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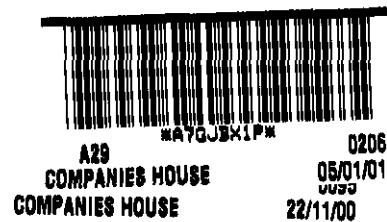
PURCHASE AGREEMENT

OF

SHARES

IN

MISTER MAIL B.V.



ED2 0130
COMPANIES HOUSE 14/10/00

DATED 8 JUNE 2000

[Handwritten signatures and initials]

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example U13(4)

SHARE PURCHASE AGREEMENT



THIS AGREEMENT is dated 8 June 2000 and is made BETWEEN:

1. Affinity Internet Holdings plc., a company duly incorporated and organised under the laws of the United Kingdom, having its registered office in London at Victoria House, 64 Paul Street ("Affinity"),
2. Daloflo B.V., a company duly incorporated and organised under the laws of the Netherlands, having its principal office at Maastricht ("Daloflo");
3. Indilo B.V., a company duly incorporated and organised under the laws of the Netherlands, having its principal office at Gulpen ("Indilo");
4. Mr. C.H.J. Lenaerts, living at Dilsen-Stokkem, Belgium ("C. Lenaerts");
5. Mr. F.G.M. Lenaerts, living at Maastricht, the Netherlands ("F. Lenaerts"), a party to this Agreement solely for purposes of Sections 6.4(c), 14.2(e) and 14.7;
6. Mr. J.W.E. Kohl, living at Gulpen, the Netherlands ("Kohl"), a party to this Agreement solely for purposes of Sections 6.4(c), 14.3 and 14.7;
7. Mister Mail B.V., a closed corporation with limited liability organised under the laws of the Netherlands, having its statutory seat and principal place of business in Maastricht, the Netherlands (the "Company").

1. Preamble

- 1.1 Whereas as of the date of this Agreement the Company is principally involved in the provision of Internet services to subscribers registering on the Internet for certain services such as the distribution of free newsletters produced by the Company and/or third party content providers, the prompting of subscribers by e-mail on a certain date (reminder service) and the sending of specially designed e-mails (e-cards) and shall be expanded within the foreseeable future to include the provision of other e-mail based services such as Freezine, Club Mister Mail and Club Freezine (the "Business");
- 1.2 Whereas Daloflo, Indilo and C. Lenaerts (hereinafter jointly referred to as the "Sellers") together hold all of the issued and outstanding shares in the Company, consisting of 400 (four hundred) ordinary shares (*gewone aandelen*) with a nominal value of NLG 100 (one hundred guilders) per share, numbered 1 (one) through 400 (four hundred) (hereinafter the "Shares").
- 1.3 Whereas Affinity is principally active in the provision of Internet access and related content to Internet users, and has as objective in effectuating the subject transaction to acquire direct and exclusive title to the Company and indirect and exclusive title to Mister Mail

BVBA, a closed corporation with limited liability with its statutory seat in Dilsen-Stokkem, Belgium in order to increase its subscriber base in the Netherlands and to add new content to its existing portfolio.

- 1.4 Whereas the Sellers have agreed to sell and Affinity has agreed to purchase all of the Shares in the Company on the terms set out in this Agreement.
- 1.5 Whereas F. Lenaerts and Kohl (hereinafter referred to as the "Warrantors"), each being the sole shareholder and director of one of the Sellers have agreed to guarantee under the conditions stated herein the obligations of the Sellers under this Agreement.
- 1.6 Whereas the parties hereto have reached full and final agreement regarding the terms and conditions under which Sellers shall sell and Affinity shall purchase the Shares in the Company, which terms and conditions the parties hereby confirm.

NOW THEREFORE, the parties hereby agree as follows:

2. Definitions

- 2.1 In this Agreement, the following terms shall have the meaning ascribed hereunder unless the context otherwise requires:
 - 2.2 "Accounts" means the consolidated accounts of the Company, prepared in compliance with the laws of the Netherlands and generally accepted accounting principles in the Netherlands, for the financial year ended on 31 December 1999, consisting of the consolidated balance sheet per 31 December 1999, profit and loss account for the period 1 January 1999 through 31 December 1999, the notes and reports annexed thereto, attached as Annex 4 of Schedule C;
- "Affinity Shares" means the unregistered ordinary shares of 10p each of Affinity to be issued to Sellers pursuant to Section 4 of this Agreement;
- "Base Price" means the amount referred to in Section 4.1;
- "Business" has the meaning defined in Section 1.1;
- "Company" means Mister Mail B.V.;
- "Completion" means completion of the sale of the Shares to Affinity in accordance with this Agreement;
- "Disclosure Letter" means the letter of the same date as this Agreement referred to in Section 9.1(b);
- "Employment Contract" means the agreements of employment referred to in Section 7.1(a);

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"Final Purchase Price" means the Base Price as adjusted pursuant to Section 4.3.

"Future Services" shall mean the provision by the Company following the Completion Date of other e-mail based services other than the Services such as Freezine, Club Mister Mail, Club Freezine and list holding;

"Group Company" means an entity as meant in article 2:24a Dutch Civil Code;

"Management Accounts" means the unaudited balance sheet of the Company as at 1 January 2000 for the financial period ending on 31 May and the unaudited profit and loss account of the Company for the period 1 January 2000 through and including 31 May 2000 in the agreed form;

"Notary" means Mr. W. Bosse of Kennedy Van der Laan or his deputy;

"Relevant Breach" means any event, matter or circumstance which is inconsistent with, contrary to or otherwise a breach of any of the Warranties;

"Services" shall mean (i) the distribution of free newsletters to subscribers in the Netherlands ("Dutch Theme"), (ii) the distribution of free newsletters to subscribers in Flanders ("Belgium Theme"), (iii) the prompting of subscribers by e-mail on a certain date ("Remind Me") and (iv) the sending of specially designed e-mails ("E-Cards") by the Company or the Subsidiary;

"Subscriber" means any person or entity who has at least one active e-mail account registered with either the Company or the Subsidiary for the provision of one or more of the Services or the Future Services;

"Subsidiary" means Mister Mail Belgium B.v.b.A., a closed company with limited liability organised under the laws of Belgium with its statutory seat in Dilsen-Stokkem, Belgium;

"Warranties" means the warranties contained in Section 9 and Schedule C.

- 2.3 A document expressed to be "in the agreed form" means a document in a form which has been agreed by the Parties contemporaneously with or before the execution of this Agreement and which has, for the purposes of identification, been initialled by them or on their behalf.
- 2.4 References to a Section or Schedule are to a Section of, or a Schedule to, this Agreement, references to this Agreement include its Schedules and Annexes and references in a Schedule or part of a Schedule to a paragraph are to a paragraph of that Schedule or that part of that Schedule.
- 2.5 References to this Agreement or any other document or to any specified provision of this Agreement or any other document are to this Agreement, that document or that provision as in force for the time being and as amended from time to time in accordance with the terms of this Agreement or that document or, as the case may be, with the agreement of the relevant Parties.

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- 2.6 Words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include corporations, partnerships and other unincorporated associations or bodies of persons.
- 2.7 The contents table and the descriptive headings to Sections, Schedules and Annexes are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of this Agreement.
- 2.8 The words and phrases "other", "including" and "in particular" shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible.

3. Sale and Purchase of Shares

- 3.1 Subject to the terms and conditions set forth in the Agreement, Sellers hereby sell to Purchaser the Shares and Purchaser purchases the Shares from Sellers.
- 3.2 Legal title to the Shares shall be delivered by Seller to Purchaser by virtue of a Deed of Transfer in the agreed form attached hereto as Schedule A.
- 3.3 All economic and beneficial title to and interest in the Shares shall transfer from Seller to Purchaser effective as of the Completion Date.
- 3.4 Affinity shall not be obliged to complete the purchase for any of the Shares unless the sale to it of all the Shares is completed simultaneously.

4. Consideration

- 4.1 In consideration for the sale and transfer of the Shares to Affinity, together with all rights and entitlements attaching thereto as of the Completion Date, and the covenants and agreements contained herein, Affinity shall pay to Sellers a minimum purchase price consisting of (i) a cash payment in the amount of £ 300,000 (three hundred thousand British pounds) and (ii) 30,000 (thirty thousand) Affinity Shares (the "Base Price").
- 4.2 The Base Price shall be paid in full on the Completion Date and allocated among the Sellers in the amounts set out in Schedule B. The cash portion of the Base Price shall be released to Sellers to a bank account or accounts to be designated by Sellers, immediately following execution of the Deed of Delivery.
- 4.3 The Base Price shall be increased by the amounts stated in this Section 4.3, subject to the conditions stated in this Section 4.4:
- (a) In the event that the number of Subscribers of the Company or the Subsidiary shall be greater than 250,000 (two hundred fifty thousand) as of the first anniversary of the Completion Date, the Base Price shall be increased by an amount of 10,000 (ten thousand) additional Affinity Shares.

