

DATED

10 May

2007

- (1) IAN MATTHEW DAINTITH & OTHERS
- (2) BRULINES (HOLDINGS) PLC

05345684

SHARE PURCHASE AGREEMENT

For the sale and purchase of 66% of the issued share capital
of Coin Metrics Limited

Gordons [®] LLP

Riverside West
Whitehall Road
Leeds
LS1 4AW

Draft 3 (17/04/07)

WEDNESDAY



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16/05/2007
COMPANIES HOUSE

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THIS AGREEMENT is made on

10 May

2007

BETWEEN

- (1) **THE PERSONS** whose names and addresses are set out in column 1 of Schedule 1 of this Agreement ("the Vendors"); and
- (2) **BRULINES (HOLDINGS) PLC** (registered company number 05345684) whose registered office is at Edis House, Wellington Court, Preston Farm Business Park, Stockton on Tees, TS18 3TA (the "Purchaser")

OPERATIVE CLAUSES

1. INTERPRETATION

In this Agreement:

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

"Accounting Date"	31 March 2006;
"Accounts"	the accounts of the Company for the financial year which ended on the Accounting Date, comprising in each case a balance sheet, a profit and loss account, notes and directors' reports;
"AIM"	the AIM market operated by the London Stock Exchange;
"AIM Rules"	the rules published by the London Stock Exchange governing admission to, and the operation of AIM;
"Business Day"	any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business;
"Business"	the business of the Company as carried on at the date of this Agreement;
"CA 1985"	the Companies Act 1985;
"Company"	Coin Metrics Limited (details of which are set out in Schedule 2);
"Completion"	completion of the sale and purchase of the Shares in accordance with clause 3 ;
"Completion Date"	the date of this Agreement;
"Consideration"	the sum of £685,000 (six hundred and eighty five thousand pounds), to be satisfied in accordance with clause 2.3;

"Consideration Shares"	such number of ordinary shares in the capital of the Purchaser as are equal in value to the sum of £62,250 when issued at Completion at the Issue Price namely 36,974 ordinary shares;
"Contract"	any agreement or commitment whether legally binding or not;
"Development Agreement"	an agreement entered into between (1) Noble Organisation Limited and (2) Wireless Futures UK Limited dated 17 September 2003 a copy of which is attached to the Disclosure Letter
"Disclosed"	fully and fairly disclosed in the Disclosure Letter;
"Disclosure Letter"	the letter having the same date as this Agreement from the Warrantors to the Purchaser in the agreed terms qualifying the Warranties;
"Employees"	the employees employed by the Company at the date of this Agreement namely Ian Daintith and Richard Adams,
"Employment Agreements"	the service agreements in the agreed terms to be entered into at Completion between each of Mr Daintith and Mr Adams and the Company;
"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;
"Insider"	means any person who is a Vendor, or who is or was at the relevant time a director of the Company, or who is or was at the relevant time connected (as defined in section 839 ICTA) with any of the Vendors, or any such director;
"Issue Price"	the average closing middle market quotation price on the Alternative Investment Market for an ordinary share in the capital of the Purchaser for the period commencing on 13 March 2007 and ending on the Business Day immediately prior to the Completion Date namely 168.36p;

"Letter of Claim"	a letter dated 4 October 2005 from Dickinson Dees on behalf of Noble Organisation Limited to Brabners Chaffe Street setting out the claims made against Wireless Futures Limited, the Company, Mr Adams and Mr Daintith a copy of which is attached to the Disclosure Letter
"London Stock Exchange"	London Stock Exchange plc;
"Mr Adams"	Richard Michael Adams whose details are set out in Schedule 1;
"Mr Bircher"	Stephen Bircher whose details are set out in Schedule 1;
"Mr Daintith"	Ian Matthew Daintith whose details are set out in Schedule 1;
"Noble Claim"	the claims raised by the Noble Organisation Limited against Wireless Futures UK Limited, the Company, Mr Daintith and Mr Adams more particularly specified in the Letter of Claim arising out of alleged breaches of the Development Agreement.
"Purchaser's Group"	the Purchaser and any holding company for the time being of the Purchaser or any subsidiary or subsidiary undertaking for the time being of the Purchaser or of any such holding company as those terms are defined in CA 1985;
"Purchaser's Solicitors"	Gordons LLP, Riverside West, Whitehall Road, Leeds, LS1 4AW;
"Put and Call Option"	the put and call option in the agreed terms to be entered into between Mr Daintith and Mr Adams and the Purchaser at Completion;
"Relevant Claim"	any claim for breach of any of the Warranties;
"Restricted Period"	the period of one year from the Completion Date;
"Shares"	the 1,320 ordinary shares in the capital of the Company representing 66% of the entire issued share capital of the Company (all of such shares being legally owned and registered in the names of the Vendors in the numbers set out against each Vendor's name in column 2 of Schedule 1);
"Tax Covenant"	the covenant set out in Schedule 4 Part 2;

"Vendors' Accountants"

Mitchell Charlesworth, 6th Floor Brazennose House, Brazennose Street West, Manchester, M2 5FE,

"Warranties"

the warranties and undertakings set out or referred to in **clause 5, Schedule 3** and **Part 3 of Schedule 4**;

"Warrantors"

together Mr Daintith and Mr Adams

- 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 and any subordinate legislation made under the relevant statute or statutory provision in force from time to time;
- 1.3 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 Vendors and the Purchaser;
- 1.4 the singular includes the plural and vice versa, references to any gender shall include all other genders and references to persons shall include bodies corporate or partnerships in each case whether or not having separate legal personality;
- 1.5 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;
- 1.6 any agreement, covenant, representation, warranty, undertaking or liability arising under this Agreement on the Vendors shall be deemed to be made or given by the Vendors jointly and severally;
- 1.7 references to the Vendors shall include each of them severally;
- 1.8 the headings in this Agreement will not affect its interpretation; and
- 1.9 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 AND CONSIDERATION

- 2.1 The Vendors will sell with full title guarantee, and the Purchaser will purchase, the Shares. 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 Each of the Vendors hereby waives all rights of pre-emption or other rights over any of the Shares conferred on him either by the articles of association of the Company or in any other way.
- 2.3 The Consideration for the sale of the Shares shall be satisfied:
 - 2.3.1 by the allotment of the Consideration Shares within 5 Business Days from Completion in equal proportions to Mr Daintith and Mr Adams credited as fully paid up at the Issue Price;

- 2.3.2 as to the balance, by payment in cash at Completion payable to the Vendors in accordance with **Schedule 5**.
- 2.4 The Vendors shall be entitled to the Consideration in the proportions set against their respective names in column 3 of Schedule 1.
- 2.5 The Consideration shall be deemed to be reduced by the amount of any payment made to the Purchaser :
- 2.5.1 for a breach of any of the Warranties;
- 2.5.2 under the Tax Covenant.
- 2.6 On the date hereof, the Purchaser shall:
- 2.6.1 procure that a meeting of the board of directors of the Purchaser is convened at which it is resolved to allot the Consideration Shares;
- 2.6.2 allot and resolve to issue to the Warrantors the Consideration Shares in accordance with clause 2.3.1.
- 2.7 As soon as reasonably practicable following the issue of any Consideration Shares pursuant to clause 2.6 the Purchaser shall take all requisite steps to obtain the admission to trading of such Consideration Shares upon AIM
- 2.8 The Purchaser warrants that :
- 2.8.1 it has a valid authority under section 80 CA 1985 which permits the issue of the Consideration Shares;
- 2.8.2 the Consideration Shares shall rank pari passu with all other ordinary shares of the same class in the capital of the Purchaser.
3. **COMPLETION**
- 3.1 Completion will take place at the offices of the Purchaser's Solicitors immediately after the signing of this Agreement. At Completion, the Vendors and the Purchaser will comply with the provisions of **Schedule 5**.
- 3.2 The Purchaser 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**
- The Warrantors 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.
5. **WARRANTIES**
- 5.1 The Vendors hereby warrant that :
- 5.1.1 they have all requisite power and authority to enter into and perform this Agreement and all other documents referred to in it; and

5.1.2 this Agreement and other documents referred to in it constitute valid legal and binding obligations on the Vendors in the terms of the Agreement and other such documents; and

5.1.3 the Shares are fully paid and are beneficially owned and registered as set out in **Schedules 1 and 2** free from any Encumbrance or any claim to, or Contract to grant, any Encumbrance.

