

5201852

DATED **24 MARCH** **2005**

- (1) **JAMES WILLIAM WILLIS AND
ADRIAN PAUL SUNDERLAND**

- (2) **EVER 123 LIMITED**

A G R E E M E N T

For the sale and purchase
of the entire issued share capital of
Griffin Information Systems Limited

Eversheds LLP
1 Royal Standard Place
Nottingham
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THIS AGREEMENT is made on 24 MARCH

2005

BETWEEN

- (1) The persons whose names and addresses are set out in **Schedule 1** ("the Sellers"); and
- (2) EVER 123 Limited (to be renamed as Octium Limited) (registered number 5201852) whose registered office is at Ham House, 17 Cottesmore Road, Ashwell, Oakham, Rutland LE15 7LJ ("the Buyer").

OPERATIVE CLAUSES

1. INTERPRETATION

In this Agreement:

- 1.1 the following expressions have the following meanings unless inconsistent with the context:

"Accounting Date"	31 December 2004
"Accounts"	the audited accounts of the Company for the financial year which ended on the Accounting Date, comprising a balance sheet, a profit and loss account, notes, directors' and auditors' reports and a cash flow statement
"Business Day"	any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business
"Buyer's Solicitors"	Eversheds LLP of 1 Royal Standard Place, Nottingham NG1 6FZ
"CA 1985"	the Companies Act 1985
"Cash Consideration"	the sum of £3,029,687.50 (three million and twenty nine thousand six hundred and eighty seven pounds and fifty pence)
"Company"	Griffin Information Systems Limited (details of which are set out in Schedule 2)
"Completion"	completion of the sale and purchase in accordance

	with clause 3
“Consideration”	the consideration for the sale of the Shares as stated in clause 2.2
“Consideration Shares”	186,684 ordinary shares of 50 pence each in the Buyer which are to be allotted to the Sellers credited as fully paid pursuant to clause 2.2.1
“Contract”	any agreement or commitment whether conditional or unconditional
“Disclosure Letter”	the letter having the same date as this Agreement from the Sellers to the Buyer qualifying the Warranties
“Encumbrance”	any mortgage, charge, pledge, lien, assignment, option, restriction, claim, right of pre-emption, right of first refusal, third party right or interest, other encumbrance or security interest of any kind, or other preferential arrangement having similar effect
“ICTA”	Income and Corporation Taxes Act 1988
“Intascope”	Intascope.com Limited (registered number 3935374) whose registered office is at 20 St Christopher’s Way, Pride Park, Derby, Derbyshire DE24 8JY
“Intascope Shared Services”	comprise the following: <ul style="list-style-type: none"> (a) a lease in the agreed terms to be entered into between the Company and Intascope in respect of approximately 200 square feet of space at the Property for an annual rent of £2,500; (b) a monthly payment of £1,500 from the Company to Intascope in the agreed terms for the purposes of paying an Intascope employee’s salary; and (c) an agreement in the agreed terms between

the Company and Intascope providing for Intascope's shared use of one of the cabinets at the Company's Leicester data centre for an annual rent of £12,000.

"Liabilities"	all costs, expenses, losses, damages, claims, proceedings, awards, fines, orders and other liabilities (including reasonable legal and other professional fees and expenses) whenever arising or brought
"Property"	the property specified in Schedule 6 and each part of such property
"Relevant Claim"	any claim for breach of any of the Warranties
"Sellers' Solicitors"	Edwards Geldard of 44 The Ropewalk, Nottingham NG1 5EL
"Series 1 Loan Notes"	the unsecured loan notes of £100,000 (one hundred thousand pounds) to be constituted by a loan note deed to be entered into by the Buyer
"Series 2 Loan notes"	the subordinated unsecured loan notes of £1,612,566 (one million six hundred and twelve thousand five hundred and sixty six pounds) to be constituted by a loan note deed to be entered into by the Buyer
"Shares"	all the issued shares in the capital of the Company
"Stock"	Stocks (as defined in Statement of Standard Accounting Practice No 9 adopted by the Accounting Standards Board) of the Company including raw materials, components, work in progress, finished goods and consumables
"Warranties"	the warranties set out or referred to in clause 5, Schedule 3 and Part 3 of Schedule 4;

- 1.2 references to any statute or statutory provision include, unless the context otherwise requires, a reference to the statute or statutory provision as modified or re-enacted and in force from time to time prior to Completion and any subordinate legislation made under the relevant statute or statutory provision in force prior to Completion;

- 1.3 references to persons will include bodies corporate, unincorporated associations and partnerships;
- 1.4 the singular includes the plural and vice versa;
- 1.5 references to a document being "in the agreed terms" are to that document in the form agreed and for the purposes of identification initialled by or on behalf of the Sellers and the Buyer;
- 1.6 unless otherwise expressly provided all obligations and warranties on the part of two or more persons are entered into, given or made by such persons jointly and severally;
- 1.7 references to clauses and Schedules are to clauses of and Schedules to this Agreement, and references to paragraphs are to paragraphs in the Schedule in which such references appear;
- 1.8 the Schedules form part of this Agreement and will have the same force and effect as if expressly set out in the body of this Agreement;
- 1.9 the headings in this Agreement will not affect its interpretation; and
- 1.10 any phrase introduced by the term "include", "including", "in particular" or any similar expression will be construed as illustrative and will not limit the sense of the words preceding that term.