- (b) In the event that the number of Subscribers of the Company or the Subsidiary shall be greater than 500,000 (five hundred thousand) as of the second anniversary of the Completion Date, the Base Price shall be increased by an amount of 10,000 (ten thousand) additional Affinity Shares.
- 4.4 For purposes of this Section 4.3, the number of Subscribers shall be determined in accordance with the provisions of Section 5 and this Section 4.4.
- (a) The Subscribers to be included in the calculation of total Subscribers as of respectively the first and second anniversary of the Completion Date shall exclude any Subscriber only to the Remind Me, E-Card or other Services comparable thereto.
- (b) For purposes of determining the total number of Subscribers as of the first anniversary of the Completion Date, the condition stated in Section 4.3(a) shall be deemed to have been satisfied if the Company or the Subsidiary has transmitted to the registered e-mail address of at least 250,000 Subscribers at least one to each such Subscriber and in the aggregate an aggregate minimum of 750,000 newsletters included in the Services or Future Services and such transmission has taken place within 30 (thirty) days prior to the first anniversary of the Completion Date.
- (c) For purposes of determining the total number of Subscribers as of the second anniversary of the Completion Date, the condition stated in Section 4.3(b) shall be deemed to have been satisfied if the Company or the Subsidiary has transmitted to the registered e-mail address of at least 500,000 Subscribers at least one to each such Subscriber and in the aggregate an aggregate minimum of 1,500,000 newsletters included in the Services or Future Services and such transmission has taken place within 30 (thirty) days prior to the second anniversary of the Completion Date.
- 4.5 In the event that the conditions stipulated in Sections 4.3(a) and 4.3(b) are not satisfied, Sellers shall have no right to an increase of the Base Price. In the event that the conditions stipulated in Sections 4.3(a) or 4.3(b) but not both, are satisfied, the Base Price shall be increased only by the amount stated in that Section. For purposes of this Agreement, the Base Price plus any increase thereto pursuant to this Section 4.3 shall be deemed to be the definitive purchase price ("**Final Purchase Price**").
- 4.6 Notwithstanding the provisions stated in Section 4.3, Sellers shall nonetheless be entitled to payment of the increase in the Base Price as meant in Sections 4.3(a) or 4.3(b) (i) irrespective of whether the conditions stated therein have been satisfied and (ii) only to the extent that such increase or increases have not already been remitted in whole or in part to Sellers, in the event that:
- (a) Affinity terminates the monthly funding to the Company, as described in Section 8.2 without cause;

- (b) All of the shares in the capital of the Company are sold by Affinity to a party other than a Group Company of Affinity; or
- (c) The Employment Contract as meant in Section 7.1(a) is terminated unilaterally by the Company without cause, provided however that (i) termination of the Employment Contract of F. Lenaerts shall only trigger accelerated payment of an increase in the Base Price due to Daloflo and (ii) termination of the Employment Contract of Kohl shall only trigger accelerated payment of an increase in the Base Price due to Indilo.
- 4.7 An increase, if any, to the Base Price shall be remitted to Sellers within 10 (ten) business days following the final determination of the number of Subscribers respectively as of the first and second anniversary of the Completion Date, in conformance with the provision of Section 5 and in accordance with the allocation stipulated in Schedule B.
5. **Audit procedure**
- 5.1 Within 1 (one) month following respectively the first and second anniversary of the Completion Date, the Company shall determine the number of Subscribers as of each such date and cause such calculation in a form to be agreed between Sellers and Affinity to be audited by the Dutch auditors of Affinity (the "Calculation").
- 5.2 The Calculation of the audited number of Subscribers respectively as of the first and second anniversary of the Completion Date, shall be submitted to Affinity and Sellers within 2 (two) weeks of completion thereof. Absent notice of objection by any of Sellers or Affinity within 2 (two) weeks of receipt of the Calculation, the number of Subscribers shall be deemed to have been accepted for purposes of fixing the increase of the Base Price, as described in respectively in Sections 4.3(a) and 4.3(b).
- 5.3 If any notice of objection is submitted in accordance with Section 5.2, and the parties are unable to resolve such objection within fourteen (14) days of receipt of such notice, the matter shall be referred to an independent registered accountant to be jointly selected by Affinity and Sellers (or in the event of dispute, by the Chairman of the NivRA). The decision of the independent accountant shall be binding on the parties. The costs of the independent accountant shall be borne by the Company.
- 5.4 Pending final resolution of a dispute in accordance with Section 5.3, the obligation of Affinity, if any, to increase the Base Price shall be suspended (*opgeschort*) and no interest shall accrue to the benefit of either party thereon.
6. **Completion**
- 6.1 The transactions contemplated by this Agreement shall be consummated simultaneous with execution of this Agreement, except as otherwise explicitly provided otherwise herein.

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- 6.2 The Completion shall take place on 8 June 2000 at the offices of [Kennedy Van der Laan at Keizersgracht 555, 1017 DR Amsterdam, the Netherlands] or such other place as the parties may agree.
- 6.3 Seller shall deliver to Affinity on or before the Completion Date:
- (a) The original fully executed shareholders resolution pursuant to which Daloflo and Indilo shall resign as managing directors of the Company and Messrs. F. Lenaerts, H. Kohl and J. Raymond are appointed as the new managing directors of the Company, effective as of the Completion Date;
 - (b) An original document evidencing that the entire issued share capital of the Subsidiary is held solely by the Company and that all such issued capital as of the Completion Date has been paid in full;
 - (c) The original fully executed Disclosure Letter referred to in Section 9.1(b); and
 - (d) A document evidencing the revocation, effective as of the Completion Date of all existing bank mandates in force for the Company to reflect the appointments referred to in Section 6.3(a).
- 6.4 On the Completion Date, the following transactions shall be consummated:
- (a) Execution of the Employment Contract referred to in Section 7.1(a);
 - (b) The original fully executed Deed of Warrantors referred to in Section 7.1(b);
 - (c) Payment by Affinity of the Base Price by (i) wire transfer to the third-party bank account of the Notary of the cash portion of the Base Price and (ii) delivery to Sellers of the stock portion of the Base Price in the form of undated share certificates to be dated by Affinity or its representative on the Completion Date; and
 - (d) Execution of the Deed of Delivery for the transfer of legal title to the Shares by the Sellers to Affinity in the agreed form attached as Schedule A.

7. Conditions Precedent

- 7.1 Sellers and Warrantors hereby acknowledge that it is a condition precedent (*opschortende voorwaarde*) to the obligation of Affinity to complete the transactions contemplated by this Agreement that:
- (a) the Company enter into an Employment Contract in the agreed form attached hereto as Schedule E with each of the Warrantors;
 - (b) each of the Warrantors enter into a Deed of Guarantee (*akte van borgtocht*) in the agreed form attached hereto as Schedule F.
- 7.2 Daloflo, Indilo and the Company hereby acknowledge and agree that, upon execution of this Agreement, the verbal management agreements between the Company and respectively

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Daloflo and Indilo are hereby terminated with immediate effect. Daloflo and Indilo hereby confirm that no payment is due to either of them by the Company pursuant to such managements agreements.

8. Funding

- 8.1 The Company shall submit a business plan and 12 month budget for review and finalisation by Affinity for the periods commencing on (i) the Completion Date through the first anniversary thereof and (ii) the first anniversary of the Completion through the second anniversary of the Completion Date, as well as such interim business plans and adjustments as Affinity may reasonably require from time to time. The business plan shall be submitted to Affinity within 2 (two) months prior to the commencement date of each business plan period. Affinity acknowledges hereby that the business plan for the period starting on the Completion Date, attached hereto as Schedule G, has been received and approved by it.
- 8.2 Affinity will after Completion, subject to agreement and finalisation of each such business plan and budget as meant in Section 8.1, provide funding to the Company of up to £ 50,000 per month for a period of up to 2 years from Completion. Such funding will be provided by way of an unsecured inter-company loan at an interest rate of 5% per annum from Affinity to the Company. The principal amount of funds advanced by Affinity shall be repayable on demand. Interest accrued on such amount shall not be due and owing to Affinity until the principal amount of the funding is repayable. Affinity confirms that it would not intend to demand repayment if the Company achieves the targets as stated in a business plan reviewed and approved in conformance with Section 8.1.
- 8.3 The funding to be provided by Affinity to the Company pursuant to Section 8.2 shall be remitted to the Company on the last day of each calendar month in arrears. The first such funding shall be paid to the Company within 14 (fourteen) days following Completion.
- 8.4 The obligation of Affinity to provide the funding as meant in Section 8.2 for the period starting on the first anniversary and ending on the second anniversary of the Completion Date shall, however, be contingent upon the condition that the Company shall have a minimum number of Subscribers (as calculated in conformance with Section 4.4) of 190,000 as of the first anniversary of the Completion Date.
- 8.5 Within a period of 12 (twelve) months following the Completion Date, the Company shall pay in full the inter-company accounts payable by the Company as of the Completion Date and as stipulated below in 12 (twelve) equal monthly instalments, for which no interest shall accrue during the period beginning on the Completion Date and the first anniversary thereof:
- (a) The interest free current account payable by the Company to Indilo in the amount of NLG 16,321.11;

- (b) The interest free current account payable by the Company to Daloflo in the amount of NLG 9,680.86;
- (c) The interest free current account payable by the Company to C. Lenaerts in the amount of NLG 18,000; and
- (d) The short-term loan payable by the Company to Patio Limburg B.V. in the amount of NLG 146,980.23.

9. Representations and Warranties

9.1 In consideration of Affinity entering into this Agreement, each of the Sellers hereby warrant to Affinity that:

- (a) The information contained in the Agreement, the Schedules and Annexes hereto is true, complete and accurate in all respects and not misleading in any respect as of the Completion Date;
- (b) Each representation and warranty contained in Section 9 of the Agreement and Schedule C is true, complete and accurate in all respects and not misleading in any respect as of the Completion Date, except and insofar the Warranties are qualified to the extent, but only to the extent, of those matters fully and fairly disclosed in the Disclosure Letter attached hereto as Schedule D and for this purpose "fully and fairly disclosed" means disclosed in such manner and in such detail as to enable a reasonable purchaser to make an informed and accurate assessment of the matter concerned.

9.2 If the effect of a Relevant Breach is that:

- (a) any asset of the Company is extinguished or is worth less than its value would have been if the Relevant Breach had not occurred; or
- (b) the Company is or will be under a liability or an increased or substituted liability which would not have existed if the Relevant Breach had not occurred; or
- (c) there does not accrue to the Company some benefit, gain or profit which could reasonably have been expected to accrue to the Company if the Relevant Breach had not occurred.

9.3 Affinity shall notify Sellers of any breach of Warranty in conformance with the provisions of Section 12, pursuant to which Sellers shall be required to make good the resultant loss to Affinity or the Company either (at Affinity's option) by the payment in cash to Affinity of an amount equal to the amount by which in consequence of the Relevant Breach the value of the Shares falls short of the value they would have had if the Relevant Breach had not occurred or by the payment in cash to the Company of the appropriate sum (as defined in Section 9.4).