The Vendors acknowledge that the Purchaser has entered into this Agreement in reliance upon the warranties in this clause 5.1

5.2 The Warrantors warrant to the Purchaser in the terms of the Warranties and acknowledge that the Purchaser has entered into this Agreement in reliance upon each of the Warranties.

5.3 The Warranties are qualified by all facts and matters Disclosed. No other information of which the Purchaser has knowledge (actual or constructive) will prejudice or reduce any Relevant Claim or any other claim under this Agreement. The provisions of section 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 are hereby executed.

5.4 The Warrantors undertake to indemnify the Purchaser on demand against all costs (including legal costs), expenses or other liabilities which the Purchaser or the Company may incur in connection with:

5.4.1 the settlement of any claim against the Vendors in respect of a breach or alleged breach of any terms of this Agreement;

5.4.2 any legal proceedings brought in association with a claim as described at **clause 5.4.1**; and

5.4.3 the enforcement of any such settlement or judgment.

5.5 Each Warranty is to be construed independently and is not limited or restricted by any other Warranty or any other term of this Agreement.

5.6 Where any Warranty refers to the knowledge, information, belief or awareness of the Warrantors (or similar expression), each Warrantor will be deemed to have such knowledge, information, belief or awareness as each Warrantor would have obtained had such Warrantor made all reasonable enquiries into the subject matter of that Warranty.

6. **LIMITATION ON CLAIMS AND CONDUCT OF CLAIMS**

6.1 In the event of a breach of any of the Warranties the Warrantors shall without restricting the Purchaser's rights to claim damages on any other basis at the option of the Purchaser make good to the Company the amount necessary to put the Company into the position which would have existed if there had not been a breach of the Warranties by a payment in cash to the Company.

6.2 Subject to the provisions of this clause 6, the Warrantors will not be liable for any Relevant Claim unless:

6.2.1 the amount of the liability in respect of that Relevant Claim when aggregated with the amount of the liability in respect of all other Relevant

Claims exceeds £8,000 (in which event the Warrantors will be liable for the whole amount of such Relevant Claim and not merely the excess); and

6.2.2 the Warrantors receive from the Purchaser written notice of the Relevant Claim (stating in reasonable detail the nature of the Relevant Claim):

6.2.2.1 prior to 1 April 2009, in the case of a Relevant Claim for breach of any of the Warranties contained in **Schedule 3**; and

6.2.2.2 within 7 years after Completion, in the case of a Relevant Claim for breach of any of the Warranties contained in **Schedule 4** or for breach of the Tax Covenant.

6.3 The aggregate amount of the liability of the Warrantors for all Relevant Claims will not exceed the Consideration. The total liability of each Warrantor in respect of all claims under the Warranties or the Tax Covenant shall not exceed an amount equal to so much of the Consideration as is ultimately paid or satisfied to him under the Agreement.

6.4 **Clauses 6.1, 6.2 and 6.3** will not apply in respect of a Relevant Claim concerning **paragraph 1** (capital) of **Schedule 3**.

6.5 Notwithstanding any other provision of this Agreement, **clauses 6.1, 6.2 and 6.3** will not apply to exclude or limit the liability of the Warrantors to the extent that any Relevant Claim arises by reason of any fraud or dishonest, reckless or wilful misconduct or omission by or on behalf of all or any of the Warrantors.

6.6 If the Warrantors make any payment by way of damages in respect of a Relevant Claim, and within 12 months of the making of the relevant payment the Company receives any benefit otherwise than from the Warrantors which would not have been receivable but for the circumstances giving rise to the claim in respect of which the damages payment was made, the Purchaser or the Company, as appropriate, shall, once it or the relevant company has received such benefit, forthwith repay to the Warrantors an amount equal to the lesser of:-

6.6.1 the amount of such benefit (less any costs associated in obtaining the same); and

6.6.2 the damages payment in question (less any costs associated in obtaining the same).

6.7 In no circumstances shall the Purchaser be entitled to recover or obtain compensation more than once in respect of the same loss and without limiting the foregoing the Warrantors shall not be liable in relation to the same matter both under the Warranties and under the Tax Covenant

7. **RESTRICTIVE COVENANTS**

7.1 In this clause:

"Confidential Information" means all information not publicly known, used in or otherwise relating to the Company's business, customers, plans, prospects or financial or other affairs;

"Relevant Customer"	means any person who at any time during the period of 12 months immediately preceding Completion was: <ul style="list-style-type: none"> (a) negotiating with the Company for the supply by the Company of services; or (b) a client or customer of the Company,
"Relevant Services"	means services which are competitive with or of the type supplied by the Company at any time during the period of 12 months immediately preceding Completion;
"Restricted Term"	means the period of 24 months commencing upon the effective date of termination of either of the Employment Agreements.

- 7.2 The Warrantors undertake to the Purchaser (for the benefit of the Purchaser and the Company) that they will not (whether alone or in conjunction with, or on behalf of, another person and whether directly or indirectly) during the Restricted Term:
- 7.2.1 canvass, solicit or approach, or cause to be canvassed, solicited or approached, any Relevant Customer for the sale or supply of Relevant Services;
 - 7.2.2 deal or contract with any Relevant Customer in relation to the sale or supply of Relevant Services;
 - 7.2.3 interfere, or seek to interfere, with the continuance of supplies to the Company from any supplier who has been supplying goods or services to the Company at any time during the 12 months immediately preceding Completion;
 - 7.2.4 entice away, or attempt to entice away, from the Company, or employ, any person employed in a managerial, supervisory, technical or sales capacity by, or who is or was a consultant to, the Company at Completion or at any time during the period of 6 months immediately preceding Completion where the person in question either has Confidential Information or would be in a position to exploit a Company's trade connections;
 - 7.2.5 be engaged, concerned, connected with or interested in (except as the owner for investment of securities in a company dealt in on a recognised stock exchange and which confer not more than 5 per cent of the votes which could be cast at a general meeting) any other business which supplies Relevant Services;
 - 7.2.6 without prejudice to any rights relating to passing off or trade mark infringement (or similar rights in any territory), use in connection with any business which is competitive with the business of the Company any name (in whatever form) which includes the name of the Company or any trading style or get up which is confusingly similar to that used by the Company as at Completion; and

