions of this Agreement the price for the Sale Shares shall be one quarter of the price determined in accordance with clause 13.1 above.

- 13.13 If any member of the Company enters into a transaction or an event of the kind referred to in Clause 13.11 or otherwise attempts to transfer any shares otherwise than in accordance with this Clause 13, or in the case of OCF an event specified in clause 13.12 occurs or in the case of a corporate member enters into liquidation (except a members' voluntary liquidation for the purpose of reconstruction or amalgamation) or suffers an administrative receiver or receiver to be appointed over all or any of its assets or suffers an administration order to be made against it, such member shall be deemed to have given a Transfer Notice in respect of all Shares held by such member or by any nominee for him respectively or immediately prior to that event.
- 13.14 In respect of any Transfer Notice deemed to have been given under Clauses 13.11 to 13.13 inclusive:
- 13.14.1 such notice shall be deemed to contain a provision that unless all the Sale Shares comprised therein are sold by the Company pursuant to this Clause 13 none shall be sold and any such provision shall be binding on the Company; and
- 13.14.2 Clause 13.3 shall not apply insofar as it entitles the Vendor to withdraw the Transfer Notice;
- 13.14.3 where a member gives a Transfer Notice in circumstances where a Transfer Notice would otherwise be deemed to have been given by him then Clause 13.14.2 above shall apply.
- 13.14.4 Any Shareholders who transfer any Shares to a third party shall procure that the transferee (if it is not a party to this Agreement) enters into a deed of adherence in such form as the Board reasonably requires providing for that third

party to be bound by the terms of this Agreement in place of the transferor Shareholder (if it is a transfer of all of its Shares) or in addition to the transferor Shareholder (if it is a transfer of only some of its Shares) and the Directors shall refuse to register any transfer of shares until such time as a deed of adherence is provided by such third party.

14. PROHIBITED TRANSFERS

14.1 Notwithstanding anything else contained in this Agreement no share shall be issued or transferred to any infant, bankrupt or person of unsound mind.

15. EXERCISE OF VOTING RIGHTS

15.1 Each Shareholder undertakes with the others as follows:

15.1.1 to exercise all voting rights and powers of control available to it in relation to the Company so as to give full effect to the terms and conditions of this Agreement including, where appropriate, the carrying into effect of such terms as if they were embodied in the Company's Memorandum and Articles of Association;

15.1.2 to procure that any Director nominated by them and any other representatives will support and implement all reasonable proposals put forward at Board and other meetings of the Company for the proper development and conduct of the Business as contemplated in this Agreement and to procure that all third parties directly or indirectly under its control shall refrain from acting in a manner which will hinder or prevent the Company from carrying on the Business in a proper and reasonable manner; and

15.1.3 generally to use all reasonable endeavours to promote the Business and the interests of the Company.

16. NOTICES

16.1 Any notice to be given under this Agreement shall either be delivered personally or sent by first class post or

facsimile transmission. The address for service of each Shareholder shall be his address stated above or any other address for service previously notified to the other Shareholders or (in the absence of any such notification) his last known place of residence. A notice shall be deemed to have been served as follows:

- 16.1.1 if personally delivered, at the time of delivery;
- 16.1.2 if posted, at the expiration of 48 hours after the envelope containing the same was delivered into the custody of the postal authorities; and
- 16.1.3 if sent by facsimile, at the time of transmission.

16.2 In proving such service it shall be sufficient to prove that personal delivery was made, or that the envelope containing such notice was properly addressed and delivered into the custody office of the postal authority as a prepaid first class letter or that the facsimile was transmitted as the case may be.

16.3 All notices shall be in writing.

17. DIVIDENDS AND EXECUTIVE SHAREHOLDERS SALARIES

17.1 Unless Shareholders holding 90% of the issued Ordinary Shares otherwise agree in writing, the Shareholders shall procure that subject to all Directors' salaries and bonuses having been paid a reasonable amount (subject to a minimum of 15% of the Company's pretax profits for that financial year legally available for distribution) shall be distributed by the Company to the Shareholders by way of dividend in accordance with the Company's Articles of Association provided that there remains sufficient working capital for the growth of the Business.