9.4 For the purposes of Section 9.3 "the appropriate sum" means:

- (a) if the effect of the Relevant Breach is as stated in Section 9.2(a), the amount by which the value of the assets of the Company falls short of the value they would have had if the Relevant Breach had not occurred; or
- (b) if the effect of the Relevant Breach is as stated in Section 9.2(b), the amount by which the liabilities of the Company exceed what would have been their amount if the Relevant Breach had not occurred; or
- (c) if the effect of the Relevant Breach is as stated in Section 9.2(c), an amount equal to the capitalised value of any such benefit, gain or profit as is mentioned in that clause which could reasonably have been expected to accrue to the Company if the Relevant Breach had not occurred but which does not or will not accrue to it in the circumstances specified in that Section;

plus such additional amount (if any) as may be necessary to put the Company into the same position in financial terms as would have existed if there had been no such breach.

- 9.5 The rights and remedies conferred on Affinity under this Agreement are cumulative and are additional to, and not exclusive of, any rights or remedies provided by law or otherwise available at any time to Affinity in respect of any Relevant Breach (including but not limited to the right to damages for any loss or additional loss suffered by Affinity). In particular Affinity has a right to specific performance and may obtain injunctive relief.
- 9.6 Affinity's right or ability to claim damages, compensation or other relief in respect of any Relevant Breach shall not be affected or limited, and the amount recoverable shall not be reduced, on the grounds that Affinity may before the date hereof have had constructive or implied knowledge of the matter giving rise to the claim.
- 9.7 Without prejudice to the generality of Section 9.5 the rights and remedies of Affinity shall not be affected or limited in any way by any investigation made by or on behalf of Affinity into the Company prepared at the instance of or made available to Affinity.
- 9.8 The Sellers hereby undertake jointly and severally to indemnify Affinity against any costs (including legal costs on an indemnity basis), expenses and other liabilities (together with any VAT thereon which is not recoverable by Affinity) which Affinity may reasonably incur, either before or after the commencement of any action, in connection with:
 - (a) the settlement of any claim by Affinity that there has been a Relevant Breach; or
 - (b) any legal proceedings in which Affinity claims that there has been a Relevant Breach and in which judgment is given for Affinity; or
 - (c) the enforcement of any such settlement or judgement.
- 9.9 The Warranties shall not in any respect be extinguished or affected by Completion.


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10. Specific indemnification

- 10.1 Absent explicit written agreement between the parties, and notwithstanding any disclosure of the existence of claims in the Disclosure Letter, Sellers shall indemnify, defend and save the Company and Affinity, and each of their respective directors and employees from any and all damage or adverse consequence resulting from claims arising from or related to obligations of the Company to or from any and all damage or adverse consequence resulting from claims arising from or related to:
- (a) tax claims, interest or penalties levied or to be levied by the tax authorities of the Netherlands or any other jurisdiction and arising from acts or omissions of the Company prior to the Completion Date, including but not limited to wage taxes and/or social security premiums due for compensation paid by the Company to freelancers; and
 - (b) any claim asserted or threatened by the former employer of the Warrantors, KPN Telecom B.V., against either Warrantors, the Company and/or Affinity alleging a breach or violation of a non-competition restriction applicable to any of them pursuant to the former employment agreements of Kohl and F. Lenaerts terminated respectively as of 1 January 2000 and 1 February 2000.
- 10.2 Sellers shall be liable to Affinity or, at its option, the Company, under this Section 10 for the duration of the statute of limitations (*verjarings termijn*) applicable to each such claim.
- 10.3 Affinity shall promptly notify Sellers of a claim under this Section 10 in accordance with the procedure prescribed in Section 12.

11. Limitation on liability

- 11.1 The liability of the Sellers to Affinity in respect of claims for breach of any of the Warranties shall be subject to the following limitations:
- (a) The maximum liability of each Seller to Affinity shall be equal to that portion of the Final Purchase Price received by such Seller;
 - (b) No claim for breach of Warranty shall be asserted by Affinity unless and until the aggregate amount of such claim shall be in excess of NLG 10,000. Once said minimum has been exceeded, Affinity shall be entitled to recover the entire amount of damages suffered.
- 11.2 Affinity shall be entitled, at its option, to decline to issue Affinity Shares not already issued, in accordance with Section 4.3 in lieu of seeking the cash value of any claim under the Warranties which Affinity establishes by the final judgment of a competent court or which is accepted by the Warrantors. If Affinity chooses to decline to issue Affinity Shares in lieu of seeking cash payment in respect of claims, the value of each Affinity Share shall be determined in accordance with Section 11.3.

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- 11.3 For purposes of Section 11.2, the value of the Affinity Shares withheld by Affinity pursuant to that Section shall be deemed to be the average of the reported closing prices as reported by the London Alternative Investment Market (or such other internationally recognized stock exchange vested in London where Affinity may be listed from time to time) for registered Affinity stock on the ten (10) consecutive trading days during which the London Alternative Investment Market (or equivalent stock exchange) was open for trading immediately preceding the date of notice of a breach of Warranty as meant in Section 9.3.
- 11.4 No claim shall be admissible and no liability in respect thereof shall arise unless notice in writing, giving details of the claim alleged, is given to the Sellers by no later than close of business on (i) the second anniversary of Completion or, if later, upon publication of the second full set of annual audited accounts of the Company following Completion or (ii) within the statute of limitations (*verjaringsstermijn*) with respect to Tax Warranties.
- 11.5 In each case without prejudice to any claims already notified to the Sellers, no limitation contained in this Section 11 shall apply to the extent that the liability arises due to fraud or wilful non-disclosure on the part of the Sellers.

12. Notice procedure in event of breach or indemnification

- 12.1 The following procedure shall apply to the obligations of Sellers to compensate Affinity or, at its option, the Company, for damages suffered as a result of a breach of Warranty under Section 9 and the obligations of Sellers to indemnify Affinity or, at its option, the Company, under Section 10 hereof.
- 12.2 Affinity shall give written notice to Sellers promptly after Affinity learns of a breach of Warranty or in the event of a claim for indemnification, as the case may be, provided that the failure to give such notice shall not release Sellers of their obligations hereunder except to the extent Sellers are actually damaged thereby.
- 12.3 With respect to any third party claims or proceedings as to which Affinity is entitled to damages or indemnification, Sellers shall have the right to select and employ counsel of their own choosing to defend against any such claim or proceeding, to assume control of the defence of such claim or proceeding, and to compromise, settle or otherwise dispose of the same, if Sellers deem it advisable to do so, at their sole expense. The parties will fully cooperate in any such action, and shall make available to each other any books or records useful for the defence of any such claim or proceeding. Affinity may elect to participate in the defence of any such third party claim, and may at its sole expense, retain separate counsel in connection therewith. Subject to the foregoing, Affinity shall not settle or compromise any such third party claim without the prior consent of Sellers, which consent shall not be unreasonably withheld.
- 12.4 Damages or indemnification, as the case may be, shall be due only to the extent of the loss or damage actually suffered (i.e. reduced by any recovery from any third party, such as an

insurer). No claim for recovery of damages may be asserted by Affinity for a breach of a Warranty or indemnification after it has been extinguished in accordance respectively with Section 11.2 or Section 10.2 hereof, unless a bona fide written claim describing the nature and basis for such claim shall have been asserted by Affinity against Sellers or litigation shall have commenced between Affinity and Sellers before such date. In such event, survival shall continue (but only with respect to such claim or action) until the final resolution of such claim or action, including all applicable periods for appeal.

12.5 Notwithstanding the provisions of Sections 11.2 and 10.2, a claim asserted under Section 9 or 10 shall also extinguish in the event that Affinity shall fail to commence litigation against Sellers on the subject of such claim within 6 (six) months following the date upon which such claim is asserted.

13. Lock-up

13.1 Sellers shall not transfer, sell or otherwise dispose of or create any interest in, charge or encumbrance of the Affinity Shares to be issued to Sellers:

- (a) pursuant to Section 4.1, for a period of 12 (twelve) months following the Completion Date;
- (b) pursuant to Section 4.3(a) for a period of 12 (twelve) months following the first anniversary of the Completion Date or the actual date of payment of such increase to the Base Price, whichever occurs first; and
- (c) Pursuant to Section 4.3(b), for a period of 12 (twelve) months following the second anniversary of the Completion Date or the actual date of payment of such increase to the Base Price, whichever occurs first.

13.2 Following expiration of the lock-up periods as meant in Section 13, Sellers are permitted to dispose of the Affinity Shares at their discretion.

13.3 The lock-up restrictions stated in Section 13.1(a) shall automatically lapse in the event that Affinity is the target of a public take-over offer.

13.4 The lock-up restrictions stated in Sections 13.1(a), 13.1(b) and 13.1(c) shall not apply in the event that one or more of the circumstances stated in Section 4.6 apply.

14. Protective covenants

14.1 The parties hereto acknowledge that the purchase of the Shares by Affinity is intended to grant to Affinity exclusive and unlimited title, benefit and control over the Business, goodwill, intellectual and industrial property rights (including know-how), subscriber, content provider and other business relations of the Company and the Subsidiary. The protective covenants contained in this Section 14 are therefore expressly acknowledged by

the parties as necessary and reasonable measures for the protection and preservation of the Business, goodwill, intellectual and industrial property rights, customer and other business relations of the Company and the Subsidiary, and to allow Affinity to reap the sole and exclusive benefit thereof.

14.2 For a period of three (3) years following the Completion Date, Sellers hereby each agree to refrain from directly or indirectly engaging in any activity which is competitive with the Business, including but not limited to:

- (a) the provision of any service or services functionally comparable to a Service or Future Service of the Company;
- (b) the direct or indirect participation in, management of or financing of any related or unrelated party to Sellers, which party is engaged or shall engage in activities competitive with the Business;
- (c) the solicitation or attempt to solicit any individual employed by the Company as of the Completion Date or within a period of one year prior to the Completion Date to enter into the employment of one or more of the Sellers or any party related thereto;
- (d) the solicitation or attempt to solicit any Subscriber to whom one or more of the Services or the Future Services are provided as of the Completion Date or were provided within a period of one year prior to the Completion Date to terminate, in whole or in part, its business relation with the Company;
- (e) the solicitation or attempt to solicit any individual or entity from whom content, products or services are purchased or obtained by the Company as of the Completion Date or from whom content, products or services were purchased or obtained by the Company within a period of one year prior to the Completion Date to terminate, in whole or in part, its business relation with the Company.