- 7.2.7 use, disclose or cause unauthorised disclosure to any person (except those authorised by the Purchaser in writing to know or as required by law or any governmental or regulatory organisation) any Confidential Information.
- 7.3 Each of the undertakings set out in this clause is separate and severable and, if any of such undertakings or part of an undertaking is held to be against the public interest or unlawful, the remaining undertakings or part of the undertakings will continue in full force and effect and will bind the Warrantors.
- 7.4 Nothing in this clause 7 shall prevent or restrict the Warrantors from acting as an employee, director or consultant of the Company and/or the Purchaser.
8. **LOCK IN**
- 8.1 The Warrantors undertake to the Purchaser that they will not dispose or agree to dispose of any of the Consideration Shares registered in his name or beneficially owned by him at any time during the Restricted Period, save with the prior written consent of the Purchaser such consent not to be unreasonably withheld or delayed and further that such disposal, if consent has been obtained, shall only be through Cenkos Securities plc ("**Cenkos**") or the then broker of the Purchaser and in such orderly manner as Cenkos or such broker shall acting reasonably determine.
- 8.2 The restrictions contained in Clause 8.1 shall not apply to the disposal of any Consideration Shares or of any interest therein:-
- 8.2.1 pursuant to acceptance of an offer recommended by the Purchaser's board of directors made by any person or group of persons acting in concert for the whole or any part of the share capital of the Purchaser subject to and in accordance with the City Code on Takeovers and Mergers (or any replacement thereof) which offer has become or been declared unconditional in all respects, or pursuant to the grant of an irrevocable undertaking to accept such an offer and, for these purposes, reference to any "offer" shall be construed in accordance with the City Code on Takeovers and Mergers; or
- 8.2.2 where such disposal is made pursuant to an offer by the Purchaser to purchase its own shares which is made on identical terms to all holders of ordinary shares in the Purchaser and otherwise complies with the Companies Acts and the AIM Rules; or
- 8.2.3 effected under a compromise or arrangement proposed by the Purchaser under section 425 of the Companies Act or any schedule of reconstruction of the Purchaser under section 110 of the Insolvency Act 1986;
- 8.2.4 which is required by an order made by a competent court in any jurisdiction;
- 8.2.5 where by testamentary disposition or on intestacy) the disposal is made to a member of his family or to trustees of any trust, the principal beneficiaries of which are primarily himself and/or members of his family ("family" meaning spouse and issue) provided that in each case such disposal is made after notification to the Purchaser and the transferee of the shares agrees with the Purchaser (in terms reasonably acceptable to

the Purchaser) to be bound by the terms of this clause 8 in respect of the residue of the periods referred to in this clause

- 8.3 The Warrantors acknowledge and confirm that if they breach any provision of this **clause 8** or if the Purchaser has reasonable grounds for anticipating a prospective breach of any such provision may occur:

8.3.1 damages may not be a wholly adequate remedy for such breach or prospective breach; and

8.3.2 the appropriate remedy may be an injunction, specific performance or other equitable relief (in addition to or instead of damages).

9. INDEMNITY

- 9.1 The Purchaser shall indemnify and keep indemnified Mr Adams and Mr Daintith from and against all and any costs, actions, awards, penalties, fines, proceedings, claims, orders, losses, demands, liabilities and expenses (including proper and reasonable legal fees and expenses) which Mr Adams and Mr Daintith may, directly or indirectly, suffer, sustain, incur or pay after Completion by reason or on account of the Noble Claim ("the Claim") provided that:

9.1.1 as soon as reasonably practicable and in any event within 5 Business Days after being notified of any Claim, Mr Adams and Mr Daintith shall notify the Purchaser and the Company in writing setting out full particulars of the Claim; and

9.1.2 Mr Adams and Mr Daintith delegate to the Purchaser or the Company (as the Purchaser shall elect) full authority to dispute the Claim on their behalf and shall render or cause to be rendered to the Purchaser or the Company all such assistance as the Purchaser or the Company may reasonably require including for the avoidance of doubt procuring that any past advisers shall make available all records, papers, documents and data as may be required in disputing or defending the Claim; and

9.1.3 the Purchaser or the Company shall be entitled on behalf of Mr Adams and Mr Daintith to instruct such solicitors or other professional advisers as the Purchaser or the Company may nominate to act on their behalf to the intent that the conduct, costs and expenses of disputing the Claim shall be delegated entirely to the Purchaser or the Company.

10. TAX COVENANT

The Warrantors covenant with and undertake to the Purchaser in the terms of the Tax Covenant

11. ASSIGNMENT

- 11.1 The Purchaser may assign the benefit of, and any of its rights under, this Agreement to any Group Company. The Purchaser may assign the benefit of, and any of its rights under, this Agreement to any third party with the prior written consent of the Vendors (such consent not to be unreasonably withheld or delayed). The Vendors may not assign the benefit of, or any of its rights under, this Agreement.

- 11.2 This Agreement will be binding and enure for the benefit of successors in title and permitted assigns of each of the parties and references to the parties will be construed accordingly.

12. ANNOUNCEMENTS

Save as required by law or, to the extent relevant, the regulations of any stock exchange or listing authority or any other governmental or regulatory organisation, no announcement concerning the transactions contemplated by this Agreement will be made by the Vendors except with the prior written approval of the Purchaser such approval not to be unreasonably withheld or delayed. The Purchaser shall agree with the Warrantors and the Company an agreed form of release to be sent to the customers of the Company and trade press, such release to be agreed within 3 Business Days of Completion.

13. INTEREST

If any of the Vendors becomes liable to pay the Purchaser or any member of the Purchaser's Group or the Company any sum pursuant to this Agreement whether a liquidated sum or by way of damages or otherwise, such Vendors will be liable to pay interest on such sum from the due date for payment at the annual rate of 2.5 per cent above the base lending rate from time to time of Bank of Scotland plc, accruing on a daily basis until payment is made, whether before or after any judgment.

14. NOTICES

- 14.1 Any notice or other communication given in connection with this Agreement will be in writing and will be delivered personally or sent by pre-paid first class post (or air mail if overseas) or by fax to the recipient's address set out in this Agreement or to any other address which the recipient has notified in writing to the sender received not less than 7 Business Days before the notice was despatched.

- 14.2 A notice or other communication is deemed given:

14.2.1 if delivered personally, upon delivery at the address provided for in this clause; or

14.2.2 if sent by prepaid first class post, on the second Business Day after posting it; or

14.2.3 if sent by fax, on completion of its transmission

provided that, if it is delivered personally or sent by fax on a day which is not a Business Day or after 4.00 pm on a Business Day, it will instead be deemed to have been given or made on the next Business Day.

- 14.3 The provisions of this clause will not apply, in the case of service of court documents, to the extent that such provisions are inconsistent with the Civil Procedure Rules

15. GENERAL

- 15.1 The Vendors will (at their expense) do, or procure the doing of, all acts and things and execute, or procure the execution of, all documents as the Purchaser

- may reasonably require for the purpose of giving full effect to the terms of this Agreement.
- 15.2 The Warrantors undertake that they will no later than 31 May 2007 agree, sign and file the statutory accounts of the Company for the financial year ended 31 March 2007.
- 15.3 Save in the event of fraud, this Agreement and the documents referred to in it set out the entire agreement and understanding between the parties in relation to the subject matter of this Agreement.
- 15.4 Without prejudice to the generality of **clause 15.3** each of the parties confirms that this Agreement supersedes all previous proposals, agreements and other communications whether written, oral or otherwise, in relation to the subject matter of this Agreement.
- 15.5 Failure or delay by any party in exercising any right or remedy under this Agreement will not in any circumstances operate as a waiver of it, nor will any single or partial exercise of any right or remedy in any circumstances preclude any other or further exercise of it or the exercise of any other right or remedy.
- 15.6 Any waiver of any breach of, or any default under, any of the terms of this Agreement will not be deemed a waiver of any subsequent breach or default and will in no way affect the other terms of this Agreement.
- 15.7 The Purchaser may release or compromise the liability of, or grant time or any other indulgence to, any person who is a party to this Agreement without in any way prejudicing or affecting the liability (whether joint and several or otherwise) of any other person who is a party to this Agreement.
- 15.8 If a claim is made against the Vendors under the Warranties or the Tax Covenant, the Vendors will not plead against such claim the Limitation Act 1980 or any other rule of law relating to limitation of time in which an action can be brought or claim made.
- 15.9 The rights and remedies expressly provided for by this Agreement will not exclude any rights or remedies provided by law.
- 15.10 Any member of the Purchaser's Group to whom any business or assets of the Company are transferred following Completion has the right to enforce all and any of the Purchaser's rights under this Agreement in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999. The Company has the right to enforce **clauses 7, 9 and 15.12** of this Agreement in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999. Except as stated in this clause, the parties to this Agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.
- 15.11 No variation of this Agreement will be valid unless it is in writing and signed by or on behalf of each party to this Agreement but no variation will require the consent of the Company
- 15.12 Except as required by law, all payments by the Vendors pursuant to this Agreement will be made free and clear of all deductions and withholdings whether in respect of Taxation (as defined in **Schedule 4**) or otherwise. If any deduction or withholding is required by law to be made from any payment by the Vendors pursuant to this Agreement which is not governed by the provisions of

Schedule 4 or if (ignoring any available relief or allowance) the Purchaser or the Company is subject to Taxation in respect of any such payment which is not governed by the provisions of **Schedule 4** then the Vendors will pay to the Purchaser or the Company such additional amount as is necessary to ensure that the net amount received and retained by them (after taking account of such deduction or withholding or Taxation) is equal to the amount which they would have received and retained had the payment in question not been subject to the deduction or withholding or Taxation.

