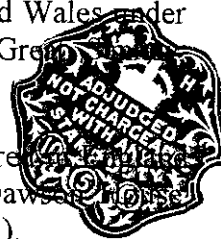


4171876

THIS AGREEMENT is made on **30TH MARCH** 2001 **BETWEEN:**

- (1) **UNITED UTILITIES PLC** a company registered in England and Wales under No. 2366616 whose registered office is at Dawson House, Great Sankey, Warrington, Cheshire WA5 3LW ("**the Vendor**"); and
- (2) **NORWEB TELECOM GROUP LIMITED** a company registered in England and Wales under No. 4171876 whose registered office is at Dawson House, Great Sankey, Warrington, Cheshire WA5 3LW ("**the Purchaser**").



NOW IT IS HEREBY AGREED as follows:

1 Interpretation

1.1 In this Agreement, the following expressions have the following meanings:

"**Completion**" means completion of the sale and purchase of the Sale Shares hereunder;

"**ICL**" means Intercell Communications Limited, a company incorporated in England and Wales under number 2368803;

"**ICL Agreement**" means the agreement dated 30th January 2000 for the sale and purchase of the entire issued share capital of ICL made between John Chelfin and others and the Vendor;

"**ICL Shares**" means the 92 ordinary shares of £1 each in the capital of ICL, registered in the name of the Vendor;

"**Intercell**" means Intercell Limited, a company incorporated in England and Wales under number 2303594;

"**Intercell Agreement**" means the agreement dated 30th January 2000 for the sale and purchase of the entire issued share capital of Intercell made between Intercell Group Limited, the Vendor and John Andrew Chelfin and others;

"**Intercell Shares**" means the 100 ordinary shares of £1 each in the capital of Intercell, registered in the name of the Vendor;

"**Netforce**" means Netforce Group Public Limited Company, a company incorporated in England and Wales under number 3134936;

"**Netforce Agreement**" means the agreement dated 4th September 2000 for the sale and purchase of the entire issued share capital of Netforce made between Gerald Frederick Redman and others and the Vendor;

"**Netforce Shares**" means:

- (a) the 59,999 ordinary shares of £1 each in the capital of Netforce, registered in the name of the Vendor; and



- (b) the one ordinary share of £1 in the capital of Netforce, registered in the name of United Utilities Nominees Limited, as nominee for the Vendor ("**the Nominee Share**");

"**Purchaser Shares**" means the new ordinary shares of £1 each in the capital of the Purchaser, credited as fully paid;

"**Sale Shares**" means:

- (a) the ICL Shares; and
- (b) the Intercell Shares; and
- (c) the Netforce Shares; and
- (d) the NTL Shares

and each of (a), (b), (c) and (d) above shall be a "**Holding**";

"**NTL**" means Norweb Telecom Limited, a company registered in England and Wales under number 3842309;

"**NTL Shares**" means:

- (a) the 156,821,340 ordinary shares of 0.001p each in the capital of NTL, registered in the name of the Vendor; and
- (b) the one ordinary share of 0.001p in the capital of NTL, registered in the name of United Utilities Nominees Limited, as nominee for the Vendor.

1.2 The headings to the clauses are for convenience only and have no legal effect.

2 Sale of the Sale Shares

2.1 The Vendor shall sell or shall procure the sale of the Sale Shares (other than the Nominee Share) to the Purchaser and the Purchaser shall purchase the Sale Shares (other than the Nominee Share) on terms that they are free from all claims, liens, charges, encumbrances and equities and all other third party rights and also, but without prejudice to those terms, with full title guarantee.

2.2 The Vendor shall sell the Nominee Share to the Purchaser and the Purchaser shall purchase the Nominee Share subject to the rights of United Utilities Nominees Limited as the holder of the bare legal title to the Nominee Share, but otherwise on terms that it is free from all claims, charges, liens, encumbrances and equities and all other third party rights and also, but without prejudice to those terms, with full title guarantee.

2.3 The Sale Shares shall be sold with the benefit of all and any rights to receive any dividend payments declared, but not yet paid, thereon.

3 Consideration

3.1 The consideration for the sale of the Sale Shares shall be as follows:

- (a) for the ICL Shares, the allotment and issue by the Purchaser to the Vendor of 779,548 Purchaser Shares and the issue by the Purchaser to the Vendor of the Loan Notes in accordance with clause 5.3;
- (b) for the Intercell Shares, the allotment and issue by the Purchaser to the Vendor of 1,776,384 Purchaser Shares;
- (c) for the Netforce Shares, the allotment and issue by the Purchaser to the Vendor of 1,031,125 Purchaser Shares and the issue by the Purchaser to the Vendor of Loan Notes pursuant to clause 5.5; and
- (d) for the NTL Shares, the allotment and issue by the Purchaser to the Vendor of 46,412,943 Purchaser Shares.

