

DATED

5 January

2007

- (1) THE PERSONS SET OUT IN SCHEDULE 1
- (2) PRIMAVERA CAPITAL PLC
- (3) STEPHEN MAURICE WINSTON
- (4) RICHARD BRUCE FARLEIGH

We hereby certify this to be
a true copy of the original.

Dated this 29th day of 01 2007

CLINTONS
55 DRURY LANE
LONDON WC2B 5RZ

AGREEMENT FOR THE SALE AND PURCHASE
OF THE ENTIRE ISSUED SHARE CAPITAL OF
PERACHEM LIMITED

CLINTONS
55 Drury Lane
Covent Garden
London WC2B 5RZ

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RM/CSC/ PRI23.4/FINAL

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COMPANIES HOUSE

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5 January

BETWEEN:

- (1) **THE PERSONS WHOSE NAMES AND ADDRESSES ARE SET OUT IN SCHEDULE 1** ("Sellers" and each a "Seller");
- (2) **PRIMAVERA CAPITAL PLC**, a company registered in England and Wales (registered number 5425236) whose registered office is at 65 New Cavendish Street, London, W1G 7LS ("Buyer");
- (3) **STEPHEN MAURICE WINSTON** of Byeways, Groton Street, Groton, Suffolk CO10 5EE ("Mr Winston"); and
- (4) **RICHARD BRUCE FARLEIGH** of Le Formentor, 27 Avenue Princesse Grace, Monaco MC98000 ("Mr Farleigh").

RECITALS:

1. Perachem Limited ("**Company**") is a private limited company having an authorised share capital of £1,000 divided into 1,000,000 ordinary shares of 0.1 pence each, of which on Completion 110,990 have been issued fully paid or credited as fully paid. Short particulars of the Company are set out in Schedule 3.
2. The Sellers wish to sell and the Buyer wishes to buy all of the issued share capital of the Company on the terms and subject to the conditions of this Agreement.
3. The Warrantors have agreed to give the Warranties.

IT IS HEREBY AGREED as follows:

1. INTERPRETATION

- 1.1 Words and expressions in this Agreement and the Schedules have the following meanings unless the context otherwise requires:

"Accounts"	means the individual accounts of the Company (within the meaning of section 226 of the Act) for the financial year ended on the Accounts Date, together with the directors' and auditors' reports and all other statements incorporated in or required by law to be annexed to them;
"Accounts Date"	means 31 July 2006;
"Act"	means the Companies Acts 1985 and 1989, as amended;
"Admission Document"	means the admission document to the shareholders of the Buyer in the Agreed Form including a notice of the EGM;
"Agreed Form"	means the form agreed between the Sellers and the Buyer on or before the date of this Agreement and initialled by their respective solicitors for identification purposes;
"Applications"	means applications for Registered Intellectual Property Rights;

"Associate"	has the meaning given to that expression in section 435 Insolvency Act 1986; and "Associates" shall be construed accordingly;
"Business"	means the business of developing new environmentally friendly specialty chemicals and processes for the global textile, paper and personal care industry (based exclusively on the inventions detailed in the Registered Intellectual Property Rights) as carried on by the Company as at the Completion Date;
"Business Day"	means a day on which banks are generally open for business in London, other than Saturday or Sunday;
"Buyer Warranty Claim"	means a claim in respect of a Relevant Breach of the Buyer's Warranties;
"Buyer Warrantors"	means the Buyer and each of Mr Winston and Mr Farleigh;
"Buyer's Accountants"	means Harris & Trotter LLP of 65 New Cavendish Street, London W1G 7LS;
"Buyer's Brokers"	means Hichens, Harrison & Co. plc of Bell Court House, 11 Blomfield Street EC2M 1LB or such other brokers as the Buyer may appoint to act as its brokers from time to time;
"Buyer's Solicitors"	means Clintons of 55 Drury Lane, London WC2B 5RZ;
"Buyer's Warranties"	shall have the meaning set out in clause 9.11 of this Agreement;
"Completion"	means completion of the sale and purchase of the Shares in accordance with this Agreement;
"Completion Date"	means the date on which Completion takes place in accordance with this Agreement;
"Completion Payment"	means the amount of £26,000 payable for the Shares on Completion in accordance with clause 5.1.2;
"Conditions"	means Condition One, Condition Two and Condition Three;
"Condition One"	means the dispatch by the Buyer to its shareholders of the Admission Document in the Agreed Form and the passing of each of the Resolutions at a duly convened EGM;
"Condition Two"	means receipt by the Buyer of confirmation from the Company that no written notice has been received by it pursuant to and in accordance with clause 2.3 of the IP Assignment;

Condition Three	means Re-Admission;
"Confidential Information"	means, all information relating to the Business of a confidential nature disclosed by one party to another party which is identified as confidential at the time of the disclosure or would be considered to be confidential by a reasonable person based upon the nature of the information and the circumstances of the disclosure, whether or not recorded in writing or otherwise;
"Consideration"	means the consideration payable for the Shares pursuant to clause 5.1;
"Consideration Shares"	means the 5,407,272 ordinary shares of 5 pence each in the capital of the Buyer to be allotted and issued credited as fully paid to the Sellers pursuant to this Agreement at the Consideration Share Price;
"Consideration Share Price"	means 55p per ordinary share;
"Contracts"	means all the legally binding arrangements and agreements to which the Company is a party;
"Deed of Termination"	means the deed of termination (in the Agreed Form) to be entered into on Completion by each of the Sellers and the Company regarding the termination of the shareholders agreement relating to the Company dated 1 July 2005;
"Disclosure Documents"	means the documents annexed to the Disclosure Letter (the index of which has been initialled for the purposes of identification by the Sellers' Solicitors and the Buyer's Solicitors);
"Disclosure Letter"	means the disclosure letter delivered immediately prior to the execution of this Agreement from the Warrantors to the Buyer and the Disclosure Documents;
"EGM"	means the extraordinary general meeting of the Buyer to be held on short notice on 19 December 2006 or any postponement thereof;
"Encumbrance"	means a mortgage, charge, pledge, lien, option, restriction, encumbrance, right of first refusal, right of pre-emption or other third party right, interest or claim of any kind;
"Finally Settled"	means in relation to a Relevant Claim either: (i) where such Relevant Claim is agreed in writing between the Warrantors and the Buyer (in the case of a Warranty Claim or a Tax Claim) or between the Sellers and the Buyer Warrantors (in the case of a claim under the Buyer Warranties) disposing of the subject matter of

such Relevant Claim and determining the amount (if any) to be paid in respect of such Claim; or (ii) the amount of such Relevant Claim has been determined by a court of competent jurisdiction and no right of appeal lies in respect of such judgement or from whose judgement the Warrantors, the Buyer Warrantors, or the Sellers (as the case may be) do not appeal within the period during which such appeal may properly brought or the Warrantors, the Buyer Warrantors or the Sellers (as the case may be) are barred whether by the passage of time or otherwise from exercising any such right of appeal;