14.3 For a period of three (3) years following the Completion Date, F. Lenaerts hereby agrees to refrain from directly or indirectly engaging in the activities described in Section 14.2.

14.4 For a period of three (3) years following the Completion Date, Kohl hereby agrees to refrain from directly or indirectly engaging in the activities described in Section 14.2.

14.5 For a period of three (3) years following the Completion Date, C. Lenaerts hereby agrees to refrain from directly or indirectly engaging in the activities described in Section 14.2(a).

14.6 The restrictions stated in Sections 14.2 through 14.5 shall apply in the territories of the United Kingdom, the Netherlands and Belgium.

14.7 Violation of Sections 14.2 through 14.5 is punishable by a fine – immediately due and owing without any notice of default being required therefore – of NLG 500,000 (five hundred thousand guilders) for each violation and NLG 50,000 (fifty thousand guilders)

for each day in which the violation continues, notwithstanding the right of the injured party to any other relief permitted by law, including injunctive relief.

15. Confidentiality

- 15.1 Sellers and Warrantors agree to keep confidential and not to disclose to any third party any information regarding the financing, the working methods, the Subscribers, the content providers and other suppliers of the Company and the Subsidiary or any other facts, circumstances or confidential information of the Company or the Subsidiary unless required by law, regulation or applicable stock exchange rule and, further, provided that such facts or circumstances:
- (a) have not been published or are readily available to the general public or are generally known in the industry in which the Company or the Subsidiary engages; or
 - (b) are obtained from a third party in good faith and are not accompanied by an obligation of secrecy from such third party.
- 15.2 All parties hereto agree to keep confidential the contents of the Agreement and all Annexes and Schedules attached hereto, and agree not to make any statements and/or release any press bulletins to any third party with respect to the subject matter hereof, without the prior written consent of the other, unless required to do so by law, regulation or applicable stock exchange rule.

16. Services of C. Lenaerts

At the request of the Company, C. Lenaerts hereby agrees, upon the request of the Company and the consent of Affinity, to act on an ad hoc basis as an advisor of the Company, for which no compensation shall be due by the Company or Affinity to him unless otherwise agreed in writing by the Company and C. Lenaerts, with the consent of Affinity.

17. Announcements

Save as expressly required by law or by the London Stock Exchange, all announcements or circulars by, of or on behalf of the Parties hereto and relating to the sale and purchase hereunder shall be in terms to be approved in writing by the Parties in advance of issue.

18. Further Assurance

The Sellers, Warrantors and the Company shall at their own expense execute or, so far as they are able, procure that any necessary third party shall execute all such documents and/or do or, so far as each is able, procure the doing of such acts and things as Affinity

shall require in order to give full effect to this Agreement and any documents entered into pursuant to it and to give to Affinity the full benefit of all the provisions of this Agreement.

19. Releases, waivers, etc. by Affinity

19.1 Affinity may, in its discretion, in whole or in part release, compound or compromise, or waive its rights or grant time or indulgence in respect of, any liability to it under this Agreement without in any way prejudicing or affecting its rights in respect of the same or a like liability, whether joint and several or otherwise.

19.2 Neither the single or partial exercise or temporary or partial waiver by Affinity of any right, nor the failure by Affinity to exercise in whole or in part any right or to insist on the strict performance of any provision of this Agreement, nor the discontinuance, abandonment or adverse determination of any proceedings taken by Affinity to enforce any right or any such provision, shall (except for the period or to the extent covered by any such temporary or partial waiver) operate as a waiver of, or preclude any exercise or enforcement or (as the case may be) further or other exercise or enforcement by Affinity of that or any other right or provision.

19.3 All references in Section 19.1 to:

- (a) any right shall include any power, right or remedy conferred by this Agreement on, or provided by law or otherwise available to, Affinity; and
- (b) any failure to do something shall include any delay in doing it.

19.4 The giving by Affinity of any consent to any act which by the terms of this Agreement requires such consent shall not prejudice the right of Affinity to withhold or give consent to the doing of any similar act.

20. Notices

Any notice required to be given under this Agreement shall be deemed duly served if left at or sent by registered or recorded delivery post or courier mail to any party at its registered office. Any such notice shall be deemed to be served at the time when the same is handed to or left at the address of the party to be served and, if served by post, on the day (not being a Saturday, Sunday or public holiday) next following the day of posting.

21. Entire Agreement

21.1 This Agreement and the documents referred to in this Agreement constitute the entire agreement between the parties in relation to the subject matter covered and supersede any previous agreement between the parties in relation to such matters which shall cease to have any further effect.

22. Alterations

23. Severability

23.2 If any provision of this agreement is illegal or unenforceable as a result of any period specified herein being in excess of that permitted by a relevant authority, that provision shall take effect with the substitution of a shorter period acceptable to the relevant authority subject to its not negating the commercial intent of the parties under this Agreement.

This Agreement may be entered into in the form of two or more counterparts each executed by one or more of the parties but, taken together, executed by all and, provided that all the parties so enter into the Agreement, each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original, but, taken together, they shall constitute one instrument.

25.1 Each of the parties shall be responsible for its respective legal and other costs incurred in relation to the negotiation, preparation and completion of this Agreement and ancillary documents. No legal, accountancy, banking or other advice costs shall be incurred or paid by the Company.

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25.2 Sellers shall be solely responsible for any commission or fee due to ABN Amro Bank N.V. or any other intermediary (*bemiddelaar*) in connection with the preparation and/or completion of the transactions contemplated by this Agreement.

25.3 The costs of the notary for preparation and execution of the Deed of Delivery shall be borne by Affinity.

26. Successors and Assignments

26.1 This Agreement shall be binding on and shall inure for the benefit of the successors in title of each party.

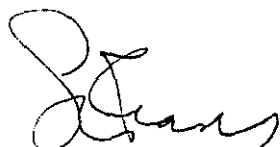
26.2 Save as provided in Section 26.1, none of the parties hereto shall be entitled to assign the benefit of any rights under this Agreement, other than an assignment by Affinity to a Group Company of Affinity.

27. Applicable law, submission to jurisdiction and conflict of interest

27.1 This Agreement shall be governed by and construed in accordance with Dutch law and the parties hereby submit to the exclusive jurisdiction of the District Court of Amsterdam for the purpose of hearing and determining any suit, action or proceedings which may arise out of or in connection with this Agreement.

27.2 Mr W. Bosse is a civil law notary of Kennedy Van der Laan, the firm of external legal advisors to Affinity. Sellers and Warrantors hereby acknowledge that they are aware of the provisions of Articles 8, 9, 10 and 14.2 of the "Guidelines concerning associations between civil law notaries and barristers/solicitors" as established by the Board of Royal Professional Organisation of Civil Law Notaries (*Koninklijke Notariële Beroepsorganisatie*). Sellers and Warrantors hereby acknowledge and agree that Ms. K. Kao may advise and act on behalf of Affinity with respect to this Agreement, and any present or future agreements and/or any disputes related to or resulting from the Agreement.

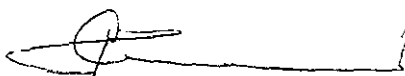
IN WITNESS WHEREOF, this Share Purchase Agreement was executed in 4 (four) original copies on the date first written above.



Affinity Internet Holdings plc.

By: Steven Evans

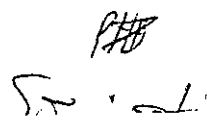
Title: Proxy



Daloflo B.V.

By: F.G.M. Lenaerts

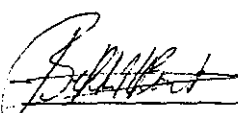
Title: Managing director





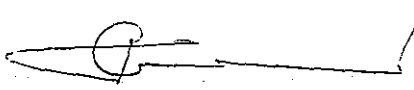
Indilo B.V.

By: J.W.E. Kohl
Title: Managing director



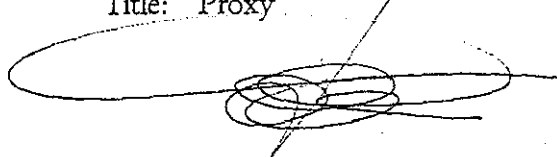
C.H.J. Lenaerts

By: P. Berkhout
Title: Proxy



F.G.M. Lenaerts

Solely for purposes of Sections 6.4(c),
14.2(e) and 14.7 of the Agreement



J.W.E. Kohl

Solely for purposes of Sections 6.4(c), 14.3 and 14.7
of the Agreement



Mister Mail B.V.

By: Indilo B.V. and Daloflo B.V.
Title: Managing directors

SCHEDULE B
Allocation of Base Price

Name	Address	Place of incorporation	%	Cash payment	# shares
Daloflo B.V.	Achter de Hoven 55 6225 EL Maastricht The Netherlands	Maastricht, the Netherlands	40%	£ 120,000	12,000
Indilo B.V.	Prinses Margrietstraat 9 6271 CJ Gulpen The Netherlands	Gulpen, the Netherlands	40%	£ 120,000	12,000
Charles Hubert Joseph Lenaerts	Platte Lindenberg 1 B-3650 Dilsen-Stokkem Belgium	Not applicable	20%	£ 60,000	6,000
TOTAL			100%	£ 300,000	30,000

SCHEDULE C

REPRESENTATIONS & WARRANTIES

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15. Property

1. Interpretation

1.1 Terms defined in the Share Purchase Agreement for the sale and purchase of all of the issued and outstanding share capital of Mister Mail B.V., with its statutory seat in Maastricht, the Netherlands, dated 8 June 2000 (the "**Agreement**"), shall have the same meaning herein as therein, except as otherwise indicated in this Schedule C.

1.2 Insofar as any Warranty is issued by Sellers "to the best of their knowledge", such representation or warranty shall be based upon reasonable investigation by Sellers of the facts and circumstances used to issue Warranty.