4 Completion

4.1 Completion shall take place immediately following the execution hereof, when the Vendor shall:

- (a) deliver to the Purchaser transfers ("**the Transfers**") in respect of:
 - (i) the ICL Shares;
 - (ii) the Intercell Shares;
 - (iii) the 59,999 Netforce Shares registered in the name of the Vendor; and
 - (iv) the NTL Sharesin each case duly completed in favour of the Purchaser, together with the relevant share certificate(s) therefor;
- (b) procure to be delivered to the Purchaser a declaration of trust in respect of the Nominee Share duly executed by United Utilities Nominees Limited in favour of the Purchaser; and
- (c) procure that a meeting of the board of directors of each of ICL, Intercell, Netforce and NTL is held to approve the respective Transfers and to resolve that, subject to each Transfer being duly stamped (or adjudged non-chargeable for stamp duty), the Purchaser's name be entered into the register of members of each of ICL, Intercell, Netforce and NTL in relation to the Sale Shares which are the subject of the respective Transfers and share certificates be completed and delivered to the Purchaser in relation to the Sale Shares which are the subject of the respective Transfers.

- 4.2 At Completion, the Purchaser shall allot and issue to the Vendor the Purchaser Shares and deliver to the Vendor a duly completed share certificate for the Purchaser Shares.

5 Additional consideration

Definitions

- 5.1 For the purposes of this clause 5:

"**Business Day**" means any day other than a Saturday or Sunday or a bank or other public holiday in England and Wales;

"**in the agreed form**" means in the form which has been agreed by the parties hereto at or before the execution of this Agreement and which has, for the purposes of identification, been signed or initialled by them or on their behalf.

"**Loan Note Instrument**" means the instrument constituting floating rate and unsecured loan notes of the Purchaser in the agreed form;

"**Loan Notes**" means the loan notes to be constituted pursuant to the terms of the Loan Note Instrument, and which are to be allotted and issued to the Vendor by the Purchaser pursuant to clause 5.3 and/or clause 5.5;

ICL

- 5.2 The Vendor shall as soon as practicable and, in any event, not more than 3 Business Days after it becomes aware that the same is due to be satisfied by the Vendor, notify the Purchaser in writing that:

- (a) an amount of Deferred Consideration (as defined in the ICL Agreement);
or
- (b) a Tranche of Additional Consideration (as defined in the ICL Agreement)

is due to be satisfied in accordance with the terms of the ICL Agreement (such amount being hereinafter referred to as an "**ICL Further Payment**"). Such notice shall specify the amount of the ICL Further Payment and the date upon which the same will be satisfied ("**the ICL Payment Date**").

- 5.3 On the ICL Payment Date the Purchaser shall procure that Loan Notes of a principal amount equal to the amount of the ICL Further Payment are issued to the Vendor in accordance with the terms of the Loan Note Instrument and shall deliver to the Vendor a duly completed executed Loan Note Certificate in respect thereof.

Netforce

- 5.4 The Vendor shall as soon as practicable and, in any event, not more than 3 Business Days after it becomes aware that the same is due to be satisfied by the Vendor, notify the Purchaser in writing that:

- (a) an amount of Deferred Consideration (as defined in the Netforce Agreement); or
- (b) an amount of Additional Consideration (as defined in the Netforce Agreement)

is due to be satisfied in accordance with the terms of the Netforce Agreement (such amount being hereinafter referred to as a "**Netforce Further Payment**"). Such notice shall specify the amount of the Netforce Further Payment and the date upon which the same will be satisfied ("**the Netforce Payment Date**").

- 5.5 On the Netforce Payment Date the Purchaser shall procure that the Loan Notes of a principal amount equal to the Netforce Further Payment are issued to the Vendor in accordance with the terms of the Loan Note Instrument and shall deliver to the Vendor a duly executed Loan Note Certificate in respect thereof.

6 Rights of the Purchaser under the original acquisition documents

- 6.1 In consideration for the issue by the Purchaser of the Purchaser Shares and the issue of the Loan Notes (if any) to the Vendor:

- (a) the Vendor hereby assigns to the Purchaser all and any of its existing rights arising out of or in connection with the Netforce Agreement (in accordance with clause 12.1 thereof); and
- (b) the Vendor agrees with the Purchaser that the Purchaser shall be entitled to enforce all and any of the existing rights of the Vendor arising out of the ICL Agreement (in accordance with clause 9.11 thereof) and the Intercell Agreement (in accordance with clause 12.11 thereof).

7 General

- 7.1 This Agreement sets out the entire agreement and understanding between the parties hereto in connection with the sale and purchase of the Sale Shares.
- 7.2 The Vendor shall execute or, so far as the Vendor is able, procure the execution of, all such documents and/or do or, so far as the Vendor is able, procure the doing of, such acts and things as the Purchaser shall after Completion require in order to give effect to the provisions of this Agreement and to give to the Purchaser the full benefit of this Agreement.
- 7.3 This Agreement shall be governed by and construed in accordance with English law, and the parties hereto submit to the exclusive jurisdiction of the courts in England and Wales.

IN WITNESS whereof this agreement has been entered into the day and year first above written.

Signed by *John Roberts*
Duly authorised on behalf of
UNITED UTILITIES PLC

)
)
) *John Roberts*

Signed by *Simon Bakay*
Duly authorised on behalf of
**NORWEB TELECOM GROUP
LIMITED**

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)
) *Simon Bakay*
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