"Hardware"

means any and all computer and telecommunications equipment owned or used by the Company on the Completion Date;

"ICTA"

means the Income and Corporation Taxes Act 1988;

"Intellectual Property Rights"

means all patents, supplementary protection certificates, petty patents, utility models, trade marks, goodwill, copyrights, database rights, registered design rights, design rights, applications for any of the foregoing, inventions, know how, trade secrets and other confidential information and moral rights (including any rights which may from time to time become the subject of protection by the law), customer and supplier lists and other proprietary knowledge and information, in any part of the world, for the full term of such rights and any renewals and extensions thereof;

"Interim Period"

means the period commencing on the date of this Agreement and ending on the earlier of Completion and lapse or termination of this Agreement in accordance with its terms;

"IP Assignment"

means the assignment by The University of Leeds to the Company of certain intellectual property rights, including but not limited to, the patents registered or applied for in the name of The University of Leeds with the following reference numbers:

1. US10/344,889;
2. JP2002-521615;
3. EP1313830;and
4. GB0604315.2;

"Key Warranties"

means the warranties contained in part A of Schedule 4 to be given to the Buyer by each Seller to the extent provided in clause 9.1;

"Letters of Appointment"	means the letters (in the Agreed Form) to be entered into on Completion between the Buyer and each of the Proposed Directors in respect of their respective appointments to the board of the Buyer;
"Lock-in Agreements"	means the undertakings (in the Agreed Form) to be given on Completion by each of the Sellers to the Buyer and Hichens, Harrison & Co.;
"Management Accounts"	means the unaudited monthly accounts of the Company comprising a balance sheet and a profit and loss account for the period 1 August 2006 to 30 November 2006;
"Placing Shares"	means 454,545 ordinary shares of 5 pence each in the Buyer to be issued and allotted to the IP Venture Fund pursuant to the Placing Agreement;
"Placing Agreement"	means the agreement to be entered into on the same date at this Agreement between the IP Venture Fund (1) and the Buyer (2) relating to the placing of Placing Shares;
"PLUS Market"	means the market regulated, operated and promoted by PLUS Markets Group plc, which is a member of the London Stock Exchange plc and regulated by the Financial Services Authority;
"Pre-Completion"	means the matters set out in clause 6.1;
"Proposed Directors"	means each of Dr Andrew Edward Bayliff, Professor David Lewis, Dr Alison Fielding and Dr Rodney Adams;
"Re-Admission"	the re-admission of the Buyer's existing issued share capital as at the date of this Agreement, the Consideration Shares and the Placing Shares to the Plus Market following the satisfaction of Condition Two;
"Recognised Investment Exchange"	has the meaning set out in section 285 of Financial Services and Markets Act 2000 (as amended or superseded from time to time) and shall also include the AIM Market the Plus Market;

"Registered Intellectual Property Rights"	means the Intellectual Property Rights which are registered in the name of the Company as at the date of this Agreement;
"Relevant Breach"	means any event or matter which is a breach of any of the Warranties or the Buyer's Warranties (as the case may be);
"Resolutions"	means the resolutions of the Buyer in the Agreed Form to be proposed at the EGM;
"Restricted Area"	means Europe;
"Sellers' Accountants"	means Atraxa Consulting Limited, Yorkshire Technology Park, Armitage Bridge, Huddersfield, West Yorkshire HD4 7NR;
"Sellers' Solicitors"	means Walker Morris of Kings Court, 12 King Street, Leeds LS1 2HL;
"Sellers' Solicitors' Account"	means the client account of the Sellers' Solicitors held at the Royal Bank of Scotland, Park Row, Leeds, sort code : 16-23-37, account number : 00282443;
"Shares"	means 110,990 ordinary shares of 0.1 pence each in the capital of the Company held by the Sellers in the proportions set out in column 3 of Schedule 1 being the entire issued share capital of the Company as at the date of this Agreement;
"Software"	means any and all computer programs used by the Company on the Completion Date;
"Statutory Records"	means all accounting, financial and statutory books and records of the Company including the VAT, NI and PAYE records which the Company is required to keep by law;
"Systems"	means the Hardware and the Software owned and used by the Company on the Completion Date;
"Taxation" or "Tax"	means all forms of taxation and any duty, impost, contribution, charge or levy in the nature of taxation (including but not limited to stamp duty), past, present or future, whether imposed by any authority in the United Kingdom or in any other country, state or territory anywhere in the world, and all penalties, charges, costs and interest relating to any of them;
Taxation Authority"	means HM Revenue & Customs and any other local, municipal, governmental, state, federal or other fiscal authority, body or official anywhere in the world;

"Tax Indemnity"	means the Taxation indemnity set out in clause 8 of this Agreement;
"Tax Warranties"	means those Warranties set out in Part F of Schedule 4;
"TCGA"	means the Taxation of Chargeable Gains Act 1992;
"UK GAAP"	means generally accepted accounting practices in the United Kingdom;
"VAT"	means valued added tax;
"VATA"	means the Value Added Tax Act 1994;
"Warranties"	means the warranties set out in Parts B, C, D, E and F of Schedule 4 (and "Warranty" shall be construed accordingly);
"Warrantors"	means the persons whose names and addresses are set out in Schedule 2 (and "Warrantor" shall be construed accordingly); and
"Warranty Claim"	means a claim in respect of a Relevant Breach of the Warranties.