17.2 The Shareholders agree that it is the intention that:

- 17.2.1 each of the Executive Shareholders shall receive the same salary, bonuses and other remuneration and benefits as each other; and
- 17.2.2 the salaries, bonuses and other remuneration and benefits

of each of the Executive Shareholders shall, as soon as possible and subject to cashflow requirements and profitability of the Company, be increased to an amount commensurate with salaries received by people holding similar positions in business within the same industry as the Business. In assessing the profitability of the Company for this clause 17.2 the initial 6 months of trading of the Company shall be disregarded.

18. THIS AGREEMENT NOT TO CONSTITUTE A PARTNERSHIP

18.1 None of the provisions of this Agreement shall be deemed to constitute a partnership between the Shareholders and none of them shall have any authority to bind the others in any way.

19. NON-DISCLOSURE OF INFORMATION

19.1 None of the Shareholders shall divulge or communicate to any person (other than those whose province it is to know the same or with proper authority) or use or exploit for any purpose whatever any of the trade secrets or confidential knowledge or information or any financial or trading information relating to the other Shareholders and/or the Company which the relevant Shareholders may receive or obtain as a result of entering into this Agreement.

19.2 The restriction in clause 19.1 shall continue to apply after the expiration or sooner termination of this Agreement without limit in point of time but shall cease to apply to information or knowledge which may properly come into the public domain through no fault of the Shareholders so restricted.

20. ASSIGNMENT

20.1 None of the Shareholders shall assign or transfer or purport to assign or transfer any of their rights or obligations hereunder without the prior written consent of the other

Shareholder.

21. **SUCCESSORS AND ASSIGNS**

- 21.1 This Agreement shall enure for the benefit of and be binding on the respective successors in title and permitted assigns of each Shareholder who shall procure in transferring any of its Shares in the Company that each such transferee shall execute a deed with the other Shareholders by which the transferee agrees to be bound by terms identical, mutatis mutandis, to the terms of this Agreement (including the terms of this clause as regards any subsequent transfer of the Shares).

--- **GOVERNING LAW**

- 22.1 The construction, validity and performance of this Agreement shall be governed in all respects by English law and subject to exclusive jurisdiction of English Courts.

23. **THE TERMS OF THIS AGREEMENT TO PREVAIL**

- 23.1 In the event of any ambiguity or conflict arising between the terms of this Agreement and those of the Company's Memorandum and Articles of Association, the terms of this Agreement shall prevail as between the Shareholders.

24. **THIRD PARTY OFFER**

- 24.1 If the holder(s) of at least 70% of the Ordinary Shares (for the purposes of this clause 24 "the Seller") intends to sell all of the Ordinary Shares held by them (the shares to be sold by the Seller being referred to as "Selling Shares"), the Seller shall have the right, if it or they so wish, to give to the Company not less than 14 days' notice in advance before selling the Selling Shares. That notice ("the Selling Notice") will include details of the Selling Shares and the proposed price for each Selling Share to be paid by the proposed purchaser ("the Proposed Purchaser"), details

of the Proposed Purchaser, the place, date and time of completion of the proposed purchase being a date not less than 14 days after the date of the Compulsory Sale Notice (as referred to and defined below) ("Completion").

24.2 Immediately upon receipt of the Selling Notice, the Company shall give notice in writing ("a Compulsory Sale Notice") to each of the members (other than the Seller), giving the details contained in the Selling Notice, requiring them each to sell to the Proposed Purchaser at Completion all of their holdings of Ordinary Shares.