1.3 In this Schedule C, the following terms shall have the meaning ascribed hereunder:

"Accounts" means the audited financial statements of the Company for the financial year 1999;

"Articles" means the articles of association of the Company, as in force as of the Completion Date;

"Computer Systems" means any computer hardware, software, networking equipment or other equipment used by the Company or the Subsidiary which is reliant upon microchip technology for one or more of the following purposes:

- (a) accounting and management information;
- (b) payroll;
- (c) sales and marketing information;
- (d) invoicing and credit control;
- (e) production or design processes;
- (f) communications with Subscribers, Content Providers, suppliers and trading partners or internally within the Company or the Subsidiary; or
- (g) any other purpose which is material to the Business, the management or the operation

of the Company and the Subsidiary;

"Content Provider" means any third-party supplier of text to the Company or the Subsidiary for inclusion in one or more of the Services of the Company or the Subsidiary;

"Developed Software" means any software developed by or on behalf of the Company or the Subsidiary;

"Distribution" means any final or interim distribution, withdrawal, payment or refund of any kind of income, profit, retained earnings, share premium (*agio*), reserves or dividends, proceeds of liquidation or repayment or reduction of capital or redemption of shares (either through cancellation of shares (*intrekking*) or reduction of the nominal value thereof (*kapitaalvermindering*);

"Encumbrance" means any limited right (*beperkt recht*), personal right (*persoonlijk recht*), option, lien, charge, pledge (*pand*), claim, restriction, right of usufruct (*vruchtgebruik*), easement (*erfdienstbaarheid*), long-term lease (*erfpacht*), mortgage (*hypotheek*), right of superficies (*opstalrecht*), pre-emptive right, retention of title (*eigendomsvoorbehoud*), security interest, attachment (*beslag*), or any similar or dissimilar encumbrance whatsoever;

"Environmental Law" means all laws and regulations (including, but not limited to, central, provincial and municipal ordinances and regulations), codes of practice, circulars, guidelines and the like in the Netherlands concerning the protection of human health or the environment or the conditions of the work place or the generation, transportation, storage, release, treatment or disposal of dangerous substances, as from time to time in effect, amended, extended, applied or interpreted by any court, government or administrative body before or after this Agreement;

"Financial Statements" means collectively the Accounts and the Management Accounts;

"Guarantee" means 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 (actual or contingent) of any third party and whether given directly or by way of counter-indemnity to any third party which has provided a Guarantee;

"Intellectual Property Rights" include (but are not limited to) any (i) trade name, (ii)

trademark and service mark, (iii) database right, (iv) copyright, and (v) goodwill used by the Company or the Subsidiary in the Business or associated therewith, whether or not registered and subsisting in any part of the world;

"Know-how" means all industrial and commercial information and techniques, accounts, records and information (wherever situated) pertaining to the activities of the Company or the Subsidiary;

"Options" means stock options, convertible debentures, rights, calls, commitments, rights of exchange, plans, subscriptions or warrants with respect to, or privileges or rights to purchase or subscribe to any present or future shares in the Company or the Subsidiary or any other agreement of any character by which the Company or the Subsidiary is bound to allot, issue, sell, transfer or acquire any of its share capital, other than as contemplated by the Agreement;

"Property" means the real property leased by Company, details of which are set out in Annex 15;

"Tax" means all local (municipal), state, provincial, and national taxes and other public levies and social security contributions, whether direct or indirect, due or payable to, or claimed or imposed by, any government or any political subdivision thereof, whether by withholding or otherwise, including, but not limited to corporate income tax, capital tax, wage tax, social security contributions (including both national contributions (*volksverzekeringen*) and employee social security contributions (*werknemersverzekeringen*)), transfer taxes, dividend tax, real and personal property tax, municipal taxes (including *gemeentelijke onroerend goedbelasting* and *overige gemeentelijke belastingen en leges*), environmental taxes and duties (*milieubeffingen*), value added tax, custom and excise duties (*invoerrecht en accijzen*); including any impost, levy, duty, excise, charge, premium, tax or social security contribution and any interest and penalties relating thereto;

"Third Party Software" means any software used by the Company or the Subsidiary, of which the Intellectual Property Rights are owned by or proprietary to a third party.

2. Complete and accurate information

- 2.1 Pursuant to Section 9 of the Agreement, Sellers hereby jointly and severally represent and warrant to Affinity that each of the representations and warranties contained in this Schedule C and the Annexes hereto is true and correct as of the Completion Date, except as otherwise explicitly disclosed in the Disclosure Letter attached to the Agreement as Schedule D.
- 2.2 None of the representations and warranties contained herein omits to state any material fact necessary to make the statements contained herein not misleading.
3. **Authority of Sellers**
- 3.1 Sellers each have the full power and authority and are each entitled by law to execute and deliver this Agreement and any agreement, document, certificate or instrument being delivered pursuant to this Agreement (collectively, the “**Transaction Documents**”), to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.
- 3.2 The Agreement and the Transaction Documents have been duly executed and delivered by Sellers and constitute the legal, valid and binding obligations of Sellers, enforceable against each of them in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganisation, moratorium and similar laws of general applicability relating to or affecting creditor’s rights generally.
- 3.3 The execution, delivery and performance by Sellers of this Agreement and the Transaction Documents and the consummation of the transactions contemplated herein and therein do not and will not:
- (a) conflict with, result in the breach, modification, termination or violation, or loss of any benefit under, constitute a default under, accelerate a performance required by, result in or give rise to a right to amend or modify the terms of, result in the creation of any lien upon any assets or properties, or in any manner release any party thereto from any obligations under any mortgage, note, bond, indenture, contract, agreement, lease, license or other instrument or obligation of any kind or nature by which any of Sellers or any of their respective properties or assets, may be bound or affected;

- (b) conflict with, violate or result in any loss of benefit under any permit, concession, franchise, order, judgement, writ, injunction, regulation, statute or decree applicable to any of Sellers; or
- (c) conflict with or violate any provision of the articles of association in force as of the Completion Date of each of Sellers.

3.4 No consent, approval, order or authorization of, or declaration, filing or registration with, any person or governmental authority, is required to be made or obtained by Sellers in connection with the authorization, execution, delivery or performance of this Agreement, the Transaction Documents or the transactions contemplated hereby and thereby.

4. Corporate matters

- 4.1 The Company is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), duly incorporated and validly existing under the laws of the Netherlands.
- 4.2 A correct and complete text (*doorlopende tekst*) of the Articles presently in force is attached hereto as Annex 1. No action or resolution has been taken or is now pending to amend the Articles.
- 4.3 The Company is registered in the Trade Register of the Chamber of Commerce in Maastricht, the Netherlands under file number 14.059.532. An extract from the Trade Register dated 1 May 2000 is attached hereto as Annex 2, which extract is true, correct and complete as of the Completion Date.
- 4.4 Neither the Company nor the Subsidiary is now and never has been declared to be insolvent, bankrupt or in a state of dissolution (*ontbinding*), no action has been taken or request pending to declare either the Company or the Subsidiary insolvent, bankrupt or dissolved, to obtain a moratorium or a suspension of payments to creditors (*surséance van betaling*) and no person or party has been appointed as trustee (*beveindvoerder* or *curator*) over any or all of the assets of the Company or the Subsidiary or liquidator (*vereffenaar*) of the Company or the Subsidiary. To the best knowledge of Sellers, there are no circumstances that could lead to or result in dissolution of the Company or the Subsidiary by Court order (including, without limitation, the circumstances set out in articles 2:19 through 2:21 of the

Dutch Civil Code).

- 4.5 Neither the Company nor the Subsidiary is a party to a legal merger (*juridische fusie*) or legal de-merger (*juridische splitsing*) in the meaning of Title 7 Book 2 of the Dutch Civil Code or the comparable provisions of Belgian law. No distress, execution or other process has been levied against the Company or the Subsidiary or action taken to repossess goods in the possession of the Company or the Subsidiary.
- 4.6 No person holds a power of attorney or is authorised to dispose of any funds of the Company or the Subsidiary or to commit the Company or the Subsidiary in any way - whether by virtue of a power of attorney validly granted by the Company or the Subsidiary, the Articles of the Company, the Articles of the Subsidiary, applicable law or banking authorizations validly granted by the Company or the Subsidiary - except as set out in Annex 3.
- 4.7 Neither the Company nor the Subsidiary has any branch office or place of business other than at its registered seat of business (*statutaire zetel*), as stated respectively in Annex 2 and 4, and has no permanent establishment (*vaste inrichting*) for tax or any other purpose.

5. The Shares

- 5.1 Sellers jointly hold full legal and beneficial title to the Shares. The Shares constitute the entire issued and outstanding share capital of Company, being 400 (four hundred) ordinary shares, numbered 1 through 400, each with a nominal share value of NLG 1.00. The Shares have been duly authorised, validly issued and paid in full.
- 5.2 No Distribution is required to be made by the Company nor has any resolution been taken or action pending pursuant to which the Company can be compelled to make a Distribution to any party, including but not limited to Sellers or Warrantors, which Distribution has not been fully made as of the Completion Date and fully and accurately reflected in the Accounts.
- 5.3 No profit participation certificates (*winstbewijzen*), founders certificates (*oprichtingsbewijzen*) or Options have been issued by or with the cooperation of the Company. All depository receipts (*certificaten*) issued in the past by or with the cooperation of the Company have

been validly cancelled or withdrawn, no such depositary receipts exist as of the Completion Date and there is no (former) holder of a depositary receipt with any right (financial or otherwise) to, in or with respect to the Shares.

5.4 The Shares are free and clear of any Encumbrance.

6. Subsidiary

6.1 The Company holds full legal and beneficial title to all of the shares in the Subsidiary.

6.2 The Subsidiary is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), duly incorporated and validly existing under the laws of Belgium.

6.3 A correct and complete text (*doorlopende tekst*) of the Articles of the Subsidiary as presently in force is attached hereto as Annex 4. No action or resolution has been taken or is now pending to amend the Articles of the Subsidiary.

