

Allen & Overy 31/10/00

**CERTIFIED
TRUE COPY**

Dated *27* June, 2000

EXPRESS NEWSPAPERS

and

MEGASTAR.CO.UK LIMITED

AGREEMENT FOR TRANSFER OF ASSETS

ALLEN & OVERY

London
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THIS AGREEMENT is made on 27 June, 2000 BETWEEN:

- (1) **EXPRESS NEWSPAPERS** (registered number 0014178) whose registered office is at Ludgate House, 245 Blackfriars Road, London, SE1 9UY (the "Seller"); and
- (2) **MEGASTAR.CO.UK LIMITED** (registered number 3977488) whose registered office is at Ludgate House, 245 Blackfriars Road, London SE1 9UY (the "Purchaser").

WHEREAS:

- (A) The Seller is the registered and beneficial owner of 1 ordinary share of £1 in the Purchaser.
- (B) The Seller wishes to sell and the Purchaser wishes to purchase the goodwill and certain assets which are used exclusively in the Internet and website services and business known as "Megastar.co.uk" carried on by the Seller (the "Business") on the terms set out in this agreement.

IT IS AGREED as follows:

1. DEFINITIONS

In this Agreement the following words and expressions have the meanings set opposite them:

"**Contracts**" means all contracts and engagements entered into or orders made before the Transfer Date by or on behalf of the Seller with third parties in connection with the Business which remain (in whole or in part) to be performed at the Transfer Date;

"**Domain Name**" means the alphanumeric alias for the internet protocol address of a Website;

"**Domain Name Rights**" means the right to use and control a Domain Name and to direct which Website a Domain Name identifies;

"**Intellectual Property Rights**" means trade marks, service marks, trade and business names, rights in designs, patents, copyright, database rights, moral rights and rights in know-how and other intellectual property rights in each case whether registered or unregistered and including applications for the grant of any of the foregoing and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist anywhere in the world;

"**Transfer Date**" has the meaning set out in clause 3; and

"**Website**" means a webpage (or series of webpages) located at a network server accessed via the internet.

2. SALE AND PURCHASE

The Seller shall sell (or, where specified, grant licences) and the Purchaser shall purchase the goodwill of the Business and certain assets used exclusively in the Business owned by the Seller (the "Assets") including, without limitation, those Intellectual Property Rights, Domain Name Rights and other assets set out in Schedule 1 to the intent that as from the

Transfer Date the Assets shall be owned by the Purchaser provided that there shall be excluded from the sale:

- (a) any assets of any other business carried on by the Seller at the Transfer Date;
- (b) any investment in any securities, including any shares owned by the Seller in any subsidiary of the Seller; and
- (c) any amount owing to, or owed by, the Seller by or to any member of its group (other than the Purchaser).

3. TRANSFER DATE

As between the Seller and the Purchaser, the sale and purchase shall take effect from the close of business on 27 June, 2000 (the "Transfer Date").

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4. TRANSFER OF DOMAIN NAME RIGHTS

- (1) The Seller agrees to take all reasonable steps to procure, and the Purchaser agrees to accept, the transfer to the Purchaser (or the Purchaser's nominee) of Domain Name Rights in relation to any Domain Names set out in Schedule 1.
- (2) The parties shall execute any document reasonably required to effect such transfer at the Transfer Date (or as soon as practicable thereafter), including (without limitation) joint instructions to any relevant Domain Name providers or Domain Name registration authorities to effect the transfer of the Domain Name.

5. CONTRACTS

- (1) Subject to subclauses (2) and (3) and from the Transfer Date the Purchaser shall:
 - (a) be entitled to the benefit of the Contracts;
 - (b) carry out, perform and complete all the obligations and liabilities to be discharged under the Contracts; and
 - (c) indemnify the Seller against all actions, proceedings, costs, damages, claims and demands in respect of any failure on the part of the Purchaser to carry out, perform and complete those obligations and liabilities.
- (2) Nothing in this agreement:
 - (a) shall require the Purchaser to perform any obligation falling due for performance or which should have been performed before the Transfer Date; or
 - (b) shall make the Purchaser liable for any act, neglect, default or omission in respect of any of the Contracts prior to the Transfer Date or for any claim, expense, loss or damage arising from any failure to obtain the consent or agreement of any third party to the entry into of this agreement or from any breach of any of the Contracts caused by this agreement or its completion; or
 - (c) shall impose any obligation on the Purchaser for or in respect of any product delivered by the Seller or any service performed by the Seller prior to the Transfer

Date.

- (3) The Seller shall indemnify the Purchaser against all actions, proceedings, costs, damages, claims and demands in respect of any act or omission on the part of the Seller in relation to the Contracts on or before the Transfer Date.
- (4) Insofar as the benefit or burden of any of the Contracts cannot effectively be assigned to the Purchaser except by an agreement or novation with or consent to the assignment from the person, firm or company concerned:
 - (a) the Seller shall use all reasonable endeavours to procure the novation or assignment;
 - (b) until the Contract is novated or assigned the Seller shall hold it in trust for the Purchaser absolutely and the Purchaser shall (if such sub-contracting is permissible and lawful under the Contract), as the Seller's sub-contractor, perform all the obligations of the Seller under the Contract to be discharged after the Transfer Date and shall indemnify the Seller against all actions, proceedings, costs, damages, claims and demands in respect of any failure on the part of the Purchaser to perform those obligations; and
 - (c) until the Contract is novated or assigned the Seller shall (so far as it lawfully may) give all reasonable assistance to the Purchaser to enable the Purchaser to enforce its rights under the Contract.