1.2 In this Agreement, unless the context otherwise requires:

- 1.2.1 words importing the singular include the plural and vice versa, words importing any gender include both genders, and references to persons or people include individuals, partnerships, unincorporated associations of persons, bodies corporate, governments, territories, states or agencies of any governments, territories or states and any entity which has legal personality under the law of any territory or state;
- 1.2.2 a reference to a statute or a provision of a statute includes a reference to any amendment, repeal or re-enactment of it, any subordinate legislation (as defined in section 21(1) Interpretation Act 1978) made under it and any previous statute or provision re-enacted by it, in each case before the date of this Agreement PROVIDED THAT the provisions of this clause 1.2.2 shall not operate so as to impose any additional liability on the part of the Sellers (including any liability on the part of the Sellers under the Warranties) which would not otherwise have arisen or to increase any liability of the Sellers (including any liability on the part of the Sellers under the Warranties) which could arise under the terms of this Agreement;
- 1.2.3 a reference to a clause, Schedule or to the parties is a reference to a clause or Schedule or the parties of or to this Agreement, and a reference in any Schedule to a paragraph is to a paragraph of that Schedule;
- 1.2.4 a reference to any time of day shall be a reference to United Kingdom time, and a reference to close of business on any date is a reference to 5.30 p.m. on that date; and
- 1.2.5 in the context of a reference to the awareness of the Warrantors, the actual awareness of the Warrantors (unless expressly stated otherwise) having made reasonable enquiry of each of themselves, Dr Alison Fielding and Dr Rodney

Adams only.

- 1.3 Headings shall be disregarded in construing this Agreement.
- 1.4 The Schedules form part of this Agreement.
- 1.5 Section 839 ICTA shall apply to determine whether a person is connected with another person for the purposes of this Agreement.
- 1.6 An undertaking by a party not to do any act or thing includes an undertaking not to cause or assist the doing of that act or thing.
- 1.7 The ejusdem generis rule shall not apply in the construction of this Agreement, and accordingly general words shall not be given a restrictive meaning by reason of their being followed or preceded by words indicating a particular class or examples of acts or matters.
- 1.8 References to "**pounds sterling**" and the sign "£" mean pounds sterling in the official currency of the United Kingdom provided that if, following the introduction of the Euro, pounds sterling ceases to exist as the currency of the United Kingdom, then all references in this Agreement to monetary amounts shall be construed as references to the equivalent monetary amounts in Euros at the conversion rate applicable at the close of business on the latest Business Day before the day on which pounds sterling ceases to exist.

2. **CONDITIONS**

- 2.1 Completion of this Agreement is subject to the Conditions being satisfied on or before noon on 26 January 2007.
- 2.2 If the Conditions have not been satisfied by the date or time referred to in clause 2.1 above (or such later date as may be agreed in writing by the Buyer and the Sellers) this Agreement shall cease to have effect immediately after that date and time and shall cease to have any further force and effect and none of the parties shall have any liability in respect of this Agreement, save that this clause and clauses 15 (Announcements and confidentiality), 16 (Costs), 17 (Notices), 24 (Whole Agreement) and 25 (Law) shall continue in full force and effect together with any rights or liabilities that have accrued under such clauses.
- 2.3 The Buyer shall use all reasonable endeavours to procure that the Conditions are satisfied as soon as possible and, in any event, not later than noon on 26 January 2007 (or such later date, if any, as the Buyer and the Sellers may agree in writing).
- 2.4 On the date of this Agreement:
 - 2.4.1 the Sellers shall deliver to the Buyer this Agreement, duly executed by each Seller; and
 - 2.4.2 the Warrantors shall deliver to the Buyer the Disclosure Letter duly executed by each Warrantor; and
 - 2.4.3 the Sellers deliver to the Buyer a certified copy of the IP Assignment duly executed by the parties thereto;
 - 2.4.4 the Buyer shall deliver to Sellers' Agent:
 - 2.4.4.1 this Agreement, duly executed by the Buyer, Mr Winston and Mr Farleigh;
 - 2.4.4.2 the Disclosure Letter duly acknowledged as received by the Buyer;

2.4.4.3 a certified copy of the Placing Agreement duly executed by the Buyer and the IP Venture Fund; and

2.4.4.4 a copy, certified as a true copy by the secretary or a director of the Buyer, of the minutes of a meeting of the directors of the Buyer in the Agreed Form as signed by the chairman of that meeting, resolving that the Buyer should enter into this Agreement and each other document to be entered into by it on Completion, and authorizing execution of this Agreement and each such other document by each person signing on behalf of the Buyer.

3. INTERIM PERIOD

3.1 During the Interim Period, each of the Sellers shall (in so far as lies within its power to do so and so far as it is reasonably able to do so) procure that (except with the prior written consent of the Buyer such consent not to be unreasonably withheld or delayed) the Company complies with the provisions of Part A of Schedule 5.

3.2 During the Interim Period, the Buyer shall (in so far as lies within its power to do so and so far as it is reasonably able to do so) procure that (except with the prior written consent of the Sellers such consent not to be unreasonably withheld or delayed) the Company complies with the provisions of Part B of Schedule 5.

4. SALE AND PURCHASE

4.1 On Completion each Seller shall sell and the Buyer shall buy the number of Shares set against that Seller's name in column 3 of Schedule 1, free of all Encumbrances and with all rights attaching to them.

4.2 Each Seller hereby waives all rights of pre-emption he may have in respect of the transfer of the Shares to the Buyer pursuant to this Agreement, whether such rights are contained in the existing articles of association of the Company or otherwise.

5. CONSIDERATION

5.1 In consideration of the sale of the Shares, the Buyer shall on Completion:

5.1.1 issue and allot (credited as fully paid) the Consideration Shares to the Sellers (in the proportions set out opposite each Seller's name in column 4 of Schedule 1); and

5.1.2 pay a sum equal to the Completion Payment to the Sellers (in the proportions set out opposite each Seller's name in column 5 of Schedule 1) in accordance with clause 13.

5.2 The Buyer shall comply with the requirements of the Plus Market and use its reasonable endeavours so as to obtain admission to trading of the Consideration Shares on the Completion Date or as soon as practicable thereafter (including giving the Buyer's Brokers appropriate written instructions on or prior to the Completion Date).

5.3 All Consideration Shares issued in accordance with the terms of this Agreement shall be issued on terms that:

5.3.1 subject only to clause 5.3.2 below, they shall rank pari passu in all respects with the ordinary shares in the capital of the Buyer in issue at the date of allotment of the Consideration Shares;

5.3.2 they shall first rank for dividend in respect of the accounting period in which they are allotted (save where such Consideration Shares are allotted after the record

date for dividend distribution in that year) but shall not rank for ordinary dividends declared or paid with respect to any prior accounting period.