6.4 The Subsidiary is registered in the Trade Register of the Chamber of Commerce in Tongeren, Belgium. An extract from the Trade Register dated [...] May 2000 is attached hereto as Annex 4, which extract is true, correct and complete as of the Completion Date.

6.5 The Company, either directly or indirectly, holds no legal or beneficial title to, nor has it agreed to acquire legal or beneficial title to, any class of shares, capital or other interest in any other company or corporation, other than its shares in the Subsidiary.

6.6 The Subsidiary engages in no commercial or other activities, other than to hold the domain name registration "mistermail.be".

7. Financial Statements

7.1 Attached hereto as Annex 4 are (i) the Accounts and (ii) the Management Accounts (collectively: the "Financial Statements").

7.2 The Financial Statements comply with all statutory requirements and regulations and with the generally accepted accounting principles in the Netherlands, applied on a consistent basis, except as otherwise explicitly disclosed and quantified in the Accounts.

- 7.3 The Accounts are true, correct and complete in all respects and present fairly the assets, liabilities and financial position of the Company as of 31 December 1999, and the results of the operations, accumulated deficit, cash flows and income for the period related thereto. The Management Accounts are true, correct and complete in all respects and present fairly the assets, liabilities and financial position of the Company as of 31 May 2000, and the results of the operations, accumulated deficit, cash flows and income for the period related thereto.
- 7.4 The balance sheet included in the Accounts fully, accurately and fairly reflect, as of the Accounts Date:
- (a) the book value of the tangible fixed assets of the Company, based upon the historical cost on straight-line depreciation based on the economic useful life thereof as of the Accounts Date;
 - (b) the book value of the trade accounts receivable, minus a provision for bad debts which is (i) consistent with generally accepted accounting principles as applied by the Company and (ii) reasonably sufficient given the proposed sale of the Shares to Affinity to allow Affinity the full economic benefit of each such account receivable;
 - (c) the book value of all other current assets of the Company, based upon the nominal value thereof as of the Accounts Date;
 - (d) the shareholder equity, consisting of paid-in and called capital in the amount of NLG 40,000 and general reserves in the negative amount of NLG 86,875;
 - (e) all liabilities required to be reflected in the Accounts under generally accepted accounting principles, consistently applied by the Company ("**Recorded Liabilities**") and such other liabilities and provisions disclosed in the notes to the Company Accounts ("**Non-Recorded Liabilities**") as are (i) consistent with generally accepted accounting principles consistently applied by the Company and (ii) reasonably necessary to provide Affinity with sufficient insight into the existence, nature and scope of such Non-Recorded Liabilities.
- 7.5 The profit and loss account included in the Accounts fully, accurately and fairly reflect, as of the Accounts Date:

- (a) no material item of special or non-recurring income or other income earned other than in the ordinary course of business, except as expressly identified as such in the Accounts; and
 - (b) the gross turnover calculated on the basis of actual accruals.
- 7.6 The notes to the Financial Statements are reasonably sufficient to disclose or explain the items stated therein to which they refer.
- 7.7 The legal reserves stated in the Accounts have been formed in accordance with applicable civil and tax laws and the Articles. No further legal reserves are required to be formed by the Company for the period following the Completion Date, other than for the matters and to the extent stated in the notes to the Accounts or the Management Accounts.
- 7.8 The Company has not pre-billed or received advance payment for goods or services to be delivered after the Completion Date, other than as specified in the Accounts or the Management Accounts.
- 7.9 The Company has satisfied the requirements concerning the publication and filing of annual accounts, up to and including the accounts for the financial year ending 31 December 1999.
- 7.10 The books of account, ledgers, financial and other records of whatsoever kind or nature (including the tax administration) of the Company and the Subsidiary have been fully, properly and accurately maintained, are in the possession respectively of the Company and the Subsidiary, do not contain or reflect any inaccuracies or discrepancies, are duly entered in conformity with all applicable statutory requirements and contain true, full and accurate records of all matters dealt with or required by law to be dealt with therein.
- 8. Changes since 31 December 1999**
- 8.1 Since the Accounts Date through and including the Completion Date, no material adverse change has occurred or, to the best knowledge of Sellers, is likely to occur with respect to the matters disclosed in the Accounts.
- 8.2 Since the Accounts Date, the business and affairs of the Company have been conducted in

the ordinary and normal course and in an orderly manner as regards its nature, extent and manner of conduct. No assets have been disposed of, nor liabilities or debts incurred or assumed or payments made, other than in the ordinary and normal course of business of the Company, as conducted as of the Completion Date. There has been no interruption or alteration in the nature, scope or conduct of its Business or any material deterioration in the turnover, the financial, commercial, or trading position or the prospects of the Company.

8.3 Since the Accounts Date, the Company has not:

- (a) voluntarily or involuntarily sold, transferred, abandoned, surrendered, subjected to an Encumbrance or otherwise disposed of any asset or property right (*vermogensrechten*), except in the ordinary course of business and consistent with past custom or practice;
- (b) changed any accounting principles, methods or practices utilised by it or changed any of its depreciation rates or amortisation policies or rates;
- (c) made a loan or advance to any party;
- (d) incurred any debt, liability or obligation of any nature arising out of a transaction or series of transactions, act or omission occurring on or prior to the Completion Date, or any fact or circumstance existing on or prior to the Completion Date (regardless of when such liability or obligation is asserted), including, but not limited to, liabilities or obligations on account of Taxes or governmental charges or penalties, assessments, interest or fines thereon or in respect thereof, except for liabilities (i) specifically delineated or for which an explicit provision or reservation has been made in the Accounts, (ii) under any agreement, contract, lease or commitment disclosed in this Schedule C (none of which relates to any breach of contract, breach of warranty, tort, injury caused to another, infringement, claim, lawsuit or violation of law) and/or (iii) arising in the ordinary course of business, consistent in form and amount with past practice, since the Accounts Date, none of which liabilities or obligations, individually or in the aggregate, is material in amount with respect to the Business, prospects, results of operations, financial condition or assets of Company;
- (e) increased the compensation payable to any of managing director or any employee or

agent of Company, other than in the ordinary course of business;

- (f) waived any right of substantial value;
- (g) entered into any commitment for capital expenditure, whether or not in the ordinary course of business, in excess of NLG 50,000 in the aggregate other than extensions of hardware and software foreseen in the business plan attached as Schedule G to the Agreement; or
- (h) entered into any other material transaction, or committed to any of the foregoing, other than to move to another premise.

8.4 Since the Accounts Date, the Company has not paid or incurred any liability to any of Sellers, any of Warrantors or any person or entity controlled by or affiliated therewith.

9. Subscribers

- 9.1 Attached hereto as Annex 7 is a true and complete list of all Subscribers to one or more Services of the Company or the Subsidiary as of 25 May 2000, stating the name of the Subscriber, the date upon which Service commenced, the Service or Services subscribed and whether such Service is provided by the Company or the Subsidiary to such Subscriber. None of the Subscribers has cancelled, otherwise terminated or materially reduced or threatened to cancel, terminate or materially reduce the scope of its relationship with the Company, whether or not in light of the transactions contemplated by the Agreement.
- 9.2 As of the Completion Date, the Company and the Subsidiary collectively have at least 113,366 Subscribers to one or more Services of the Company or the Subsidiary, each with a unique e-mail address and/or URL and (i) each of whom has received at least one and (ii) all of whom have received in the aggregate at least 410,675 newsletter(s) included in one or more of the Services of the Company prior to 25 May 2000.
- 9.3 The Company is not in default of any obligation under an agreement between the Company and such Subscriber.
- 9.4 The continuation, validity and effectiveness of the Subscriber agreements will not be

adversely affected by the consummation of the transactions contemplated by the Agreement. No negotiations are pending to revise the terms and conditions applicable under the Subscriber agreements.

10. Content Providers

- 10.1 Attached hereto as Annex 8 is a list of all content providers of the Company, delineating (i) the name of each such provider, (ii) the fee, if any, due by the Company or the Subscriber for such content, (iii) the right, if any, by the content provider, the Company and/or Subscriber to place advertisements, banners or other marketing communications on each other's website, (iv) a brief description of the content provided and (v) the Service or Services in which such content is incorporated, in whole or in part ("**Content Provider**").
- 10.2 As of the Completion Date, the Company has at least 121 Content Providers used in connection with the provision of one or more Services of the Company. The Company has sufficient content in order to conduct the Business as conducted as of the Completion Date.
- 10.3 Neither the Company any Content Provider is in default of any obligation under any agreement for the provision of content to the Company.
- 10.4 The continuation, validity and effectiveness of the Content Provider agreements will not be adversely affected by the consummation of the transactions contemplated by the Agreement. No negotiations are pending to revise the terms and conditions applicable under the Content Provider agreements.

11. Assets

- 11.1 The Company holds full and exclusive legal and beneficiary title, free from any Encumbrance, to each asset reflected in the Accounts and is exclusively entitled to use such other assets as leased by it (the "**Assets**"). The Assets constitute all the assets that are necessary, proper, expedient or desirable for the conduct of the Business. All Assets are located at the premises of the Company, with the exception of the Computer System located at the offices of WEB 3 in Limbricht, the Netherlands.

- 11.2 The Assets are in good operating condition and repair, reasonable wear and tear excepted, are useable in the ordinary course of business and are adequate and suitable for the uses to which they are being put. No such item requires any repair or replacement except for maintenance in the ordinary course of business or such other repair or replacement which is not material, individually or in the aggregate, in nature or cost.
- 11.3 No right, title or interest of Company to the Assets shall be affected by the transactions contemplated by the Agreement.

12. Inter-company matters

- 12.1 Neither the Company nor the Subsidiary has any debt, obligation or liability to any party currently or formerly controlled by or affiliated with Sellers or Warrantors, other than the inter-company accounts payable stipulated in Section 8.4 of the Agreement, including but not limited to obligations to indemnify or accept joint and several liability for the obligations of third parties.
- 12.2 No amount is due to the Company by any of Sellers or Warrantors as of the Completion Date.
- 12.3 All transactions engaged in by the Company with Sellers, Warrantors or any party affiliated with Sellers or Warrantors have been entered into under arm's length conditions.

