

5405982

THIS AGREEMENT is made the 27 day of July 2005

BETWEEN

- (1) **ECKOH TECHNOLOGIES PLC** (registered number 03435822) of Telford House, Corner Hall, Hemel Hempstead, Hertfordshire, HP3 9HN (the "Vendor");
- (2) **SYMPHONY TELECOM HOLDINGS PLC** (registered number 05405982) of Telford House, Corner Hall, Hemel Hempstead, Hertfordshire, HP3 9HN (the "Purchaser").

INTRODUCTION

- (A) The Vendor is the owner of the entire issued share capital in Symphony Telecom Limited (the "Company").
- (B) Further details of the Company are set out in the schedule.
- (C) The Vendor has agreed to transfer the shares in the Company held by it to the Purchaser or its nominee for the consideration and on the terms and conditions contained in this agreement.

AGREED TERMS

1. Definitions and Interpretation

- 1.1 In this agreement and the recitals and schedules the following words and expressions have the meanings set out opposite them:

"Act" means the Companies Act 1985;

"AIM" means AIM – a multilateral trading facility owned and regulated by the Stock Exchange;

"Business Day" means any day other than a Saturday, Sunday or any day which is a public holiday in the place or places at which the transaction in question is being effected or the notice in question is effected;

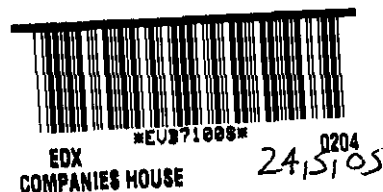
"Completion Date" or "Completion" means today's date;

"Encumbrance" means any mortgage, charge, security interest, lien, pledge, hypothecation, assignment by way of security, equity, claim, right of pre-emption, option, charge, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including retention of title claim), conflicting claim of ownership or any other third party right or encumbrance of any nature whatsoever (whether or not perfected);

"Solicitors" means Taylor Wessing of Carmelite, 50 Victoria Embankment, Blackfriars, London EC4Y 0DX;

"Shares" means the 100 issued ordinary shares of £1 each and 50,000 issued "B" shares of £1 each in the Company;

"Stock Exchange" means London Stock Exchange plc; and



"UK Listing Authority" means the Financial Services Authority acting in its capacity as the competent authority for listing in the United Kingdom under Part VI of the Financial Services and Markets Act 2000.

1.2 In this agreement and the recitals and the schedules:

- (a) reference to any statute or statutory provision includes a reference to that statute or statutory provision as amended, extended or re-enacted and to any regulation, order, instrument or subordinate legislation under the relevant statute or statutory provision;
- (b) reference to the singular includes a reference to the plural and vice versa;
- (c) reference to any recital, clause, or schedule is to a recital, clause, or schedule (as the case may be) of or to this agreement;
- (d) reference to any gender includes a reference to all other genders; and
- (e) references to persons include bodies corporate, unincorporated associations and partnerships and any reference to any party who is an individual is also deemed to include their respective legal personal representative(s).

2. Sale and Purchase

2.1 The Vendor as beneficial owner agrees to sell and the Purchaser agrees to purchase the Shares.

2.2 The Purchaser shall not be obliged to complete the purchase of any of the Shares unless the purchase of all the Shares is completed simultaneously.

3. Consideration

3.1 The total consideration for the sale of the Shares shall be the sum of £10,000,000.

3.2 The consideration for the sale of the Shares shall be ~~left outstanding by way of inter-company loan, repayable on demand~~ satisfied by the allotment and issue to the Vendor of 100,000,000 ordinary shares of £0.10 each in the Purchaser (the "Exchange Shares").

4. Completion

4.1 The sale and purchase of the Shares shall be completed at the offices of the Solicitors on the Completion Date (or at such other place or on such other date as the parties shall agree).

4.2 On Completion (or other such date as the parties agree) the Vendor shall deliver or cause to be delivered to the Purchaser:

- (a) duly executed stock transfer forms in respect of the Shares together with the relative share certificates for the Shares (such stock transfer forms to be in favour of the Purchaser or its nominees (or such other company as the Purchaser stipulates)) together with such waivers consents or other documents as the Purchaser may require to enable it or its nominees to be registered as

the holders of the Shares free from all liens, charges, options, equities, encumbrances and other adverse rights whatsoever;

- (b) the statutory books of the Company duly written up and the company seal, certificate of Incorporation, certificates of incorporation on change of name and all unused share certificates of the Company; and
- (c) such other documents relating to the Company as the Purchaser shall reasonably require.

4.3 On Completion the Vendor shall also consent to the holding of a meeting of the directors of each of the Company at which:

- (a) the directors shall (subject to stamping) approve of the transfer to the Purchaser (or its nominees) of the Shares; and
- (b) the directors shall pass any other resolutions reasonably requested by the Purchaser.

Following such board meetings the Vendor shall procure that a copy of the board minutes is handed to the Purchaser.

4.4 On Completion and subject to the due compliance by the Vendor of its obligations under sub-clauses 4.2 and 4.3 the Purchaser shall:

- (a) ~~accept the obligation to pay the sum of the consideration~~ ^{allot and issue the Exchange Shares} to the Vendor as required in order to fulfil its obligations set out in sub-clause 3.2; and
- (b) deliver to the Vendor a copy of the board minutes and any necessary shareholders' resolutions of the Purchaser approving this agreement and any other documents referred to in this agreement and authorising and enabling its officers or other appointees as attorneys to sign this agreement on the Purchaser's behalf and to carry out and complete this agreement in full.