6. PRE-COMPLETION AND COMPLETION

6.1 Pre-Completion shall take place immediately following fulfillment of Condition Two. Pre-Completion shall take place at the offices of the Buyer's Solicitors or at such other place as the Buyer and the Sellers may agree in writing when all (but not part only unless the parties shall so agree) of the following business shall be transacted:

6.1.1 each of the Sellers shall (so far as it is legally within its power to do so) cause the following to be delivered or made available to the Buyer:

Shares Transfer and Company Documents

6.1.1.1 duly executed transfers of the Shares in favour of the Buyer (together with copies, certified as true copies of any power of attorney or other authority under which any of the transfers have been executed);

6.1.1.2 the share certificates (or in the case of any lost share certificate an indemnity satisfactory to the Buyer in relation to it) representing the Shares;

6.1.1.3 the seal (if any) and statutory books, certificate of incorporation and certificate of incorporation on change of name, books of accounts, records and other documents of the Company required to be kept by the Company under the Act complete and up-to-date up to but excluding Completion;

Banking and Finance Documents

6.1.1.4 a letter from the bankers of the Company stating the current and deposit account balances of the Company at the close of business on the last Business Day preceding Pre-Completion and a statement from the Company of all transactions on those bank accounts since the date of the letter;

6.1.1.5 evidence satisfactory to the Buyer of the repayment of all amounts owed by the Sellers or any of their respective Associates to the Company;

6.1.1.6 a copy of the bank mandate of the Company;

Other transaction documents

6.1.1.7 a copy of the IP Assignment duly executed by The University of Leeds and the Company;

6.1.1.8 the Letters of Appointment duly executed by the respective Proposed Director;

6.1.1.9 the Lock-in Agreements duly executed by the respective Seller; and

6.1.1.10 the Deed of Termination duly executed by the parties thereto;

6.1.2 the Sellers shall procure that a board meeting of the Company be held at Completion at which:

6.1.2.1 the registered office of the Company shall be changed to that of the

Buyer;

- 6.1.2.2 to the extent not already approved, the appointment of Stephen Winston as a director of and as the company secretary of the Company shall be approved;
- 6.1.2.3 the transfers referred to in clause 6.1.1.1 shall (subject only to their being duly stamped) be approved for registration;
- 6.1.2.4 the existing bank mandate of the Company shall be cancelled and the new bank mandate appointing the Buyer's chosen signatories submitted to HSBC Bank plc of 90 Baker Street, London W1U 6AX; and
- 6.1.2.5 Deed of Termination shall be approved.

6.2 Following compliance by the Sellers with their obligations pursuant to clause 6.1.1, the Buyer shall :

- 6.2.1 procure that a meeting of the board of directors of the Buyer is convened at which the Consideration Shares are allotted (subject only to Re-Admission));
- 6.2.2 pay a sum equal to the Completion Payment to the Sellers (in the proportions set out opposite each Seller's name in column 5 of Schedule 1) in accordance with clause 13.
- 6.2.3 allot and issue the Consideration Shares in satisfaction of the Consideration to the Sellers (conditional only upon Re-Admission);
- 6.2.4 allot and issue the Placing Shares (conditional only upon Re-Admission);
- 6.2.5 deliver to the Sellers' Solicitors a certified copy of the Resolutions passed by the shareholders of the Buyer;
- 6.2.6 deliver to the Sellers' Solicitors a copy, certified as true by the secretary or a director of the Buyer, of the minutes of a meeting of the directors of the Buyer in the Agreed Form, as signed by the chairman of that meeting resolving inter alia to issue and allot the Consideration Shares to the Sellers (in the numbers set out against their respective names in column 4 of Schedule 1), pay the Completion Payment to the Sellers in accordance with clause 13, and appoint to the board of the Buyer the Proposed Directors;
- 6.2.7 deliver to the Sellers certificates for the Consideration Shares;
- 6.2.8 deliver to the Sellers' Solicitors the Letters of Appointment duly executed by the Buyer;
- 6.2.9 deliver to the Sellers' Solicitors the Lock-in Agreements duly executed by the Buyer and Hichens, Harrison & Co.

6.3 Completion of the sale and purchase of the Shares shall be conditional upon Condition Three and accordingly (a) all items delivered or consideration paid in accordance with this clause 6 shall be delivered to the solicitors for the party entitled to receive the same; (b) such solicitors are hereby irrevocably instructed to hold all items and consideration received by them in escrow on the terms set out in this clause 6.3; and (c) the items and consideration referred to in clause 6.2 shall automatically be released from escrow (and any deeds included in such documents shall be delivered) upon satisfaction of Condition Three and the relevant solicitors shall thereupon hold such items and consideration unconditionally to the order of the party entitled to receive the same until Completion shall

have become effective.

- 6.4 Neither the Buyer nor any of the Sellers shall be obliged to complete the purchase/sale of the Shares unless the purchase of all of the Shares is completed in accordance with this Agreement.

7. GUARANTEES, LOAN ACCOUNTS AND CLAIMS WAIVERS

- 7.1 Each of the Sellers will severally procure that on or before Completion:

7.1.1 all monies owing to the Company by it are paid in full, whether or not due for payment; and

7.1.2 all monies owing by the Company to it (or their Associates), other than as disclosed in the Disclosure Letter are paid in full, whether or not due for payment.

- 7.2 Each Seller (for himself and on behalf of each of his Associates) confirms that neither he nor any of his Associates has any claims against the Company and to the extent any such claim may exist he (for himself and on behalf of each Associate) hereby irrevocably and unconditionally waives such claim.

8. TAX INDEMNITY

Subject to the provisions of Schedule 6, the Warrantors hereby severally undertake to fully indemnify the Buyer against any liability of the Company for Taxation either (a) to the extent not paid or provided for in the Accounts arising from or out of or by virtue of the profits or income or expenditure or any act or omission of the Company for or during all or any of the periods up to and including the Accounts Date; or (b) except where the liability for Taxation in question arose solely by virtue of the Company carrying on its business lawfully and in the ordinary course, arising from or out of or by virtue of the profits or income or expenditure or any act or omission of the Company for or during the period after the Accounts Date and up to Completion.

9. WARRANTIES

- 9.1 Each of the Sellers hereby severally warrants to the Buyer in terms of the Key Warranties as at the date of this Agreement to the extent that they relate to that Seller and/or the Shares held by that Seller but not further or otherwise (save as disclosed in the Disclosure Letter in respect of the shares held by Dr Andrew Bayliff and 2,000 of the Shares held by Dr Jamie Hawkes).