13. Banking matters

- 13.1 Attached hereto as Annex 9 is a list of all bank accounts (whether current account, overdraft, credit facilities, deposit accounts or payment accounts) held in the name of the Company as of the Completion Date, specifying the name of the relevant banking institution and full and accurate details of each such banking facility. No party to such facility is in default, nor are Sellers aware to the best of their knowledge of any act or omission whereby the continuance of any such facility in full force and effect might be adversely affected or prejudiced.
- 13.2 Neither the Company nor the Subsidiary has issued any Guarantee to a related or unrelated third party or agreed to issue a Guarantee on behalf of the Company or the Subsidiary as

security for the performance respectively by the Company or the Subsidiary of their respective obligations under any agreement for the provision or purchase of goods or services.

14. Taxation

- 14.1 The Company and the Subsidiary have fully, duly and timely paid all Tax due or, if any Tax is due but not yet paid, have made full provision therefore in the Accounts for taxes and contingent taxes (*latente belastingen*) due in the financial year 1999.
- 14.2 The Company and the Subsidiary have duly, timely and accurately filed or caused to be filed on their respective behalf all Tax returns that are required to have been filed in accordance with the applicable laws and regulations and no extensions for the filing thereof has been requested or granted. No final reminders for the filing of Tax returns have been received with respect to tax periods for which no financial assessment has been issued. There are no special arrangements with the taxation authorities nor any ruling by such authorities with respect to the Company or the Subsidiary.
- 14.3 Neither the Company nor the Subsidiary is required to invoice and/or transfer to the appropriate Dutch or Belgian authorities any VAT for services rendered by the Company or the Subsidiary to Subscribers. All VAT invoiced to or by the Company or the Subsidiary for services or goods subject to such VAT taxation has been fully and accurately reflected in the Tax returns of the Company and any VAT recovered by the Company or the Subsidiary has been properly and fully recovered.
- 14.4 Neither the Company nor the Subsidiary is required to withhold and/or transfer to the appropriate Dutch or Belgian authorities any wage taxes and social security premiums due upon payments made by the Company or the Subsidiary to current and former employees, including any wage tax or social security premium related to fixed expense allowances, out-of-pocket cost disbursements and travel expense reimbursements.
- 14.5 As of the Completion Date, neither the Company nor the Subsidiary is subject to any special taxation regime, arrangement or assessment.
- 14.6 No transaction between Sellers or the Warrantors and the Company can be qualified by the

tax authorities as the payment of informal capital by or in the Company, for which any capital tax is or could later be levied.

- 14.7 No disputes exist or, to the best knowledge of Sellers, are expected with the Tax authorities regarding the Tax position of the Company or the Subsidiary or any of their respective properties, assets or income or regarding the Tax returns filed respectively by Company and the Subsidiary.
- 14.8 No audits or investigations by any Tax authorities are presently being made or are expected regarding the Tax position of Company, the Subsidiary or any of their respective properties, assets or income or regarding any Tax return filed by the Company or the Subsidiary. No requests for exchange of information are pending regarding any Taxes relating to the Company, the Subsidiary or any of their respective business relations. No collection procedures have been initiated against Company, the Subsidiary or any of their respective properties, assets or income for the account of any Tax. Neither the Company nor the Subsidiary has received any reminders (*aankomingen*) or writs (*dwangbevelen*) relating to Tax.
- 14.9 No objection (*bezwaar*) or appeal (*beroep* or *cassatie*) is presently pending or will be filed or may have to be filed respectively with the Tax authorities or the competent court.
- 14.10 The Company and the Subsidiary each have sufficient records and accounts as required by the tax and social security laws of any relevant jurisdiction. The competent Tax authorities have never rejected the records and accounts of the Company or the Subsidiary as the basis for the computation of any Tax liability.
- 14.11 The Company has never claimed exemptions from, or reductions of, Taxes to which it was not entitled. No tax-free reorganisation or merger either for corporate income tax purposes or for capital tax purposes or for the purposes of any other Tax has been effectuated or claimed during the financial year 1999 or the two preceding years. Reorganisations or mergers, whether or not tax-exempt, which have been effected prior to the Completion Date, will not lead to any liability for Taxes after or on the Completion Date.
- 14.12 Neither the Company nor the Subsidiary has any capital that is tainted in particular by reason of section 44 of the Personal Income Tax Act, section 3(2) of the Dividend

Withholding Tax Act (*fusie-agio*) or comparable provisions of Belgian tax law.

14.13 The Company, the Subsidiary and their respective (former or current) managing directors in their/its capacity as managing director have not at any time been the subject of a criminal investigation relating to or involving Tax.

14.14 Neither the Company nor the Subsidiary can be held responsible for the withholding or payment of any Tax due or payable by any person (including, without limitation, Sellers, Warrantors or any affiliate of Sellers or Warrantors) by virtue of having acted as a (sub)contractor (*onderaannemer*), having persons seconded to it (*inlener van arbeidskrachten*) or any other reason, unless and to the extent sufficient provision has been made therefore in the Accounts.

15. Employment matters

15.1 As of the Completion Date, Daloflo and Indilo are the sole managing directors of the Company.

15.2 As of the Completion Date, neither the Company nor the Subsidiary has any employees, whether on a full-time, part-time, on-call or seconded basis.

15.3 Attached hereto as Annex 10 is an overview of all persons or entities who, during the financial year 1999 through and including the Completion Date have provided services to the Company or the Subsidiary on a free-lance basis. None of the persons or entities identified in Annex 10 qualifies as an employee of the Company or the Subsidiary for purposes of the employment or tax laws respectively of the Netherlands or Belgium.

16. Permits and licences

16.1 The Company and the Subsidiary are each duly authorized and have filed all documents necessary in order to conduct business respectively in the Netherlands, Belgium and all other jurisdictions in which the Company or the Subsidiary, as of the Completion Date, engages in business.

16.2 No licence, permit, order or approval of any governmental or regulatory body is necessary for the conduct of the Business of the Company or the Subsidiary in the manner

conducted as of the Completion Date.

17. Intellectual property rights

- 17.1 The Company does not trade under any name other than its statutory name or the trade name Mister Mail.
- 17.2 Neither the Company nor the Subsidiary holds any title to (i) any trademark or service mark, (ii) patent, patent application or patent license or (iii) design, design application or design license or makes use of any Know How.
- 17.3 Attached hereto as Annex 11 are copies of (i) the domain name registrations respectively by the Company and the Subsidiary, evidencing that (a) the Company holds exclusive and valid title and registration to the domain names mistermail.nl, showwereld.nl, zakenmail.nl, zakenmail.nu, mistermail.nu, mail4u.nu, mail4you.nu, freezine.nl, freezine.com, mrmail.nl and (b) the Subsidiary holds exclusive and valid title and registration to the domain name mistermail.be, and (ii) the Benelux trademark registration of the Company evidencing that the Company holds exclusive and valid title and registration to the word mark "Mister Mail". Each such registration is valid and in full force and effect as of the Completion Date and, to the best knowledge of Sellers, there is no action or proceeding threatened or likely to be pending or threatened to cancel, suspend, revise, revoke or limit or not to renew any such registration. To the best knowledge of Sellers, no third party now uses a domain name confusingly similar to the domain names of the Company or the Subsidiary, a trademark confusingly similar to the trademark of the Company, nor does the use by the Company or the Subsidiary of their respective domain names and trademark constitute an infringement of the intellectual property rights of any third party.
- 17.4 The Company holds valid, subsisting, exclusive and unlimited rights to use the website of the Company and the database software used by the Company as of the Completion Date. The Company is permitted to make any and all modifications to its website and/or the database software which it deems necessary or desirable, which right of modification shall continue in full force and effect following the completion of the transactions contemplated by the Agreement.
- 17.5 Attached hereto as Annex 12 is an overview of (i) all Developed Software and (ii) all Third

Party Software used by the Company as of the Completion Date. The Company holds exclusive and full title to all copyrights in the Developed Software. The Company holds valid, non-exclusive rights to use the Third Party Software. The license agreements pursuant to which the Company has been granted the right to use Third Party Software or other Intellectual Property Rights proprietary to a third party are valid and subsisting as of the Completion Date, and the transactions contemplated by the Agreement shall not have an adverse effect on the duration of or terms and conditions applicable to such license agreements. The Company is not in breach of any term under the license agreements or engaged in any act or omission which could give rise to the revocation, amendment, non-renewal or early termination of such agreement.

- 17.6 The Company holds exclusive and full title to (i) all database rights related to the databases used by the Company other than the database rights jointly held by the Company and World Online N.V. and the database rights to Subscribers held solely by Intercai Nederland B.V. and GoForIt, pursuant to the agreements attached hereto as Annex 13, and (ii) all copyrights to any content produced by or on behalf of the Company for inclusion in one or more of the Services.
- 17.7 The Intellectual Property Rights identified in Annexes 11 and 12 and Section 17.6 hereof jointly constitute all of the Intellectual Property Rights necessary for the conduct of the Business of the Company and the Subsidiary in the manner conducted as of the Completion Date.
- 17.8 The Company has taken all possible measures to protect all Intellectual Property Rights held or used by it, including but not limited to the registration thereof. All application, registration and renewal fees, costs and charges relating to the Intellectual Property Rights have been duly paid on time.
- 17.9 No other person or entity is authorized to make any use whatsoever, whether exclusive or otherwise, of any of the Intellectual Property Rights of the Company or the Subsidiary. No agreements have been entered into by the Company or the Subsidiary or are binding against the Company or the Subsidiary for the sharing of Know How.
- 17.10 The Computer Systems are sufficient to meet the normal requirements of the Business of the Company. The Company has entered into valid and subsisting license and maintenance

agreements for the use of the Computer Systems, as identified in Annex 12, and is not in violation of any term or condition applicable thereto. The Company has received no notice of breach or violation by any hardware or software provider, or any branch organisation representing such hardware or software providers. In the use of the Computer Systems, the Company is not dependent on third parties for the provision of additional goods or services, other than through the usual maintenance contracts with suppliers.

