

5/2079

Dated 20 August

2004

**HALMA HOLDINGS, INC.**

and

**HALMA FINANCING LIMITED**

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**AGREEMENT  
for the sale and purchase  
of US OPERATING COMPANIES**

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Certified to be a true copy of the original.

Signed .....

*C. J. Chesney*  
Company Secretary  
Halma Financing Limited

20 August 2004

**CMS Cameron McKenna  
Mitre House  
160 Aldersgate Street  
London EC1A 4DD**

**T +44(0)20 7367 3000  
F +44(0)20 7367 2000**



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COMPANIES HOUSE 26/11/04

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THIS AGREEMENT is made the twentieth day of August 2004

**BETWEEN**

- (1) **Halma Holdings, Inc.** (a company registered in Delaware) whose principal place of business is at 3100 East Kemper Road, Cincinnati, Ohio 45241 (the "**Seller**"); and
- (2) **Halma Financing Limited** (a company registered in England and Wales with number 5112079 whose principal place of business is at Misbourne Court, Rectory Way, Amersham, Buckinghamshire HP7 0DE (the "**Purchaser**"); and

**RECITALS**

- (A) The US Operating Companies are set out in the Schedule (Details of the Companies).
- (B) The Seller has agreed to sell the Sale Shares to the Purchaser and the Purchaser has agreed to purchase the Sale Shares on and subject to the terms and conditions of this Agreement.

**NOW IT IS AGREED** as follows:

**1. Definitions and Interpretation**

In this Agreement:

**1.1 Defined terms:**

**"Companies"** means the US Operating Companies as set out in Recital (A);

**"Completion"** means completion of the sale and purchase of the Shares pursuant to this Agreement;

**"Consideration Shares"** means the 20,000,000 ordinary shares of £1 each in the capital of the Purchaser;

**"Encumbrance"** means any (other than by virtue of this Agreement) interest or equity of any person (including any right to acquire, option or right of pre-emption or conversion) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement, or any agreement to create any of the above;

**"Parties"** means the Purchaser and the Seller (and "Party" shall be construed accordingly);

**"Sale Shares"** means collectively the entire issued share capital of the Companies.

- 1.2** The table of contents and headings and sub-headings are for convenience only and shall not affect the construction of this Agreement.

- 1.3 Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa and references to any gender shall include all other genders. References to any person (which for the purposes of this Agreement shall include natural persons, bodies corporate, unincorporated associations, partnerships, governments, governmental agencies and departments, statutory bodies or other entities, in each case whether or not having a separate legal personality) shall include the person's successors.
- 1.4 The words "**other**", "**include**" and "**including**" do not connote limitation in any way.
- 1.5 References to Recitals, Schedules, clauses and sub-clauses are to (respectively) recitals to, schedules to, and clauses and sub-clauses of, this Agreement (unless otherwise specified); and references within a Schedule to paragraphs are to paragraphs of that Schedule (unless otherwise specified); and references to this Agreement include the Schedules.
- 1.6 References to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, organisation, body, official or any legal concept, state of affairs or thing shall in respect of any jurisdiction other than England be deemed to include that which most nearly approximates in that jurisdiction to the English legal term.
- 1.7 Any reference to "**writing**" or "**written**" includes faxes and any legible reproduction of words delivered in permanent and tangible form (but does not include e-mail).
- 1.8 References to times of the day are (unless otherwise expressly provided) to London time and references to a day are to a period of 24 hours running from midnight on the previous day.

## **2. Sale and purchase**

### **2.1 *Obligation to sell and purchase***

Subject to the terms of this Agreement, the Seller shall sell the Sale Shares with full title guarantee and free from all Encumbrances to the Purchaser and the Purchaser shall purchase the Sale Shares accordingly.

### **2.2 *Dividends and distributions***

The Sale Shares shall be sold with the benefit of all rights attaching to them as at the date of this Agreement, including the right to receive all dividends and distributions declared, paid or made by the Companies on or after the date of this Agreement.