6. CONSIDERATION

- (1) The consideration for the sale of the Assets, shall be £1,689,000 satisfied by the allotment to the Seller of two ordinary shares of £1 each in the Purchaser.
- (2) Subject as otherwise provided in this agreement as part of the consideration for the sale and purchase the Purchaser shall pay, satisfy and discharge all the debts, liabilities and obligations relating to the Business and outstanding on, or accrued up to and including, the Transfer Date (excluding any liability of the Seller for taxation in respect of profits earned in any period ending on or before the Transfer Date whether or not liability to pay that taxation had then arisen) and the Purchaser shall at all times keep the Seller indemnified against those debts, liabilities and obligations and all actions, proceedings, costs, damages, claims and demands in respect of them.

7. VAT

The Purchaser shall in addition be liable to the Seller for any value added tax payable in respect of the sale and purchase and the amount of that tax shall remain owing from the Purchaser to the Seller on intra-group loan account and shall be repayable on demand against the issue of a proper VAT invoice.

8. POSSESSION AND FURTHER ASSURANCE

- (1) The sale and purchase shall be completed immediately after signature of this agreement when the Seller shall let the Purchaser into possession of the Assets.
- (2) On and after completion of the sale and purchase the Seller shall from time to time at the request and expense of the Purchaser execute and do all such deeds, documents, assurances,

acts and things as the Purchaser reasonably requires for vesting any of the Assets in the Purchaser and for giving to the Purchaser the full benefit of this agreement.

- (3) As from the Transfer Date and until such time as each of the Assets is finally vested in the Purchaser the Seller shall hold it in trust for and for the benefit of the Purchaser.

9. NO INVESTIGATION OF TITLE

The Purchaser shall accept without investigation, objection or requisition such title as the Seller has to the Assets.

10. EMPLOYEES

The parties acknowledge and agree that under the Transfer of Undertakings (Protection of Employment) Regulations 1981 the contracts of employment between the Seller and the employees of the Seller set out in Schedule 3 will have and be deemed to have had effect after the Transfer Date as if originally made between the Purchaser and those employees. The Purchaser shall on and from the Transfer Date assume responsibility as the employer of those employees (including without limitation, discharging all remuneration and other costs) for its own account from the day following the Transfer Date and shall indemnify the Seller against all liabilities arising from the Purchaser's failure so to discharge.

11. APPORTIONMENT

- (1) All outgoings payable or accruing in respect of the Assets or Business down to the Transfer Date shall be borne by the Seller and as from the Transfer Date shall be borne by the Purchaser and all payments receivable or accruing in respect of the Business down to and including the Transfer Date shall belong to the Seller and as from the Transfer Date shall belong to the Purchaser. Those outgoings and amounts receivable shall if necessary be apportioned accordingly.
- (2) Sums payable periodically shall be apportioned by charging or allowing:
- (a) for any payment period entirely attributable to one party, the whole of the instalment payable for that period;
 - (b) for any part of a payment period, a proportion on an annual basis.
- (3) If any sum payable in respect of any period falling wholly or partly prior to the Transfer Date has not been quantified a reasonable provisional apportionment shall be made on the basis of the best estimate available.
- (4) Upon the amount referred to in subclause (3) being quantified a final apportionment shall be made and the relevant party shall make an appropriate balancing payment.
- (5) The Purchaser shall not be obliged to reimburse the Seller in respect of any liability of the Seller unless the Seller has actually discharged the same.

12. INSURANCE

From the Transfer Date, and subject to the consent of the insurance companies concerned, the Purchaser shall be entitled to the benefit of the current insurances of the Seller on or in connection with the Assets and the Business.

13. COSTS

The Purchaser shall pay the costs and expenses of and incidental to the preparation and completion of this agreement including all stamp duties and shall indemnify the Seller against all actions, proceedings, costs, damages, claims and demands in respect of them.

14. RIGHTS OF THIRD PARTIES

A person who is not a party to this Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

15. COUNTERPARTS

This agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and either party may enter into this agreement by executing a counterpart.

16. GOVERNING LAW

This agreement shall be governed by and construed in accordance with English law.

AS WITNESS the hands of the duly authorised representatives of the parties on the date which appears first on page 1.

SIGNED by)
for and on behalf of)
EXPRESS NEWSPAPERS)

[Signature] for **CROSSWALL Nominees Ltd.**

SIGNED by)
for and on behalf of)
MEGASTAR.CO.UK)
LIMITED)

[Signature]

Authorised Signatory for
UNM INVESTMENTS LIMITED
Director

SCHEDULE 1**Intellectual Property Rights**

1. All rights, title and interest the Seller may have in the "Megastar" name (including without limitation the Domain Name "Megastar.co.uk") ~~and the registered trade mark "Megastar.co.uk".~~
2. A non-exclusive licence to use of lists of existing and potential customers relating to the Business but without prejudice to the rights of the Seller to continued use (including onward licensing) of such lists.
3. A non-exclusive licence to use all rights, title and interest as the Seller may be able to license in the concepts and get up of and the software comprised in and required to operate the Business.
4. All ideas, concepts, know how and other Intellectual Property Rights belonging to the Seller which relate exclusively to the Business.

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SCHEDULE 2**Employees**

P. O'Cleary - *Clarke*
K. Brown
A. Stephens
~~G. Wood~~ (V)
I. Fazal
J. Howe
~~S. Hornsey~~

Editor
Journalist
Deputy Editor
~~Web Designer~~
Journalist
Journalist
~~Web Designer~~

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