- 15.13 This Agreement shall to the extent that it remains to be performed continue in full force and effect notwithstanding Completion.

16. **GOVERNING LAW AND JURISDICTION**

This Agreement will be governed by and construed in accordance with English law. The courts of England will have exclusive jurisdiction to settle any dispute which arises out of or in connection with this Agreement and the parties agree to submit to that jurisdiction.

17 **COUNTERPARTS**

This Agreement may be executed in any number of counterparts each of which when executed and delivered will be an original, but all the counterparts will together constitute one and the same agreement.

IN WITNESS the parties have executed and delivered this document as a Deed on the date shown on the first page.

SCHEDULE 1

The Vendors

Name and address of registered and beneficial owner	Number and class of Shares to be sold	Cash Consideration	Consideration Shares Allocated	Bank Accounts
Ian Matthew Daintith, 15 Beech Grove, Pennington, Leigh, Lancashire, WN7 3LW	610 Ordinary shares of £1 each	£280,125	18,487	Lloyds TSB Bank Plc 26-32 Bank Street Warrington Cheshire WA1 2AJ Sort Code: 77-51-01 Acc No. 34669468 Account Name: I M Daintith and M H Daintith
Richard Michael Adams, 4 Ravel Close, Old Farm Park, Milton Keynes, Buckinghamshire, MK7 8EY	610 Ordinary shares of £1 each	£280,125	18,487	Halifax Plc 559 Midsummer Boulevard Central Milton Keynes MK9 3HX Sort Code: 11-08-34 Acc No' 00480637 Account Name: R M Adams

Stephen Bircher,
40 Woodall Close
Middleton
Milton Keynes
MK10 9JZ

100 Ordinary shares of
£1 each

£62,500

None

Coutts
440 Strand
London
WC2R 0QS

Sort Code: 18-00-02
Acc No: 07322755
Account Name: S F &
R J Bircher

SCHEDULE 2

Details of the Company

Name of Company	:	Coin Metrics Limited
Registered number	:	05235528
Registered office	:	Mitchell Charlesworth 6 th Floor Brazennose House Brazennose Street West Manchester M2 5FE
Date of incorporation	:	20 September 2004
Authorised share capital	:	£2000 dividend into 2000 ordinary shares of £1 each
Issued share capital	:	£2000 dividend into 2000 ordinary shares of £1 each
Directors' full names	:	Ian Matthew Daintith Richard Michael Adams
Secretary's full name	:	Ian Matthew Daintith
Accounting reference date	:	31 March
Mortgages/charges over Shares or Company's assets	:	None

SCHEDULE 3

Non-Taxation Warranties

1. Schedules 1 & 2; Capital

- 1.1 The information contained in **Schedules 1** and **2** is true, complete and accurate in all respects.
- 1.2 The Shares are fully paid and are beneficially owned and registered as set out in **Schedules 1** and **2** free from any Encumbrance or any claim to, or Contract to grant, any Encumbrance.
- 1.3 The Company has not allotted or issued any share capital other than the Shares and no Contract has been entered into which requires or may require the Company to allot or issue any share or loan capital.
- 1.4 The Company has no interest in the share capital of any body corporate and the Company does not have, and never has had, any subsidiary undertakings (as defined in sections 258 to 260 CA 1985).

2. Insiders' interests

- 2.1 The Company has never entered into any Contract with an Insider (excluding any Contract of employment between the Company and any of its directors from time to time).
- 2.2 No Insider has any interest, direct or indirect, in any trade or business which competes or is likely to compete with the Company's business.

3. Information supplied to the Purchaser

- 3.1 The information supplied to the Purchaser or the Purchaser's advisers by or on behalf of the Warrantors or the Company as the Warrantors' replies to the Purchaser's enquiries was true, complete and accurate in all material respects when supplied.

ACCOUNTS AND RECORDS

4. The Accounts

- 4.1 The Accounts (a copy of which are attached to the Disclosure Letter):
 - 4.1.1 comply with the requirements of CA 1985 and have been prepared in accordance with all applicable accounting standards (as that term is defined in section 256 of CA 1985) and (to the extent none are applicable) with accounting principles and practices generally accepted in the United Kingdom;
 - 4.1.2 have been prepared on bases and principles which are consistent with those used in the preparation of the statutory accounts of the Company for the 2 financial years immediately preceding that which ended on the Accounting Date,

- 4.1.3 show a true and fair view of the assets, liabilities and state of affairs of the Company as at the Accounting Date and of the profits (or losses) of the Company for the financial year ending on that date; and
 - 4.1.4 are not affected (except as disclosed in the Accounts) by any extraordinary or exceptional event, circumstance or item.
- 4.2 Without prejudice to the generality of **paragraph 5.1**, the Accounts:
 - 4.2.1 properly provide for all liabilities whatsoever (other than contingent or potential liabilities which are not expected to crystallise) and properly disclose all contingent or potential liabilities which are not expected to crystallise and all capital commitments of the Company as at the Accounting Date; and
 - 4.2.2 correctly and accurately set forth the capital and reserves and all the assets of the Company as at the Accounting Date and the profits (or losses) of the Company for the financial year which ended on the Accounting Date.
- 4.3 The Company's accounting records are up to date and contain complete and accurate details of all transactions of the Company and comply with the provisions of sections 221 and 222 CA 1985. The Company's records and information are exclusively owned by it and under its direct control.
- 4.4 The Company's accounting records comply with the provisions of Financial Reporting Standard 5.
- 4.5 The Company will have a positive net asset position showing on its balance sheet for the financial year ending on 31 March 2007.

CHANGES SINCE THE ACCOUNTING DATE

- 5. Since the Accounting Date:
 - 5.1 the business of the Company has been carried on in the ordinary and usual course and in the same manner (including nature and scope) as in the 12 months preceding the Accounting Date;
 - 5.2 there has been no adverse change in the financial or trading position or prospects of the Company;
 - 5.3 there has been no material reduction in the value of the net assets of the Company determined in accordance with the same accounting policies as those applied in the Accounts of the Company (and valuing no asset at a figure greater than the value attributed to it in the Accounts or, in the case of any asset acquired since the Accounting Date, greater than cost);
 - 5.4 save as to stock, the Company has not acquired, or agreed to acquire, any single asset having a value in excess of £500 or assets having an aggregate value in excess of £500;
 - 5.5 save as to stock, the Company has not disposed of, or agreed to dispose of, any asset having a value reflected in the Accounts in excess of £500 or acquired since the Accounting Date;

- 5.6 the Company has not borrowed or raised any money or taken up any financial facilities nor repaid any borrowing or indebtedness in advance of its stated maturity,
- 5.7 no dividend or other payment which is, or could be treated as, a distribution for the purposes of Part VI ICTA or section 418 ICTA has been declared, paid or made the Company;
- 5.8 no resolution of the shareholders of the Company has been passed;
- 5.9 the Company has not assumed or incurred, or agreed to assume or incur, a liability, obligation or expense (actual or contingent) for a value in excess of £500;
- 5.10 no management or similar charge has become payable or been paid by the Company; and
- 5.11 no payment has been made by the Company to, or benefit conferred (directly or indirectly) by the Company on, any Insider.