24.3 Each member who is given a Compulsory Sale Notice shall sell all of his shares referred to in the Compulsory Sale Notice at the highest price per Ordinary Shares (excluding, for this calculation, arrears etc of dividends or interest) of that class to be sold to the Proposed Purchaser on Completion by the Seller, subject only to the Seller completing the sale to the Proposed Purchaser as referred to in clause 24.1. In calculating the highest price per Ordinary Share to be acquired there shall be included an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by any Seller which can reasonably be regarded as forming part of the consideration for the sale of such Sellers Ordinary Shares.

If the Proposed Purchaser has acquired other Ordinary Shares in the Company within the period of 6 months prior to the current offer to buy shares at a greater price per Ordinary Share then the price per Ordinary Share offered under the current offer shall be increased to reflect such greater price per Ordinary Share.

24.4 If any member(s) ("the Defaulting Member(s)") fails to comply with the terms of a Compulsory Sale Notice given to him, the Company shall be constituted the agent of each Defaulting Member for the sale of his shares in accordance with the Compulsory Sale Notice (together with all rights

then attached thereto) and the Directors may authorise some person to execute and deliver on behalf of each Defaulting Member the necessary transfer(s) and the Company may receive the purchase money in trust for each of the Defaulting Members and cause the Proposed Purchaser to be registered as the holder of such shares. The receipt of the Company for the purchase money, pursuant to such transfers, shall constitute a good and valid discharge to the Proposed Purchaser (who shall not be bound to see to the application thereof) and after the Proposed Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money to a Defaulting Member until he shall in respect of the shares being the subject of the Compulsory Sale Notice have delivered his share certificates or a suitable indemnity and the necessary transfers to the Company. Provided that all the members comply with each Compulsory Sale Notice, the Seller shall sell the Selling Shares to the Proposed Purchaser on Completion, subject at all times to the Seller being able to withdraw the Selling Notice at any time prior to Completion by giving notice to the Company to that effect, whereupon each Compulsory Transfer Notice shall cease to have effect.

25. RESTRICTIONS ON SHAREHOLDERS

25.1 Each of the Shareholders covenants with each of the other Shareholders that they will not:

25.1.1 for a period of 12 months after ceasing to be connected with the Company solicit or canvas (with a view to doing business of a similar nature to that of the Company) or discourage from dealing with the Company any person firm or company who at any time during the [one] year immediately prior to the date of such ceasing was a customer, supplier or client of the Company with whom the Shareholder or to his knowledge any other employee of the Company had dealt;

25.1.2 for a period of 12 months after ceasing to be connected with the Company solicit or deal with (with a view to doing

business of a similar nature to that of the Company) or discourage from dealing with the Company any person firm or company who during the 12 months immediately prior to such ceasing was a prospective customer or client of the Company. A prospective customer shall mean a person firm or company with whom the Shareholder or to his knowledge any other employee of the Company had discussions with a view to obtaining an order for the Company and where the Company at the date of termination of this Agreement had expectations of receiving an order;

- 25.1.3 at any time hold himself out as having any current connection with the Company;
 - 25.1.4 for a period of 12 months after ceasing to be connected with the Company solicit or entice or endeavour to entice away from the Company any person employed by the Company at a senior level (meaning at a salary in excess of £20,000 per year) at the date of termination or on his own behalf or jointly with or as agent for any person, firm or company employ any person employed by the Company at any time in the 6 months immediately preceding the date of such termination;
 - 25.1.5 will not disclose or make use of the Company's trade secrets or other confidential information.
- 25.2 Each of the restrictions in this Clause 25 shall be considered as separate obligations accepted by the Shareholders and the enforcement or enforceability of any one restriction shall not affect the enforcement or enforceability of the remaining restrictions.
- 25.3 The parties agree that the clauses above are reasonable but in the event that any clause or part thereof is deemed unreasonable due to the length of time or area stated or otherwise, such clause or part thereof shall be amended to such length of time or area or otherwise as is deemed reasonable.
- 25.4 The restrictions in this Clause 25 shall apply to the Shareholder in any capacity whether as principal, agent, partner, director, consultant, shareholder, employee or

otherwise and whether directly or indirectly (including through any other person firm or company).