- 9.2 The Warrantors hereby severally warrant to the Buyer in terms of the Warranties as at the date of this Agreement, save as fairly disclosed in the Disclosure Letter.

- 9.4 Each of the Warranties is separate and to be construed independently of the other Warranties and any other provision of this Agreement (but subject to clause 9.7 and, where applicable, Schedule 6).

- 9.5 The Warrantors hereby acknowledge that the Buyer is entering into this Agreement in reliance on the Key Warranties and the Warranties.

- 9.6 The Warrantors hereby unconditionally and irrevocably waive any rights any of them may have against (and undertake not to make any claims against) any officers or employees of the Company (other than fellow Warrantors pursuant to contribution arrangements or in the event of fraud or willful concealment on the part of any officers or employees of the Company) on whom any of them has or may have relied in giving the Warranties or in preparing the Disclosure Letter or otherwise.

- 9.7 Schedule 6 shall apply to limit or exclude, in accordance with its terms, any liability which

10. PROTECTION OF THE INTERESTS OF THE BUYER

- 10.1 In further consideration of the Buyer agreeing to buy the Shares on the terms of this Agreement, each of the Warrantors, Alison Fielding and Dr Rodney Adams (save as provided in relation to their employment with the Company or as directors of the Buyer following Completion) shall (and they shall each procure (to the fullest extent that it lies within their ability to do so) that none of their respective Associates (which for the purposes of this clause 10 shall not include Techtran Group Limited, Techtran Limited, Techtran Investments Limited, Techtran Services Limited and the IP Group plc), shall directly or indirectly, alone or jointly with any other person, and whether as a shareholder, partner, director, principal, consultant, employee, agent, or in any other capacity:
- 10.1.1 for a period of 18 months starting on the date of this Agreement, carry on or be interested in any business which competes within the Restricted Area with the Business;
 - 10.1.2 for a period of 18 months starting on the date of this Agreement, and to the material detriment of the Business, employ or engage the services of any person employed or engaged by the Company in a managerial role on the date of this Agreement, or any other person who, during the period of one month preceding the date of this Agreement, held such a role;
 - 10.1.3 for a period of 18 months starting on the date of this Agreement, and to the material detriment of the Business, solicit or entice away from the Company any person employed or engaged by the Company on the date of this agreement who, during the period of one month preceding the date of this Agreement was employed or engaged by the Company in a managerial role; and
 - 10.1.4 for a period of 18 months starting on the date of this Agreement, and to the material detriment of the Business:
 - 10.1.4.1 and in competition with the Business, canvass, solicit or seek to secure business or custom from:
 - 10.1.4.1.1 a client of the Company as at the date of this Agreement, who has done business with the Company or to whom the Company has provided services and with whom the Sellers have been directly involved with, during the 12 months prior to the Completion Date ("**Key Client**");
 - 10.1.4.1.2 a prospective client of the Company who has been in negotiation to do business with the Company or for the Company to provide services to and with whom a Seller has been involved with the negotiations, during the period of 12 months prior to the Completion Date ("**Prospective Client**");
 - 10.1.4.2 and in competition with the Business, deal with or accept business or custom from or provide services to a Key Client or a Prospective Client.
- 10.2 Nothing in clause 10.1 shall prohibit any financial interest of a person in any securities listed or dealt in on any Recognised Investment Exchange if that person and any person connected with them are together interested in securities which amount to less than 5% of the issued securities of that class and which in all circumstances carry less than 5% of the voting rights (if any) attaching to the issued securities of that class and provided that, except by virtue of the exercise of any voting rights attaching to the securities, neither that person, the Sellers nor any person so connected is involved in the management of the

business of the issuer of the securities or of any person connected with it.

- 10.3 The Sellers shall not (and (shall so far as they are lawfully able to do so) procure that none of their respective Associates shall) following the Completion Date disclose or use any Confidential Information otherwise than for any other business that they have which does not compete with the Business or the Company as carried on as at the date of this Agreement. This clause shall not prohibit disclosure of Confidential Information pursuant to a *legal obligation involuntarily incurred, or if required by any regulation or rule of any listing authority, stock exchange or governmental or other regulatory authority, or the use or disclosure of Confidential Information for the benefit of, or in acting as an employee or director (as the case may be) of the Company, but in any such case the applicable Seller(s) shall consult with the Buyer so far as is practicable before making the relevant disclosure.* This clause shall not apply to Confidential Information which is in or becomes part of the public domain without breach of this clause.
- 10.4 Each of the Warrantors, Alison Fielding and Dr Rodney Adams acknowledge that each of the obligations in this clause is reasonable as to subject matter, area and duration and is necessary to provide the Buyer with the full benefit of the goodwill of the Business.
- 10.5 If any provision of this clause shall be judged by any court of competent jurisdiction to be void or unenforceable but would be valid if part of that provision were deleted and/or its duration or scope were reduced then that provision shall apply within the jurisdiction of that court with such modifications as may be necessary to make it valid.
- 10.6 Without prejudice to any other remedy which may be available to the Buyer, the parties agree that clauses 10.1 and 10.3 may be specifically enforced by preliminary and permanent injunction if granted by a court of competent jurisdiction, it being acknowledged that a breach of this clause 10 might cause injury to the Buyer in respect of which damages would not provide an adequate remedy.
- 10.7 Each of the obligations assumed by the each of the Warrantors, Alison Fielding and Dr Rodney Adams under clauses 10.1 and 10.3 is separate and to be construed independently of the others, and is assumed without prejudice to any other obligations of the Warrantors, Alison Fielding Dr Rodney Adams and/or the Sellers (as the case may) Sellers implied at law or in equity.

11. CONDUCT OF CLAIMS

- 11.1 The Buyer shall notify the Warrantors in writing (giving reasonable details of the subject matter and nature thereof) of:

11.1.1 any claim made against the Buyer or the Company by a third party which may give rise to a Warranty Claim or Tax Claim; and

11.1.2 any claim the Company is entitled to bring against a third party which claim is based on circumstances which may give rise to a Warranty Claim or Tax Claim

as soon as is reasonably practicable and in any event within 30 Business Days of the Buyer becoming aware of such circumstances.