4.5 The Vendor:

- (a) undertakes and agrees that, other than at the written request of the Purchaser, it shall not exercise any rights attaching to the Shares or exercisable by the Vendor in its capacity as a member of the Company or appoint any other person to exercise such rights; and
- (b) undertakes and agrees that any dividends, securities or notices, documents or other communications which may be received after today's date by the Vendor from the Company or any third party in respect of the Shares or in the Vendor's capacity as a member of the Company shall be received by the Vendor and held in trust for the Purchaser and, without prejudice to the generality of the obligations imposed by the foregoing, undertakes and agrees promptly to procure the forwarding to the Purchaser of all such benefits or communications and to account to the Purchaser for all benefits arising from the Shares registered in its name and/or from the Vendor's capacity as a member of the Company.

5. Warranties

The Purchaser acknowledges that save for implied warranties as to title the Purchaser has not relied in relation to the purchase of the shares on any warranties or representations, undertakings, indemnities of any description, howsoever or whatsoever and whether express or implied.

6. Confidentiality

Except as may be required:

- (a) by law or the regulations of the Stock Exchange or AIM or the UK Listing Authority; or
- (b) to vest the full benefit of this agreement in the Purchaser including in particular but without limitation informing trade connections of the Companies after Completion of the change of ownership of the Companies,

the provisions of this agreement and all negotiations relating to it are strictly confidential and no announcement or disclosure of the terms of this agreement shall be made by the Vendor or the Purchaser to any third party (other than the professional advisers and bankers of the Vendor or the Purchaser) without the written agreement of the other.

7. Notices and Communications

7.1 Where this agreement provides for the giving of notice or the making of any other communication, such notice or communications shall not (unless otherwise expressly provided) be effective unless given or made in writing in accordance with the following provisions of this clause.

7.2 Any notice or communication to be given or made under or in connection with this agreement may be:

delivered or sent by post to the parties at the address given in this agreement (such addresses being referred to below as the "Postal Address" of the relevant party); or

sent by fax, to:

Eckoh Technologies plc 01442 458 486

Symphony Telecom Holdings plc 01442 458 486

and shall be marked in the case of Eckoh Technologies plc for the attention of Samantha Driver and in the case of Symphony Telecom Holdings plc for the attention of Ian Brewer.

7.3 Any notice or other communication so delivered or sent shall be deemed to have been served when received except that if it is received between 5.30 p.m. on a Relevant Day and 9.00 a.m. on the next Relevant Date it shall be deemed to have been served at 9.00 a.m. on the second of such Relevant Days.

- 7.4 Where either party has given notice to the other of any different address or number to be used for the purposes of this clause then such different address or number shall be substituted for that shown above.

For the purposes of this clause:

- (a) "Relevant Day" means any day other than a Saturday, Sunday or a day which is a public holiday at the Postal Address of the receiving party; and
- (b) any reference to a time is to the time at the Postal Address of the receiving party.

8. Miscellaneous

- 8.1 Each party shall bear its own costs incurred in the negotiations leading up to and in the preparation of this agreement and of matters incidental to this agreement.
- 8.2 This agreement shall so far as it remains to be performed continue in full force and effect notwithstanding Completion.
- 8.3 Subject to clause 6 no press or other public statement or circular shall be made or issued in connection with the subject matter of this agreement after Completion unless previously approved in writing by the Vendor and the Purchaser.
- 8.4 No term or provision of this agreement shall be varied or modified by any prior or subsequent statement, conduct or act of any party, except that hereafter the parties may amend this agreement only by letter or written instrument signed by both of the parties.
- 8.5 The headings to the clauses in this agreement and in the schedule are for ease of reference only and shall not form any part of this agreement for the purposes of construction.
- 8.6 This agreement sets out the entire agreement and understanding between the parties in connection with the sale and purchase of the Shares.
- 8.7 The Vendor shall and shall procure that any other necessary party shall execute and do all such documents acts and things as may reasonably be required on or subsequent to Completion by the Purchaser for securing to or vesting in the Purchaser the legal and beneficial ownership of the Shares.
- 8.8 This agreement may be entered into in counterpart and by the parties to it on separate counterparts, each of which when so executed and delivered shall be an original, but both the counterparts shall together constitute one and the same instrument.
- 8.9 If at any time any term or provision in this agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any rule of law or enactment, such term or provision or part shall to that extent be deemed not to form part of this agreement, but the enforceability of the remainder of this agreement shall not be affected.
- 8.10 No term of this agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this agreement.

9. Law and Jurisdiction

This agreement shall be governed by and construed in accordance with English law and the parties submit to the exclusive jurisdiction of the courts of England and Wales.

THE SCHEDULE

The Company

Details

Name: Symphony Telecom Limited

Former Names: Telecom 365 Limited
Symphony Telecom Solutions Limited
Law 779 Limited

Number: 3252692

Date of Incorporation: 20 September 1996

Registered Office: Telford House
Corner Hall
Hemel Hempstead
Hertfordshire
HP3 9HN

Authorised share capital: £51,000

Issued share capital: 100 ordinary shares of £1 each
50,000 "B" shares of £1 each

Shareholders: Eckoh Technologies Plc

Directors: Mark Jones
Martin Turner
Trevor Price

Secretary: Samantha Driver

Accounting reference date: 31 March

Last accounts: 31 March 2004

Last annual return: 20 September 2004


Charges: 30.12.2003 – charge of deposit in favour of National
Westminster Bank plc for all monies due
or to become due from the Company.

21.08.2000 – deed of charge in favour of Vodafone
Limited for all monies due or to become
due from the Company.

The parties have executed and delivered this agreement as a deed on the date and year first written above.

EXECUTED as a deed by)
ECKOH TECHNOLOGIES PLC)
acting by:


Director


Director/secretary

EXECUTED as a deed by)
SYMPHONY TELECOM HOLDINGS)
PLC acting by:


Director


Director/secretary