ASSETS

6. Unencumbered title; possession

- 6.1 Each asset included in the Accounts or acquired by the Company since the Accounting Date and each asset used by the Company is legally and beneficially owned by the Company free from any Encumbrance or any claim to, or Contract to grant, any Encumbrance and is in the possession of the Company.
- 6.2 Company owns each asset necessary or desirable for the carrying on of its business in the manner in which it is currently carried on.
- 6.3 As far as the Warrantors are aware, no registerable Encumbrance in favour of the Company is void or voidable for want of registration.

7. Debtors

The Company has not factored or discounted any debt or agreed to do so. All of the debts which are reflected in the Accounts as owing to the Company (apart from bad and doubtful debts to the extent to which they have been provided for in the Accounts) or which have subsequently been recorded in the books of the Company have realised or as far as the Warrantors are aware, will realise in the normal course of collection and in any event within three months of Completion) their full value as included in the Accounts or in the books of the Company, and no such debt nor any part of it has been outstanding for more than two months from its due date for payment.

8. Equipment etc.

The equipment used in connection with the business of the Company is in a good and safe state of repair and condition and satisfactory working order and have been regularly maintained to a good standard and in accordance with any safety regulations usually observed in relation to them.

9. Intellectual Property Rights

- 9 1 For the purpose of this paragraph:

"Intellectual Property Rights"

means all patents, trade marks, copyright, moral rights, rights to prevent passing off, rights in designs, know how, domain names and other electronic addresses and all other intellectual or industrial property rights, in each case whether registered or unregistered and including applications or rights to apply for them and together with all extensions and renewals of them and in each case all rights or forms of protection having equivalent or similar effect anywhere in the world.

- 9.2 The Company has no interest in, or use of, any Intellectual Property Rights (whether registered or not) save for the Intellectual Property Rights details of which are given in the Disclosure Letter, all of which are (where applicable) registered in the name of the Company and are legally and beneficially owned by the Company free from any Encumbrance.
- 9.3 The Company's Intellectual Property Rights are valid, subsisting and enforceable.
- 9.4 There are, and have been, no proceedings, actions or claims and, none are pending or threatened or as far as the Warrantors are aware, will arise, impugning the title, validity or enforceability of the Company's Intellectual Property Rights or claiming any right or interest in such Intellectual Property Rights.
- 9.5 As far as the Warrantors are aware, the processes employed and the services provided by the Company do not use, embody or infringe any Intellectual Property Rights (whether registered or not) vested in any other party and do not, give rise (contingently or otherwise) to payment by the Company of any royalty or of any sum.
- 9.6 There is, and has been, no infringement of the Company's Intellectual Property Rights and, none is pending or as far as the Warrantors are aware threatened.
- 9.7 No Contract or consent in respect of any of the Intellectual Property Rights has been entered into or given by the Company in favour of any third party.
- 9.8 So far as the Warrantors are aware the Company has not copied or infringed any Intellectual Property Rights belonging to or owned by or created for the Noble Organisation Limited or any other third party.

10. Computer Systems

- 10.1 For the purposes of this paragraph:

"Computer Systems"

means all computer hardware, Software, and microprocessors which are used in the Company's business or are in the possession of the Company; and

"Software"

means any form of computer program whether in source or object code form.

- 10.2 The Computer Systems detailed in the Disclosure Letter, have at all material times functioned without fault, and are in all respect sufficient (without requiring

addition or replacement) for the current conduct of the Company's business for the 12 months following Completion.

10.3 All necessary agreements in connection with the Computer Systems (including licence, escrow and maintenance and support agreements) are in place and as far as the Warrantors are aware, have been properly complied with and are detailed in the Disclosure Letter. Such agreements are sufficient for the Computer Systems' required use and do not restrict the current or planned conduct of the Company's business.

10.4 The Company has prudent security procedures and disaster recovery plans in place in respect of the Computer Systems in accordance with computing practice.

11. Property

The Company does not own, is not in occupation of or is not entitled to, any estate or interest in any freehold or leasehold property. The Company is not party to any incomplete agreement to acquire any freehold or leasehold property

EMPLOYEES

12. Remuneration and employees

12.1 The Company has no employees other than the Employees.

12.2 The Company does not employ nor has employed since its incorporation, or engaged any person other than the Employees.

12.3 The Company has not

12.3.1 offered to employ or engage any person where such employment or engagement will take effect after the date of this Agreement; or

12.3.2 made, agreed or proposed any change of terms and conditions of employment or engagement since the Accounting Date or whether such change of terms and conditions has not yet taken effect.

12.4 The Company does not use the services of outworkers, agency or other self-employed persons, contracted labour or agents.

12.5 As far as the Warrantors are aware, the Company has, in relation to Employees and workers, complied with all statutes, regulations, orders and codes of conduct relating to employment, health and safety and relations with employees and has maintained adequate and suitable records, whether or not required to do so by law, regarding the service of each of its Employees.

12.6 The acquisition of the Shares by the Purchaser or compliance with the terms of this Agreement will not enable any directors or officers of the Company or Employees to terminate their employment or receive any payment or other benefit.

13. Pensions

The Company does not operate and has never operated or been involved in any pension scheme nor has any liability for the purpose of providing benefits on retirement or death.

CONTRACTS

14. Insurance

14.1 The Company does not have insurances in place.

15. Financing etc

15.1 The Company has not procured or engaged (directly or indirectly) in any borrowing or financing not required to be reflected in its statutory accounts including for the avoidance of doubt, overdrafts, loans and other financial facilities.

15.2 The details contained in the Disclosure Letter of the credit or debit balances on all the bank or deposit accounts of the Company were correct at the date stated in the Disclosure Letter and since such date there have been no payments out of any such accounts except for routine payments and there is attached to the Disclosure Letter a true and accurate reconciliation statement for each account made up to Completion.

15.3 The Company has, since the Accounting Date, paid its creditors in accordance with their respective credit terms

16. Material contracts

16.1 The Company is not, nor has been since the Accounting Date, a party to, liable under or subject to any Contract which:

16.1.1 involves agency, distributorship, franchising, marketing rights, joint venture, consortium or similar arrangements;

16.1.2 involves hire purchase, conditional sale, credit sale, leasing, hiring or similar arrangements;

16.1.3 commits it to capital expenditure;

16.1.4 is incapable of complete performance in accordance with its terms within 6 months after the date on which it was entered into;

16.1.5 cannot readily be fulfilled or performed by the Company;

16.1.5 may result in a loss to the Company;

16.1.7 is for the supply of goods or services by or to the Company on terms under which retrospective or future discounts, price reductions or other financial incentives are given;

16.1.8 is for the supply of goods or services by or to the Company which is not on the current standard terms and conditions on which the Company normally contracts to buy or supply goods or services, true and accurate copies of which are attached to the Disclosure Letter;

- 16.1.9 involves conditions, warranties, indemnities or representations given in connection with a sale of shares or an undertaking or fixed assets;
- 16.1.10 is a guarantee, indemnity, surety or form of comfort in respect of the obligations of a third party, under which any liability or contingent liability is outstanding;
- 16.1.12 is not on arm's length terms or is in any way otherwise than in the ordinary and proper course of the Company's business
- 16.2 Copies of all Contracts to which the Company is a party or bound are annexed to the Disclosure Letter.
- 16.3 There is not outstanding at the date of this Agreement any tender or quotation made by or on behalf of the Company with any third party.
- 17. **Other business matters**
 - 17.1 During the 12 months ending on the date of this Agreement there has been no substantial change in the basis or terms on which any person is prepared to do business with the Company (apart from normal price changes), and no substantial customer or supplier of the Company has ceased or substantially reduced its business with the Company, and no indication has been received by the Company or the Warrantors that there will or may be any such change, cessation or reduction.
 - 17.2 The Company does not carry on business under any name other than its own corporate name or any other name specified in the Disclosure Letter and as far as the Warrantors are aware, there are no circumstances which might prevent the Company from continuing to carry on business under such names.