- 11.2 The Buyer shall and shall procure that the Company shall:

11.2.1 take such action and give such information and access to personnel, premises, chattels, documents, relevant assets and records to the Warrantors' and their professional advisers (in connection with any third party claim) as the Warrantors may reasonably request (which shall include allowing the Warrantors and the Warrantors' professional advisers to take copies of any relevant documents or records at the Warrantors' expense) and the Warrantors shall be entitled to require the Buyer to take (or procure the taking of) such reasonable

action and give (or procure the giving of) such reasonable information and assistance in order to avoid, dispute, resist, mitigate, compromise, defend or appeal against any third party claim and any adjudication with respect to any such claim;

- 11.2.2 at the request of the Warrantors allow the Warrantors to take the sole conduct of such third party claim as the Warrantors may deem appropriate in the name of the Buyer or the Company and in that connection the Buyer shall give or cause to be given to the Warrantors all such assistance as the Warrantors may reasonably require in avoiding, disputing, resisting, settling, compromising, defending or appealing any such third party claim and shall instruct such solicitors or other professional advisers as the Warrantors may nominate to act on behalf of the Buyer or the Company as appropriate but to act in accordance with the Warrantors' sole instructions;
 - 11.2.3 make no admission of liability, agreement, settlement or compromise with or to any third party in relation to any such third party claim or adjudication without the prior written consent of the Warrantors; and
 - 11.2.4 take all reasonable action to mitigate any loss suffered by it or the Company in respect of which a claim could be made under the Warranties or Tax Indemnity.
- 11.3 The Warrantors shall provide an indemnity (on terms reasonably satisfactory to the Buyer) for any reasonable costs and expenses which are properly incurred by the Buyer or the Company in complying with their obligations under this paragraph 11.2.
- 11.4 Nothing in this clause 11 shall oblige the Buyer or the Company to do anything which in its reasonable opinion is contrary to the goodwill of the Buyer or the Company and if the Buyer or the Company reasonably considers that taking any steps requested by the Warrantors in relation to the relevant third party matter would have a materially adverse effect on the goodwill of the Buyer or the Company then the Buyer or the Company (as the case may be) shall not be required to take those steps and any associated Warranty Claim or Tax Claim which has given rise to the need for the Buyer or the Company to take any action in accordance with this clause, and which pursuant to this clause the Buyer shall not undertake, shall be deemed to have been waived by the Buyer and the Warrantors liability in respect of any such Warranty Claim or Tax Claim shall absolutely determine.

12. OBLIGATIONS AFTER COMPLETION

- 12.1 In relation to the Company and before the Buyer is registered as the holder of the Shares, each of the Sellers shall (so far as it is within its power to do so and so far as it is reasonably able to do so) procure the convening of all meetings and the giving of all waivers and consents and the passing of all resolutions as are necessary under the Act or the articles of association of the Company or any agreement or obligations affecting it to give effect to this Agreement.
- 12.2 For so long after Completion as any Seller remains the registered holder of any of the Shares that Seller will hold them and any distributions, property and any rights deriving from them on trust for the Buyer and will deal with the Shares and any such distributions, property and any rights as the Buyer shall direct; in particular that Seller shall exercise all voting rights as the Buyer directs or shall execute an instrument of proxy in any form reasonably requested by the Buyer to enable the Buyer or its nominee to attend and vote at any meeting of the Company.

13. PAYMENTS

- 13.1 Unless otherwise expressly stated, all payments to be made under this Agreement shall be made in pounds sterling to the party to be paid as follows:

13.1.1 to the Sellers in immediately available funds to the Sellers' Solicitors' Account or such other account as the Sellers may notify the Buyer in writing; and

13.1.2 to the Buyer by delivery to the Buyer's Solicitors in immediately available funds to the client account of the Buyer's Solicitors at:

Bank: Coutts & Co
St Martins Office
440 Strand
London WC2R 0QS

Sort code: 18-00-02

Account number: 14689011

or such other account as the Buyer may notify to the Sellers' Solicitors in writing.

13.2 Payment by telegraphic transfer to a party's solicitors in accordance with clause 13.1 will discharge the obligations of the relevant party to pay the sum in question, and that party shall not be concerned to see the application of the monies represented by the monies transferred.

14. ASSIGNMENT

No party may assign or purport to assign or transfer, charge, declare and hold the same on trust for a third party or part with all or any of its rights and/or obligations under this Agreement or sub-contract the performance of any of their respective obligations under this Agreement without the prior written consent of the other parties.

15. ANNOUNCEMENTS AND CONFIDENTIALITY

15.1 No party shall make (and the parties shall each ensure that no person connected with them shall make) an announcement of any kind about this Agreement or the transactions contemplated in it or any ancillary matter before, on or after Completion.

15.2 Each party shall treat as strictly confidential:

15.2.1 all information which it receives or obtains as a result of the negotiations leading up to this Agreement, or entering into and performing this Agreement, and which relates to the provisions of this Agreement or the business or affairs of any other party; and

15.2.2 the terms contained in this Agreement and in particular and without limitation its financial terms save as may be required by the UK Listing Authority, Financial Services Authority or applicable accepted accounting standards.

15.3 The restrictions in this clause 15 shall not apply to any announcement or disclosure:

15.3.1 as agreed in writing between the parties; or

15.3.2 as required by law or by any competent regulatory or governmental body including (without limitation) any listing or financial services regulatory body (provided that, in such a case, the party required to make the announcement or disclosure shall first take all such steps as may be reasonable and practicable in the circumstances to agree the contents of the announcement or disclosure with the other party before making it); or

15.3.3 which the party making the disclosure considers it necessary to disclose to its professional advisers, auditors and bankers, provided that it does so on a

confidential basis; or

15.3.4 which has come into the public domain through no fault of the parties.

- 15.4 If at any time after the date of this Agreement any party or any person connected with them is required by rules of any listing or financial services authority to place this Agreement on display, the relevant party shall inform the other as soon as possible and shall use all reasonable endeavours to obtain a dispensation from those rules if required to do so by the other.

16. COSTS

Each party shall pay the costs and expenses (together with VAT) of its professional advisers and agents incurred in connection with the negotiation, preparation, execution and performance of this Agreement.