2. **SALE AND PURCHASE**

- 2.1 Each of the Sellers will sell with full title guarantee, and the Buyer will buy, the number of Shares specified opposite that Seller's name in **Schedule 1**. The Shares will be sold free of any Encumbrance and with all rights attached or accruing to them at or after the date of this Agreement.
- 2.2 The consideration for the sale of the Shares shall be the aggregate of £4,928,937.50 (four million nine hundred and twenty eight thousand nine hundred and thirty seven pounds and fifty pence) which shall be paid or satisfied (subject to Completion taking place in accordance with **clause 3**) as follows:
 - 2.2.1 the sum of £186,684 (one hundred and eighty six thousand six hundred and eighty four pounds) shall be satisfied at Completion by the allotment of the Consideration Shares to the Sellers in the quantities set out in **column 4** of **Schedule 1**;

- 2.2.2 the sum of £100,000 (one hundred thousand pounds) shall be satisfied at Completion by the issue of the Series 1 Loan notes in the quantities set out in **column 5 of Schedule 1**;
- 2.2.3 the sum of £1,612,566 (one million six hundred and twelve thousand five hundred and sixty six pounds) shall be satisfied at Completion by the issue of the Series 2 Loan Notes in the quantities set out in **column 6 of Schedule 1**; and
- 2.2.4 the Cash Consideration shall be satisfied by payment in cash at Completion and each of the Sellers will receive the sum specified opposite that Seller's name in **column 3 of Schedule 1**.

3. **COMPLETION**

- 3.1 Completion will take place at the offices of the Buyer's Solicitors immediately after the signing of this Agreement.
- 3.2 At Completion, the Sellers and the Buyer will comply with the provisions of **Schedule 5**.
- 3.3 The Sellers' Solicitors are authorised to receive the Consideration on behalf of the Sellers and payment to them together with delivery of share certificates in respect of the Consideration Shares will be a good and sufficient discharge to the Buyer and the Buyer will not be further concerned as to the application of the moneys so paid.
- 3.4 The Buyer will not be obliged to complete the purchase of any of the Shares unless the purchase of all the Shares is completed simultaneously.

4. **GUARANTEES**

- 4.1 The Sellers will procure that on Completion the Company is released from any guarantee, indemnity, counter-indemnity, letter of comfort or other obligation given by the Company to any third party in respect of a liability of any person other than the Company.
- 4.2 The Buyer undertakes to the Sellers that as soon as reasonably practicable following Completion the Buyer will use all reasonable endeavours to obtain the release of each Seller from any guarantee, indemnity, counter-indemnity, letter of comfort or other obligation given by such Seller to any third party in respect of a liability of the Company and of which full particulars are contained in the Disclosure Letter. Pending such release, the Buyer undertakes to indemnify the relevant Seller against all amounts paid by such Seller to any third party pursuant to any such obligation (and all costs incurred in connection with such obligation) arising after the date of

SCHEDULE 1

The Sellers

Name and address of registered and beneficial owner	Number and class of Shares to be sold	Amount of Consideration	Number of Consideration Shares	Series 1 Loan Note Amount	Series 2 Loan Note Amount
James William Willis Manor House Manor Road Chellaston Derby DE73 1RB	1 ordinary share of £1.00	£1,514,843.75 (one million five hundred and fourteen thousand eight hundred and forty three pounds and seventy five pence)	93,342	£50,000	£806,283
Adrian Paul Sunderland 37 Hunt Close Radcliffe on Trent Nottingham NG12 2EQ	1 ordinary share of £1.00	£1,514,843.75 (one million five hundred and fourteen thousand eight hundred and forty three pounds and seventy five pence)	93,342	£50,000	£806,283

SIGNED by
JAMES WILLIAM WILLIS
in the presence of:

)
) James Willis
)

Witness signature:

Name:

Address:

Occupation:

H M
Helen Marsh
44 The Ropewalk, Nottingham, NG1 5EL
Solicitor

SIGNED by
ADRIAN PAUL SUNDERLAND
in the presence of:

)
) Adrian
)

Witness signature:

Name:

Address:

Occupation:

H M
Helen Marsh
as above

SIGNED by RICHARD CUNNINGHAM)
duly authorised for and on behalf of)
EVER 123 LIMITED)
in the presence of:)

R. H. Cunningham

Witness signature:

Name:

Address:

Occupation:

H M
Helen Marsh
as above