COMPLIANCE, DISPUTES

18. Company law matters

- 18.1 Compliance has been made with all legal requirements in connection with the formation of the Company and all issues and grants of shares, debentures, notes, mortgages or other securities of the Company.
- 18.2 The copy of the memorandum and articles of association of the Company attached to the Disclosure Letter is true and complete.
- 18.3 All returns and other documents required to be filed with or delivered to the Registrar of Companies by the Company have been correctly and properly prepared, filed and delivered.
- 18.4 The statutory books (including all registers and minute books) of the Company have been properly kept.

19. General legal compliance

- 19.1 As far as the Warrantors are aware, the Company has obtained all necessary licences, consents, permits and authorities to enable it to carry on its business effectively in the places and in the manner in which such business is now carried on. All such licences, consents, permits and authorities (copies of which are

enclosed with the Disclosure Letter) are valid and subsisting and have been complied with in all material respects.

19.2 None of the officers, agents or employees of the Company (during the course of his duties in relation to Company) has committed or omitted to do any act or thing in contravention of any law, order, regulation or the like.

19.3 There is not pending, or in existence, any investigation or enquiry by, or on behalf of, any governmental or other body in respect of the affairs of the Company.

20 **Fair trading**

As far as the Warrantors are aware, no agreement, transaction, practice or arrangement to which the Company is party is (or ought to have been) registered under or infringes any competition, anti-restrictive trade practice or consumer protection legislation in the United Kingdom or elsewhere.

21. **Litigation**

21.1 Neither the Company nor any person for whose acts or defaults the Company may be liable is involved (whether as claimant, defendant or otherwise) in any civil, criminal, tribunal, arbitration, administrative or other proceedings, as far as the Warrantors are aware, no such proceedings have been threatened and as far as the Warrantors are aware, there are no facts likely to give rise to any such proceedings.

21.2 There is no outstanding or unsatisfied judgement, decree, order, award or decision of a court, tribunal, arbitrator or governmental agency against the Company and the Company is not party to any undertaking or assurance given to a court, tribunal or any other person in connection with the determination or settlement of any claim or proceedings.

21.3 There are no claims or proceedings arising from breaches of the Development Agreement other than those set out in the Letter of Claim and so far as the Warrantors are aware there are no facts or circumstances likely to give rise to any such claims or proceedings.

22. **Insolvency**

22.1 The Company has not been a party to any transaction at an undervalue as defined in section 238 of the Insolvency Act 1986 nor has the Company given or received any preference as defined in section 239 of the Insolvency Act 1986, in either case within the period of 2 years ending on the date of this Agreement.

22.2 No order has been made or petition presented, meeting convened or resolution passed for the winding up of the Company, nor has any receiver been appointed or any distress, execution or other process been levied in respect of the Company. No administrative or other receiver has been appointed by any person over the business or assets of the Company or any part thereof, nor as far as any order has been made by or petition presented to the Court for the appointment of an administrator in respect of the Company. As far as the Warrantors are aware, no administrator of the Company has been appointed by any person entitled to appoint such an administrator pursuant to Schedule B1 to the Insolvency Act 1986, nor so far as the Warrantors are aware have any documents been filed with the Court for the appointment of such an

administrator and nor has any notice of intention to appoint such an administrator been given by any such person

22.3 The Company has not stopped or suspended the payment of its debts or received a written demand pursuant to section 123(1)(a) Insolvency Act 1986 and the Company is not insolvent or unable to pay its debts within the meaning of section 123 Insolvency Act 1986.

22.4 There are no facts in existence which are likely to lead to any of the events or circumstances referred to in this **paragraph 23**.

23. **Effects of the Agreement**

As far as the Warrantors are aware, the execution of this Agreement and the observance and performance of its provisions will not and is not likely to result in a breach of any Contract, law, regulation, order, judgement, injunction or similar imposition to or by which the Company is party or bound, or entitle any person to terminate or avoid any Contract to which the Company is party, or have any material effect on any such Contract or so far as the Vendors are aware adversely affects the Company's relationships with customers, suppliers and employees.

SCHEDULE 4

Taxation

PART 1 - INTERPRETATION

1. Interpretation

In this **Schedule 4**:

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

"Balance Sheet" the balance sheet of the Company, as at the Accounting Date;

"Dispute" any dispute, appeal, negotiations or other proceedings in connection with a Tax Claim;

"Event" any event, fact or circumstance whatsoever, including (but not limited to) the earning, receipt or accrual of any income, profits or gains, the incurring of any loss or expenditure, the sale and purchase of the Shares pursuant to this Agreement and Completion;

"FA" Finance Act;

"Liability to Taxation" any liability of the Company to make an actual payment of Taxation or of an amount in respect of Taxation (whether or not the Company is primarily so liable and whether or not the Company has any right of recovery against any other person), the use by the Company (in whole or in part) of any Relief to reduce or eliminate any liability of the Company to make an actual payment of Taxation in respect of which the Vendors would otherwise have been liable under **paragraph 2** and the loss by the Company (in whole or in part) of any Relief;

"Relief" any loss, relief, allowance, exemption, set-off, deduction or credit available from, against or in relation to Taxation or in the computation for any Taxation purpose of income, profits or gains and any right to a repayment of Taxation;

"Taxation" (a) any tax, duty, impost or levy of the United Kingdom or elsewhere, whether national or

local and including for the avoidance of doubt national insurance and social security contributions; and

- (b) any fine, penalty, surcharge, interest or other imposition relating to any tax, duty, impost or levy mentioned in **paragraph (a)** of this definition or to any account, record, form, return or computation required to be kept, preserved, maintained or submitted to any person for the purposes of any such tax, duty, impost or levy;

"Taxation Authority"

any authority, whether of the United Kingdom or elsewhere, competent to impose, assess or collect Taxation, including but not limited to HM Revenue & Customs;

"Taxation Statute"

any statute (and all regulations and other documents having the force of law under such statute) published, enacted, issued or coming into force on or before the date of this Agreement relating to Taxation;

"Tax Claim"

any notice, demand, assessment, letter or other document issued, or action taken, by or on behalf of any Taxation Authority and the submission of any Taxation form, return or computation from which, in either case, it appears to the Purchaser that the Company is or may be subject to a Liability to Taxation or other liability in respect of which the Vendors is or may be liable under **paragraph 2**;

"TCGA"

Taxation of Chargeable Gains Act 1992;

"VAT"

value added tax;

"VATA"

Value Added Tax Act 1994;

"VAT Group"

any group of companies for the purposes of section 43 VATA of which the Company is or has been a member on or before Completion;

- 1.2 references to Events include Events which are deemed to have occurred for any Taxation purpose and references to income, profits or gains earned, received or accrued for any Taxation purpose include income, profits or gains which are deemed to have been earned, received or accrued for any Taxation purpose;

- 1.3 references to an Event which occurred on or before Completion includes a series or combination of Events, the first of which occurred on or before Completion
- 1.4 references to the loss of a Relief include the disallowance of a Relief and the failure to obtain a Relief; and
- 1.5 any stamp duty which is charged on any document, or in the case of a document which is outside the United Kingdom any stamp duty which would be charged on the document if it were brought into the United Kingdom, which is necessary to establish the title of the Company to any asset or in the enforcement or production of which the Company is interested, and any interest, fine or penalty relating to such stamp duty, will be deemed to be a liability of the Company to make an actual payment of Taxation.