17. NOTICES

- 17.1 Any notice (which for the purposes of this clause includes any request, instruction, statement of payments, waiver, consent or copy notice) given pursuant to this Agreement shall be in writing and in English. Each such notice shall be delivered by hand or sent by facsimile or pre-paid recorded or special delivery post (or pre-paid international recorded airmail if sent internationally). Notices shall be given as follows:

to the Buyer

For the attention of:

Stephen Winston
Primavera Capital Plc
65 New Cavendish Street
London
W1V 3RN

Facsimile number: 020 7240 9310

to the Sellers and the Warrantors

For the attention of:

Dr A E Bayliff
Perachem Limited
Leeds Innovation Centre
103 Clarendon Road
Leeds
West Yorkshire
LS2 9DF

Facsimile number: 0870 8354352

With a copy to :
The University of Leeds
For the attention of Os Finnie
EC Stoner Building
Woodhouse Lane
Leeds
West Yorkshire
LS2 9JT

- 17.2 Any party may nominate, by notice given to the others in accordance with this clause, another person, address or facsimile number for the receipt of notices or copy notices. Any

such nomination shall take effect 5 Business Days after it is received or (if later) on the date (if any) specified in the notice as the date on which the change is to take place.

- 17.3 Any notice or other communication pursuant to this Agreement shall be deemed to have been duly given:

17.3.1 if delivered by hand, by pre-paid recorded or special delivery or by prepaid international recorded airmail before 5.30 p.m. on any Business Day, at the time of delivery, and otherwise at 10.00 a.m. on the next Business Day; and

17.3.2 if sent by facsimile (but only if a transmission report is generated by the sender's fax machine recording a message from the recipient's fax machine, confirming that the fax was sent to the relevant number indicated above (or to a different number previously communicated to the sender in writing) and confirming that all pages were successfully transmitted), two hours after transmission if sent before 3.30 p.m. on a Business Day and otherwise at 10.00 a.m. on the next Business Day.

18. **THIRD PARTY RIGHTS**

Subject and without prejudice to clause 22, a person who is not a party to this Agreement has no rights under the Contract (Rights of Third Parties) Act 1999 to rely upon or enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that act. No party may declare itself a trustee of any rights under this Agreement for the benefit of any third party.

19. **WAIVER**

- 19.1 No failure to exercise or delay in exercising any right or remedy in respect of or arising out of this Agreement shall constitute a waiver of that right or remedy by any party, nor shall any single or partial exercise of any right or remedy prevent any other exercise of that right or remedy or the exercise of any other right or remedy. No course of conduct or acquiescence shall constitute such a waiver other than a notice to that effect given to the other party specifying this clause and the right in question.

- 19.2 References throughout this Agreement to the rights of any party are to rights or remedies of that party at law and/or in equity.

20. **NO MERGER**

The provisions of this Agreement shall remain in full force and effect notwithstanding Completion.

21. **COUNTERPARTS**

This Agreement may be executed by the different parties using separate documents in the same form each of which when executed and delivered shall constitute an original but all of which shall together constitute one and the same instrument.

22. **DEATH OF A SELLER**

This Agreement shall enure for the benefit of the personal representatives and estates of each of the Sellers (who is an individual).

23. **VARIATION**

No purported variation of this Agreement shall be effective unless it is in writing and signed by or on behalf of the Buyer and each of the Sellers (in the case of the Buyer by its duly authorised representative).

24. WHOLE AGREEMENT

- 24.1 This Agreement and the documents in the Agreed Form constitute the entire agreement and understanding between the parties relating to the transactions contemplated by those documents and supersede all other agreements or arrangements between the parties or any of them.
- 24.2 Each of the parties acknowledges and agrees that on entering into this Agreement, and the documents referred to in it, they do not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement.
- 24.3 The only remedies available to a party for breach of this Agreement shall be those that are available as a result of breach of contract under the terms of this Agreement.
- 24.4 Nothing in this clause 24 shall, however, operate to limit or exclude any liability for fraud.
- 24.5 The Buyer acknowledges that in entering into this Agreement:
- 24.5.1 other than those expressly set out in this Agreement the Sellers and Warrantors have not given any other warranties, representations, covenants, undertakings or indemnities; and
- 24.5.2 no information, advice or assurances it or anyone on its behalf may have received from the Sellers, the Sellers' advisers or anyone else on the Sellers' behalf in relation to the Company or this Agreement or its negotiation may be legally relied upon in any manner, save in each case for any information, advice or assurances which are expressly set out or referred to in the Warranties, the Tax Indemnity and this Agreement.

25. LAW

This Agreement and the documents to be entered into under it shall be governed by and construed in accordance with English law. Each of the parties irrevocably submits to the exclusive jurisdiction of the English courts in respect of any matter or dispute arising in connection with this Agreement or any such document.

IN WITNESS of which this Agreement has been executed and has been delivered on the date set out on page 1.

SCHEDULE 1

The Sellers

1 Seller's Name	2 Seller's Address	3 Number of Shares held	4 Consideration Shares	5 Cash Consideration £
Techtran Group Limited	Leeds Innovation Centre, 103 Clarendon Road, Leeds, LS2 9DF	40,037	1,950,545	9,378.88
Professor David Malcolm Lewis	13 St Richards Road, Otley, LS21 2AL	20,221	985,138	4,736.88
Dr Matthew Clark	49 Ash Grove, Ilkley, West Yorkshire, LS29 8EP	3,676	179,089	861.12
Dr Jamie Hawkes	2 Blackwood Road, Bromsgrove, Worcestershire, B60 1AN	3,838	186,982	899.07
Dr Jeremy Knapp	11 New Street, Pudsey, West Yorkshire, LS28 8AQ	3,676	179,089	861.12
Dr Rodney Adams	Oak House, The Green, Old Scriven, Knaresborough, North Yorkshire, HG5 9EA	1990	96,950	466.17
Dr Andrew Edward Bayliff	24 Meadow Reach, Penwortham, Preston, PR1 0XG	7,000	341,030	1,639.79
The University of Leeds	Woodhouse Lane, Leeds, West Yorkshire, LS2 9JT	22,059	1,074,683	5,167.44
David Norwood	37 Oxford Castle, New Road, Oxford, OX1 1AY	2,324	113,222	544.41
Alan Aubrey	Reynard House, Fox Garth, Nether Poppleton, York, YO26 6LP	2,224	108,350	520.98
Dr Alison Fielding	58 Homeswood Park, Rossendale, Lancashire, BB4 6HZ	2,590	126,181	606.72

Magnus Goodlad	30 Fentiman Road, London, SW8 1LF	884	43,067	207.08
William Turner	39a Strathblaine Road, London, SW11 1RG	223	10864	52.24
Stephen Brooke	Flat 14, 39-40 Beaufort Gardens, London, SW3 1PW	48	2338	11.24
Ani Pulleyn	2 Armstrong Street, Farsley, Pudrey, LS28 5BZ	200	9744	46.85
TOTALS:		110,990	5,407,272	£26,000.00