17.11 Each (item of) the Developed Software and Third party Software ensures that a change of, reference to or use of a date before, on or after 31 December 1999 in the operation of a Developed Software or a Third Party Software, whether alone or in conjunction with any other program, will not have an adverse effect on the operation of that Developed Software or Third Party Software. Each Developed Software and Third Party Software will in responding to two-digit date input and providing date output, resolve any ambiguity as to century in a manner which is consistent, clearly defined and apparent to the user and (ii) the third party software used for the bookkeeping system of the Company will recognize, process and support the Euro as a form of currency in the same or comparable manner as existing currencies such as the Dutch florin or Belgian franc, without adversely affecting any other functionality of the program and consistent with applicable legislation and regulations.

17.12 Neither the Company nor the Subsidiary infringes any Intellectual Property Right held by or inuring to the benefit of any third party. Neither the Company nor the Subsidiary has received any claim (or been notified of a possible claim) for infringement of any intellectual property right of third parties and there are no circumstances that could give rise to any such claim. To the best knowledge of Sellers, no third party infringes or threatens to infringe any Intellectual Property Right of the Company and/or the Subsidiary.

18. Computer Systems

18.1 The Company is not restricted in any way in its use of the Computer Systems (whether by way of a technical device or otherwise).

18.2 The Company has the exclusive control of the operation of the Computer Systems and of the storage, processing and retrieval of all data stored on the Computer Systems.

- 18.3 The Computer Systems have adequate functionality, capability and capacity for the present and foreseeable future requirements of the Company and each part of the Computer Systems is compatible with each other part.
- 18.4 The Computer Systems have operated without material errors and without downtime exceeding ten (10) hours in aggregate or for any individual period of more than one (1) hour for the year immediately prior to the Completion Date.
- 18.5 The Computer Systems have been satisfactorily maintained.
- 18.6 The Company is using the most recent version of all Third Party Software, insofar as is reasonably necessary for the operation of the Business.
- 18.7 The Company possesses adequate copies of all user manuals, technical documentation and any other documentation required to operate, maintain and support the Computer Systems and are fully licensed to use the same for those purposes.
- 18.8 There are in place prudent procedures to ensure internal and external security of the Computer Systems, including procedures for taking and storing on-site and off-site back-up copies of computer programs and data, for preventing introduction of viruses into the Computer Systems and for the protection of security of data stored on the Computer Systems.

19. Insurance

- 19.1 All Assets and Leased Assets of the Company, including, without limitation, real estate, tangible property, equipment and vehicles, are fully insured in amounts representing their full replacement value against all normal risks and the Company is now and has at all times been properly and adequately insured against all forms of legal liability (*wettelijke aansprakelijkheid*), including, without limitation, accident, damage, injury, third party loss, product liability and against direct, indirect incidental and consequential damage and economic loss.
- 19.2 Attached hereto as Annex 14 is a list of all insurance policies held in the name of the Company or pursuant to which the Company is insured as (joint) beneficiary thereof. No notice of cancellation has been received in respect of any insurance policy, all of which are

in full force and effect as of the Completion Date, no claim is outstanding under any such policies and there is nothing that could give rise to a claim under any such policies or which would cause any of them to be or become void or void able, including but not limited to the transactions contemplated by the Agreement.

- 19.3 No claims have been filed by the Company for coverage under any of the insurance policies prior to the Completion Date. All premiums due to be paid by or on behalf of the Company have been paid in full and on time.

20. Agreements

- 20.1 The Company is not a party to any partnership, joint venture, consortium or association or other arrangement pursuant to which (i) the Company is jointly and severally liable for the performance of third parties or (ii) commissions, income or subsidies are required to be shared by the Company with third parties.

- 20.2 The Company is not a party to any contract or agreement which:

- (a) is outside the ordinary and normal course of the Business of the Company or is not at arm's length;
- (b) is of an onerous nature or cannot be fulfilled or performed by the Company on time or without undue or unusual expenditure of money and effort; or
- (c) requires an aggregate consideration payable by the Company in excess of NLG 50,000 (fifty thousand guilders).

20.3

- 20.4 The Company is not in breach (*toerekenbare tekortkoming*) with respect to the performance of any contractual or other obligations, and there is no act, omission or circumstance that could give rise to such a default.

- 20.5 To the best knowledge of Sellers, none of the existing business relationships of Company has or will, as a result of the Agreement, end or substantially reduce or alter their business relationships with the Company and the sale or transfer of the Shares has not and will not cause any existing legal relationship, or right or the extent or enforceability thereof or the

entitlement thereto, with or of the Company to be affected in any manner.

- 20.6 The Company has not received any grant, subsidy or financial assistance from any government department or other body within the Netherlands or elsewhere.

21. Commercial

- 21.1 The Company has observed and performed all terms and conditions to be observed and performed by each of them pursuant to any agreement for the provision or purchase of goods or services.
- 21.2 The Company will not be required after the Completion Date to undertake any work or supply any goods or services except on normal commercial terms under a written contract entered into on or before the Completion Date. None such agreement involves or is likely to involve a supply of goods or services by or to the Company, the aggregate sales value of which will represent in excess of 15% (fifteen percent) of the consolidated turnover for the last financial year of the Company.
- 21.3 The Company is not a party to any agency or distribution agreement.
- 21.4 The Company is not (and never has been) a party to any arrangement, agreement, concerted practice or course of conduct which contravenes or infringes Articles 81 or 82 of the Treaty establishing the European Economic Community or Regulation no. 4064/89 on the control of concentrations of undertakings or any other antitrust, competition, restrictive trade practice, or consumer protection or similar legislation, including, without limitation the Act on Dutch Economic Competition (*Wet Economische Mededinging*), the Dutch Competition Act (*Mededingingswet*), in any jurisdiction in which the Company conducts business or has assets or sales. The Company is not now and never has been the subject of any enquiry, investigation or proceeding in respect hereof.

22. Litigation

- 22.1 Neither the Company nor the Subsidiary is party to, engaged in, or to the best knowledge of Sellers, threatened with, any litigation or judicial, administrative, fiscal, civil, criminal, disciplinary, binding advice or arbitration proceedings. There are no judgements, decrees or

decisions which continue in force against the Company or the Subsidiary as of the Completion Date, or which have not been fully performed or satisfied on or before the Completion Date.

- 22.2 Neither the Company nor the Subsidiary is the subject of any investigation, inquiry or enforcement proceedings or process by any governmental, administrative or regulatory body nor is there any fact or circumstance, to the best knowledge of Sellers, which is likely to give rise to any such investigation, inquiry or enforcement proceedings or process.

23. Compliance

- 23.1 The Company has complied and is now in full compliance with all laws, regulations and orders or procedural or substantive legislation (*formele of materiele wetgeving*) applicable to it or its Business.
- 23.2 Neither the Company, nor any of its officers, agents or employees has done or omitted to do anything which is or could be a contravention of any statute, order, regulation, decree or judgement or the like which has given, or could give, rise to a fine, penalty or other liability or sanction against the Company or which may have an adverse effect upon the Business of the Company.
- 23.3 The Company maintains and uses all databases containing personal data (*persoonsgegevens*) in accordance with the legislation and regulations applicable to such databases, including the Dutch Privacy Act (*Wet op de persoonsregistratie*). Pursuant to a generic exemption under the Dutch Privacy Act, the Company is not required to register its use of personal data with the Registration Chamber (*Registratiekamer*) in the Netherlands. The Company has received no request from a subscriber to alter or delete his/her personal data, which request has not been fully honoured by the Company.

24. Real property

- 24.1 Neither the Company nor the Subsidiary own any real property.
- 24.2 Annex 15 is a complete and correct list of all real property leased or used by the Company. The Property is sufficient to continue to conduct the Business of the Company as

conducted as of the Completion Date.

- 24.3 The Company does not have any Option to purchase, lease or acquire any interest in real property (or to grant the same).
- 24.4 All leases and other agreements for the use of the Property are in full force and effect, valid and subsisting, and shall continue in full force and effect following the completion of the transactions contemplated by the Agreement. The Company is not in breach of any term or condition applicable to such lease or received any notice of any default thereunder, nor to the best knowledge of Sellers, is there any fact, event, action or matter (nor has the Company omitted to act in such a way) that could result in such a breach.
- 24.5 No improvements or repairs of any Property, in whole or in part, has been prescribed by landlords, municipal authorities or other governmental or semi-governmental entities and no improvements or repairs to any Property is necessary or prudent for the conduct of the Business, other than normal maintenance. No improvements or repairs of the Property have been carried out which would require any permission or consent from any such party without such permission or consent being obtained. Upon termination or expiry of the lease agreements, the Company shall not be under any obligation to pay any monies or restore the premises to their original state.
- 24.6 The current use respectively by the Company of the Property is permitted pursuant to:
- (a) The relevant statutory and municipal laws, orders, rules and regulations, including zoning, building and environmental laws, regulations, orders and permits; and
 - (b) the terms of the lease agreement.
- 24.7 None of the lease agreements of Property contains any onerous or unusual covenant, restriction, burden or stipulation. The Company has paid all rent and other monies due under the lease agreements.
- 24.8 The buildings situated in the Properties are in good state of maintenance and repair and condition and are fit for the purpose for which they are currently used or intended, normal wear and tear excepted.
- 24.9 None of the services or utilities connected to the Properties has been interrupted, and there

is no reason why any of them should or will be interrupted, and such services and utilities are all services and utilities that are required to operate the Business of the Company efficiently at the Property.

24.10 The Company is not now and never has been in violation of any Environmental Law. The Company is not required by Environmental Law or any agreement or commitment (including but not limited to an environmental covenant) to take any measure to remove, contain or clean any polluted site located at the Properties. No person or body, including any local or central, Dutch or foreign, governmental body, has asserted a claim against the Company with respect to any pollution or contamination of the soil, groundwater or surface water, nor is the Company under any statutory or contractual duty or obligation to investigate (the possibility of) any such pollution or contamination or to clean-up such pollution or contamination or restore the condition of the soil, groundwater or surface water.