PART 2 - TAX COVENANT

2. Covenant

- 2.1 Subject to **paragraph 3**, the Warrantors covenant with the Purchaser to pay to the Purchaser (or the Company if the Purchaser so directs) an amount equal to:
 - 2.1.1 any Liability to Taxation which has arisen or arises as a result of or in connection with any Event which occurred on or before Completion (including but not limited to any payment of Taxation for which the Company may become liable as the result of a failure by the Warrantors to account for any Taxation for which they were liable or a failure by any other company to account for Taxation for which it was liable); and
 - 2.1.2 any costs, fees or expenses (including legal costs on a full indemnity basis) reasonably and properly incurred by the Company or the Purchaser in connection with:
 - 2.1.2.1 any matter in respect of which the Warrantors are or may be liable under **paragraph 2.1.1**; or
 - 2.1.2.2 taking or defending any action (including but not limited to legal proceedings) under this **paragraph 2.1**.
 - 2.2 Except as required by law all payments by the Warrantors under this **paragraph 2** will be made free and clear of all deductions and withholdings.
 - 2.3 If any deduction or withholding is required to be made from any payment by the Warrantors under this **paragraph 2** or if (ignoring any available Relief or right to repayment of Taxation) the Purchaser is subject to Taxation in respect of any payment by the Warrantors under this **paragraph 2**, the Warrantors covenant with the Purchaser to pay to the Purchaser such additional amount as is necessary to ensure that the net amount received and retained by the Purchaser (after taking account of such deduction or withholding or Taxation) is equal to the amount which it would have received and retained had the payment in question not been subject to the deduction or withholding or Taxation.
- ### **3. Quantification**

For the purposes of **paragraph 2** the amount of a Liability to Taxation will be equal to the actual payment of Taxation made save that, in the case of the use or loss of a Relief, the Liability to Taxation will be equal to the amount of

Taxation which would otherwise have been saved assuming for this purposes that the Company had sufficient profits to use the Relief.

4. Exclusions

The Warrantors will not be liable under **paragraph 2** in respect of a Liability to Taxation or other liability of the Company to the extent to which:

- 4.1 such Liability to Taxation or other liability was discharged on or before the Accounting Date; or
- 4.2 payment has already been made in respect of such Liability to Taxation or other liability under this **Part 2** or **Part 3** of this **Schedule 4**; or
- 4.3 such Liability to Taxation or other liability would not have arisen but for a change in legislation (including but not limited to an increase in rates of Taxation) or in the published practice of any Taxation Authority first enacted or announced after Completion; or
- 4.4 such Liability to Taxation or other liability would not have arisen but for a voluntary act, transaction or omission of the Purchaser or Company after Completion otherwise than in the ordinary course of business and otherwise pursuant to a legally binding obligation of the Company entered into prior to Completion; or
- 4.5 full provision or adequate reserve in respect thereof is made in the Accounts; or
- 4.6 it would not have arisen but for a change after Completion in the accounting bases on which the Company values its assets (other than a change made in order to comply with UK GAAP or International Financial Reporting Standards).

5. Due Date for Payment

- 5.1 The due date for the making of a payment by the Warrantors under this **Part 2** of this **Schedule 4** will be the date falling 5 Business Days after the Purchaser has served notice on the Warrantors.
- 5.2 If any payment required to be made by the Warrantors under this **Part 2** of this **Schedule 4** is not made by the due date, then, except to the extent that the Warrantors' liability under **paragraph 2** compensates the Purchaser for the late payment by virtue of the definition of the expression "Taxation" in **paragraph 1.1** extending to interest, such payment will bear interest from the due date for payment at the annual rate of 3 per cent above the base lending rate from time to time of Bank of Scotland plc, accruing on a daily basis until payment is made, whether before or after any judgment.

6. Time limit

- 6.1 The Warrantors will not be liable under **paragraph 2** in respect of a Liability to Taxation or other liability of the Company unless within 7 years after Completion the Purchaser has given notice to the Warrantors of any Tax Claim whatsoever relating to such Liability to Taxation or other liability, or of any Event which may give rise to such a Tax Claim.
- 6.2 The time limit in **paragraph 6.1** will not apply in any case involving:

- 6.2.1 dishonest, fraudulent or negligent conduct on the part of the Warrantors, the Company or any person acting on behalf of the Warrantors or the Company.

7. Recovery from other persons

- 7.1 If the Company recovers from any other person (including any Taxation Authority but excluding the Purchaser, any other member of the same group of companies as the Purchaser and any officer or employee of any such company) any amount which is referable to a Liability to Taxation or other liability of the Company in respect of which the Vendors has not made a payment under **paragraph 2**, the Purchaser will repay to the Warrantors the lesser of:

7.1.1 the amount so recovered (less any losses, costs, damages and expenses reasonably and properly incurred by the Company, the Purchaser or any other member of the same group of companies as the Purchaser as a result of the recovery of that amount); and

7.1.2 the amount paid by the Warrantors under **paragraph 2** in respect of the Liability to Taxation or other liability in question less any part of such amount previously repaid to the Warrantors under any provision of this Agreement or otherwise.

8. General

All payments by the Warrantors under this **Part 2** of this **Schedule 4** will be treated as repayments by the Warrantors of the consideration paid for the Shares pursuant to this Agreement, provided that the liability of the Warrantors under this **Part 2** of this **Schedule 4** shall only be limited as set out in **clause 6** and this **Part 2** of **Schedule 4**.

PART 3 - TAX WARRANTIES

9. Taxation Warranties

- 9.1 All notices, returns, computations, registrations and payments which should have been made by the Company for any Taxation purpose have been made within the requisite periods and are up-to-date, correct and on a proper basis and none of them is, or, as far as the Warrantors are aware, is likely to be, the subject of any dispute with any Taxation Authority.

- 9.2 The Company has duly and properly made all Taxation claims, disclaimers, elections and surrenders and given all notices and consents and done all other things in respect of Taxation.

- 9.3 The Company has deducted and properly accounted to the appropriate Taxation Authority for all amounts which it has been obliged to deduct or otherwise account in respect of Taxation (whether under the Pay as You Earn system or otherwise), has complied in all material respects with all reporting requirements relating to all such amounts and has (where required by the applicable Taxation Statute) duly provided certificates of deduction of tax to the recipients of payments from which deductions have been made.

- 9.4 The Company maintains complete, correct and up-to-date records which are or may be necessary for all Taxation purposes.

- 9.5 The Company is not involved in any dispute with any Taxation Authority concerning any matter likely to affect in any way the liability of the Company to Taxation and as far as the Warrantors are aware, there are no circumstances which are likely to give rise to any such dispute.
- 9.6 The Company has not entered into or been a party to any scheme, arrangement or transaction designed partly or wholly or containing steps or stages designed partly or wholly for the purpose of avoiding or deferring Taxation or reducing a liability to Taxation.
- 9.7 If each of the capital assets of the Company owned at the Accounting Date was disposed of for a consideration equal to the book value of that asset or, in the case of assets acquired since the Accounting Date, equal to the consideration given on acquisition, as far as the Warrantors are aware, no liability to corporation tax on chargeable gains or balancing charge under the Capital Allowances Act 2001 would arise (and for this purpose there will be disregarded any relief available to the Company other than amounts falling to be deducted from the consideration receivable under section 38 TCGA).
- 9.8 Since the Accounting Date no event has occurred outside the ordinary course of business of the Company which has given rise or will or may give rise to any liability to Taxation on the Company.
- 9.9 The Company is not, and never has been, a close investment-holding company within the meaning of section 13A ICTA.
- 9.10 The Company has not at any time made any loan or advance or effected any transaction falling within section 419, 421 or 422 ICTA or released or written off or agreed to release or write off the whole or any part of any such loans or advances
- 9.11 The Company has not made a transfer of value which is or may be liable to Taxation under the provisions of section 94 Inheritance Tax Act 1984.
- 9.12 The Company is not and has not at any time been:
- 9.12.1 a member of a group of companies as defined in section 170 TCGA; or
 - 9.12.2 an associated company of any other company as defined in section 774(4) ICTA; or
 - 9.12.3 a member of a group or consortium within the meaning of section 413 ICTA; or
 - 9.12.4 a party to any such reconstruction as is described in section 343 ICTA.
- 9.13 The Company has not at any time been subject to Taxation in any jurisdiction outside the United Kingdom or had a branch outside the United Kingdom or any permanent establishment (as that expression is defined in the respective double taxation relief orders current at the date of this Agreement) outside the United Kingdom.
- 9.14 There is no outstanding Inland Revenue charge (as defined in section 237 Inheritance Tax Act 1984) over any asset of the Company or over any of the Shares.