## **3. Consideration**

The consideration for the sale of the Sale Shares shall be the issue by the Purchaser of the Consideration Shares (par value of £20,000,000 and estimated market value of \$161,374,000) and a sum of \$15,626,000.

## **4. Further assurance**

The Seller, from time to time on being required to do so by the Purchaser, and the Purchaser, from time to time being required to do so by the Seller, shall promptly and at the cost and expense of the Party requesting it do or procure the doing of all such acts and/or execute or procure the execution of all such documents as are necessary for giving full effect to this Agreement (or to such parts of it as remain operative after termination).

**5. Assignment**

***Successors in title***

This Agreement shall be binding upon and enure for the benefit of the personal representatives and permitted assigns and successors in title of each of the Parties and references to the Parties shall be construed accordingly.

**6. Entire agreement and financial promotion**

***Entire agreement***

This Agreement constitutes the whole and only agreement and understanding between the Parties in relation to its subject matter. Subject to any liability in respect of fraud:

6.1 all previous drafts, agreements, understandings, undertakings, representations, warranties, promises and arrangements of any nature whatsoever between the Parties with any bearing on the subject matter of this Agreement are superseded and extinguished; and

6.2 all rights and liabilities arising by reason of them, whether accrued or not at the date of this Agreement, are cancelled

to the extent that they have such a bearing.

**7. Counterparts**

This Agreement may be executed in any number of counterparts and by the Parties on different counterparts. Each counterpart shall constitute an original of this Agreement but all the counterparts shall together constitute one and the same Agreement.

**8. Notices**

**8.1 *Form of notices***

Any communication to be given in connection with the matters contemplated by this Agreement shall be in writing and shall either be delivered by hand or sent by first class pre-paid post or facsimile transmission. Delivery by courier shall be regarded as delivery by hand.

**8.2 *Proof of service***

In proving service of the communication, it shall be sufficient to show that delivery by hand was made or that the envelope containing the communication was properly addressed and posted as a first class pre-paid letter or that the facsimile was despatched and a confirmatory transmission report received.

**9. Governing law and jurisdiction**

**9.1 *English law***

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

9.2 *Courts of England and Wales*

The Parties irrevocably agree that, for the exclusive benefit of the Purchaser, the courts of England shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and that accordingly any Proceedings may be brought in such courts.

10. **Third party rights**

Nothing in this Agreement is intended to confer on any person any right to enforce any term of this Agreement which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

**AS WITNESS** the hands of the Parties or their duly authorised representatives on the date first appearing at the head of this Agreement.

## Schedule

### Details of the US Operating Companies

|                                       |         |
|---------------------------------------|---------|
| Air Products and Controls Inc         |         |
| Aquionics Inc                         |         |
| American Tech Manufacturing Company   | dormant |
| Bio-Chem Valve Inc                    |         |
| Castell Interlocks Inc                |         |
| Electronic Micro Systems Inc          |         |
| Fluid Conservation Systems Inc        | dormant |
| Guyan Electric Company, Inc           | dormant |
| IPC Power Resistors International Inc |         |
| Janus Elevator Products Inc           |         |
| Keeler Instruments Inc (DE)           |         |
| Keeler Instruments Inc (PA)           | dormant |
| Marathon Monitors Inc                 | dormant |
| Marathon Sensors Inc                  |         |
| Monitor Controls Inc                  |         |
| Mosebach Manufacturing Company        |         |
| Oklahoma Safety Equipment Co Inc      |         |
| Omnifit Inc                           | dormant |
| Palintest Inc                         | dormant |
| Perma Pure LLC                        |         |
| Post Glover Lifelink                  |         |
| Post Glover Resistors Inc             |         |
| Volk Optical Inc                      |         |

SIGNED by S R O'SHEA  
for and on behalf of  
HALMA HOLDINGS, INC.

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SIGNED by S R O'SHEA  
for and on behalf of  
HALMA FINANCING LIMITED

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