- 25.5 In this Clause "ceasing to be connected with the Company" means that such person ceases to be either a shareholder, director, employee or a consultant of the Company.

26. BREACH BY OCF

- 26.1 In the event that OCF are in breach of clause 3.2.2 of this Agreement then (subject to the consent in writing of four Directors), OCF shall pay to the Company forthwith such sum as the Company's Auditors certify as reflecting the loss, damage and/or expense suffered by the Company as a result of the breach. The certificate of the Company's Auditors shall be final and binding except in the case of manifest error.

27. STATUTORY POWER

- 27.1 Notwithstanding any other provisions herein contained, the Company shall not be bound by any provision of this Agreement to the extent that it would constitute an unlawful fetter on any statutory power of the Company, but any such provision shall remain valid and binding as regards all other parties to which it is expressed to apply.

28. CERTIFICATE OF VALUE

- 28.1 It is hereby certified that this transaction does not form part of a larger transaction or series of transactions in respect of which the amount or value of the consideration involved exceeds £60,000 (sixty thousand pounds).

Schedule 1


OCF Equipment

1. 2 x Personal Computers (being 486 DX250S or better) together with word processing powerpoint, Excel and Sage Software (including the relevant licence without obligation to pay any licence fee).
2. Company Notebook personal computer.
3. Flatbed Scanner.
4. 5 x Ethernet Tranceiver (AAVI/BNC) (and extras as more employed); BNC cable to suit; Local talk print server eg Dayna Etherprint or Sonic Print Spool.
5. Sharp SF7 100 black and white photocopier.
6. ISDN Card and router (and all relevant cabling) upon request following the Company moving from 139 Queens Road to new premises (subject to a monetary maximum secondhand value of £2,500.
7. Borrowing of Indy Presenter from time to time on short term basis upon reasonable request.

Installation and maintenance of the above (free of charge) for 3 years from the date of this Agreement.


Signed by Dylan Bogg)
in the presence of:)



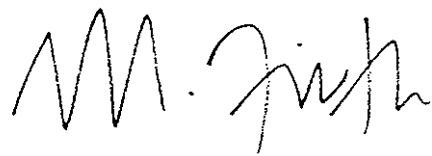
Signature 
Name ADELE HOLMES
Address ... 165 DOUGLAS ...
..... DEWSBURY
..... W12 0LT
Occupation .. ACCOUNTANT ..


Signed by Philip Wright)
in the presence of:)



Signature 
Name
Address A/A
.....
Occupation

Signed by Mark Firth)
in the presence of:)



Signature 
Name
Address A/A
.....
Occupation

Signed by)
Open Computers & Finance plc)
acting by)
in the presence of:)

MAH

Signature
Name
Address
.....
.....
Occupation

APPEL HOLMES
165. RIVERWAY
NEWSDALE
W12. 0LT
ACCOUNTANT

Signed by Christopher Morris)
in the presence of:)

Cham

Signature
Name
Address
.....
.....
Occupation ..

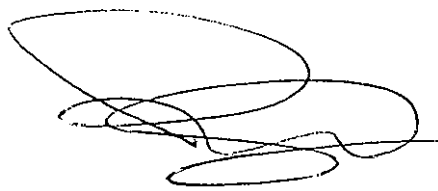
BOBBIE MOFFATT
F.M.V. 2
8. GUY'S CLIFF AVENUE
LEAMINGTON SPA, CV32. 6LY
GRAVING DESIGNS

Signed by Brian McGowan)
in the presence of:)

Brian McGowan

Signature
Name
Address
.....
.....
Occupation ..

Signed by Big Communications)
Limited acting by)
in the presence of:)



Signature *[Handwritten Signature]*

Name ADELE HOLMES

Address .165 FOX ROAD LN

..... DEWSBURY

..... W12 0LT

Occupation .ACCOUNTANT..