- 9.15 The Company is duly registered, is a taxable person for the purposes of VAT and such registration is not subject to any conditions imposed by or agreed with the Commissioners of Customs and Excise and has complied in all respects with all statutory requirements, orders, provisions, directions or conditions relating to VAT.
- 9.16 The Company is not and never has been a member of a group for the purposes of section 43 VATA.
- 9.17 The Company has no interest in any asset to which Part XV Value Added Tax Regulations 1995 applies nor has made any election under paragraph 2(1) Schedule 10 VATA.
- 9.18 There is set out in the Disclosure Letter an analysis of intangible assets showing those acquired before and those acquired on or after 1 April 2002 and details of the tax values and accounting values of each asset are also Disclosed in the Disclosure Letter.
- 9.19 All documents which are liable to stamp duty and which confer any right upon the Company have been duly stamped and no document which confers any right upon the Company and which is outside the United Kingdom would attract stamp duty if it were brought into the United Kingdom and there is no liability to any penalty in respect of such duty or circumstances which may give rise to such a penalty.
- 9.20 The Company has never incurred or otherwise been under a liability to stamp duty reserve tax and there are no circumstances which may result in the Company being so liable.
- 9.21 Within the 5 years ending on the date of this Agreement, the Company has not made any claim for relief or exemption under section 42 FA 1930, section 151 FA 1995 or section 75, 76 or 77 FA 1986.
- 9.22 The Company has not claimed relief from stamp duty land tax under Part 1 (group relief) or Part 2 (reconstruction and acquisition relief) of Schedule 7 FA 2003 in relation to any estate or interest in land that has been transferred to it.

SCHEDULE 5

Completion Arrangements

At Completion the following will take place:

1. Items For Delivery

The following items will be produced and delivered by the Vendors:

Share Transfers

- 1.1 Executed transfers of the Shares in favour of the Purchaser together with the share certificates for the Shares (or in the case of any lost certificate an indemnity satisfactory to the Purchaser in relation to it).
- 1.2 Any waiver, consent or other document necessary to give the Purchaser (or its nominee(s)) full legal and beneficial ownership of the Shares.

Authorisations

- 1.3 A copy of a resolution of the board of directors (certified by a duly appointed officer as true and correct) of the Company authorising the execution of and the performance by the Company of its obligations under each of the documents to be executed by it.
- 1.4 A power of attorney in the agreed terms by each registered holder of the Shares which enables the Purchaser or its nominee to attend and vote at general meetings of the Company.
- 1.5 A power of attorney in the agreed terms where a Vendor is unable to attend in person at Completion.

Resignations and Appointments

- 1.6 A letter of resignation in the agreed terms from the secretary of the Company.

Company Documentation

- 1.7 The certificate of incorporation, any certificate(s) of incorporation on change of name, the common seal (if any) and the statutory books and registers (which will be written up to but not including Completion) of the Company.

Financial

- 1.8 A copy of the bank mandate of the Company and copies of bank statements in respect of each account of the Company as at the close of business on the last Business Day prior to Completion together with a bank reconciliation for each account made up to Completion.

Miscellaneous

- 1.9 A deed in the agreed terms from each Vendors acknowledging that neither that Vendors nor any spouse or child has control (as defined in section 840 ICTA) has any claim against the Company and that there is no agreement or arrangement

under which the Company has any actual, contingent or prospective obligation to any such person.

Convening of Meetings

- 1.10 Minutes of duly convened board meetings of the Company in the agreed terms executed by the chairman of such meetings

2. Contracts

The Vendors will deliver the original Employment Agreements duly executed by the Employees.

3. Repayment of Monies Owed

Each of the Vendors will repay, and will procure that any spouse or child of that Vendors and any company of which such Vendors, spouse or child has control (as defined in section 840 ICTA) will repay, all amounts owed by such Vendors, spouse, child or company to the Company whether due for payment or not.

4. Payment of Consideration

The Purchaser will pay the Initial Consideration in cash by telegraphic transfer to the Vendors' bank accounts as set out in Schedule 1 or such other method as may be agreed between the parties.

5. Purchaser's Obligations

The following items will be produced and delivered by the Purchaser:

- 5.1 A Put and Call Option duly executed by the Purchaser with Mr Adams and Mr Daintith respectively;
- 5.2 The Employment Agreements duly executed by the Purchaser;
- 5.3 a counterpart of this Agreement duly executed by the Purchaser;
- 5.4 written confirmation by the secretary of the Purchaser that there have been duly allotted to the respective Warrantors the Consideration Shares required to be issued to them (or such other evidence as the Warrantors may reasonably require) and that the Registrars of the Purchaser will send to the respective Warrantors a certificate for the Consideration Shares so issued to each of them; certified copies of the Purchaser's board minutes for entering into this Agreement and all documents referred to herein.

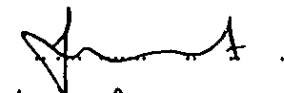
SIGNED as a DEED
(but not delivered until the date hereof)
by
IAN MATTHEW DAINTITH
in the presence of:

Witness signature:

Witness name:

Address:

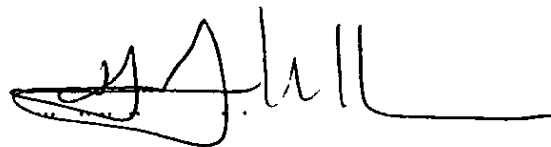
Occupation:



JOHN RICHARD HUNT

RIVERSIDE WEST, LEEDS

SOLICITOR



SIGNED as a DEED
(but not delivered until the date hereof)
by
RICHARD MICHAEL ADAMS
in the presence of:

Witness signature:

Witness name:

Address:

Occupation:



JOHN RICHARD HUNT

RIVERSIDE WEST, LEEDS

SOLICITOR



SIGNED as a DEED
(but not delivered until the date hereof)
by
STEPHEN BIRCHER
in the presence of:

Witness signature:

Witness name:

Address:

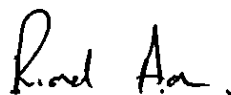
Occupation:



JOHN RICHARD HUNT.....

RIVERSIDE WEST, LEEDS

SOLICITOR



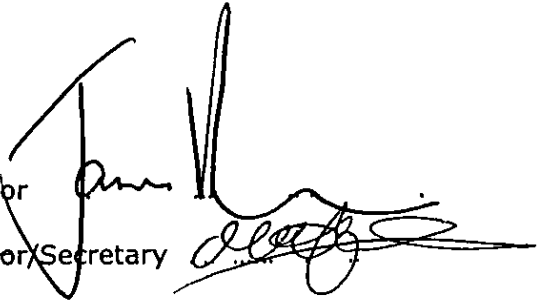
as lawful attorney
for and on behalf
of Stephen Bircher

EXECUTED as a DEED
(but not delivered until the date hereof)
by
BRULINES (HOLDINGS) PLC
acting by

)
)
)
)
)

Director

Director/Secretary

The image shows two handwritten signatures. The first signature, for the Director, is written over the word 'Director' and consists of a large, stylized 'J' followed by a horizontal line. The second signature, for the Director/Secretary, is written over the words 'Director/Secretary' and is a more complex, cursive script.