SCHEDULE 2

Warrantors' Names and Addresses

Name	Address
Professor David Malcolm Lewis	13 St Richards Road, Otley, LS21 2AL
Dr Andrew Edward Bayliff	24 Meadow Reach, Penwortham, Preston, PR1 0XG

SCHEDULE 3

Details of the Company

Date of Incorporation	:	23 January 2004
Place of Incorporation	:	England and Wales
Previous Names	:	Peradox Limited (changed on 11 April 2005) Blue Fawcett Limited (changed on 4 February 2004)
Registered Number	:	5024723
Registered Office	:	Leeds Innovation Centre 103 Clarendon Road Leeds West Yorkshire LS2 9DF
Authorised Share Capital	:	£1,000 divided into 1,000,000 ordinary shares of 0.1 pence each
Issued Share Capital	:	£110.90 divided into 110,990 ordinary shares of 0.1 pence each
Directors	:	Dr Rodney Adams Dr Andrew Edward Bayliff Professor David Malcolm Lewis Professor S Scott Dr Alison Fielding
Secretary	:	Techtran Limited
Shareholder Details	:	Techtran Group Limited 40,037 ordinary shares Professor D M Lewis 20,221 ordinary shares Dr Matthew Clark 3,676 ordinary shares Dr Jamie Hawkes 3,838 ordinary shares Dr Jeremy Knapp 3,676 ordinary shares Dr R H Adams 1990 ordinary shares The University of Leeds 22,059 ordinary shares Dr Andrew Edward Bayliff 7,000 ordinary shares David Norwood 2,324 ordinary shares Alan Aubrey 2,224 ordinary shares Dr Alison Fielding 2,590 ordinary shares Magnus Goodlad 884 ordinary shares William Turner 223 ordinary shares

Stephen Brooke 48 ordinary shares

Ani Pulleyn 200 ordinary shares

SCHEDULE 4

PART A

Key Warranties

1. Each Seller has:
 - 1.1 the unfettered right and power to transfer to the Buyer, on the terms of this Agreement, the full legal and beneficial ownership in the Shares set out against his name in column 3 of Schedule 1;
 - 1.2 full power and authority to enter into and perform this Agreement which when executed shall constitute a binding obligation on him in accordance with its terms.
2. There are no Encumbrances on, over or affecting the Shares set out against his name in column 3 of Schedule 1 and there is no agreement or arrangement to give or create any such Encumbrance and no claim has been or will be made by any person to be entitled to any of the foregoing.
3. So far as each Seller is aware there are no Encumbrances on or over or affecting any unissued shares, debentures or other securities in the capital of the Company and there is no agreement or arrangement to give or create any such Encumbrance and there is no claim by any person to be entitled to any such Encumbrance.
4. No Seller is engaged in any litigation, arbitration, mediation, conciliation, expert determination, adjudication or other dispute resolution process as claimant or defendant, which might have an effect upon his capacity to perform his obligations under this Agreement (or other such agreements) and no such dispute resolution process has been threatened against him and the execution and delivery of, and the performance by him of his respective obligations under this Agreement will not constitute a default under any instrument or arrangement binding or otherwise to which he is a party.
5. Each Seller (who is an individual):
 - 5.1 is over 18 years old;
 - 5.2 is not and has never been the subject of any bankruptcy proceedings; and
 - 5.3 is not and has never been a patient under the Mental Health Act 1983.

SCHEDULE 6

LIMITATIONS ON LIABILITY (WARRANTORS)

INTRODUCTION AND PURPOSE

This Schedule 6 contains provisions which limit the liability of the Warrantors under the Warranties (but not the Key Warranties) and, where expressly stated only, the liability of the Warrantors under the Tax Indemnity ("Tax Claim").

1. FINANCIAL LIMITATIONS

- 1.1 The Warrantors shall not be liable in respect of any Warranty Claim or Tax Claim (and no amount shall be payable by the Warrantors in respect of any such claim) unless:

1.1.1 the amount of each individual Warranty Claim or Tax Claim exceeds £10,000; and

1.1.2 the amount of such Warranty Claim or Tax Claim, together with the aggregate amount of all other single Warranty Claims or Tax Claims of more than £10,000 (if any) made on the same occasion or previously exceeds £50,000 (in which case the Warrantors shall be liable for the whole amount of such Warranty Claims and not just the excess).

- 1.2 The aggregate liability of each Warrantor in respect of any Warranty Claim or Tax Claim shall not in any event exceed the lesser of £40,000 and the value on the date the applicable Warranty Claim(s) or Tax Claim(s) is Finally Settled of the total number of Consideration Shares issued to such Warrantor pursuant to the terms of this Agreement.

- 1.3 The aggregate value of the Consideration Shares for the purpose of determining the maximum liability of each Warrantor pursuant to paragraph 1.2 shall be the lower of 55 pence and the average middle-market price of an ordinary share of 5p each in the capital of the Buyer on PLUS for the last five dealing days prior to the date on which the Relevant Claim is Finally Settled.

- 1.4 The Warrantors shall be entitled to satisfy any Warranty Claim or Tax Claim which is Finally Settled in the Buyer's favour by disposing of some or all of their Consideration Shares provided always that they comply with the terms of their respective Lock-In Agreements.

- 1.5 If upon a Warranty Claim or Tax Claim being Finally Settled in the Buyer's favour a Warrantor elects to satisfy the same in accordance with paragraph 1.4 above, then such Warrantor shall as soon as reasonably practicable make arrangements to dispose of such number of Consideration Shares as may be required, and it is agreed by the Buyer that any such Warrantor shall not be liable to make any payment to the Buyer in respect of any Finally Settled Warranty Claim or Tax Claim until such time as such Warrantor has received the proceeds of sale arising upon the disposal of such Consideration Shares.

2. Without prejudice to any other provisions of this Schedule 6, the maximum aggregate liability of each Seller in respect of all claims under this Agreement (including interest and costs) shall not in any circumstances exceed the amount of Consideration they actually receive.

TIME LIMITS

- 2.1 The Warrantors shall be under no liability whatsoever in respect of any Warranty Claim or Tax Claim unless the Buyer has served on the Warrantors a written notice as soon as reasonably practicable after the Buyer becomes aware of the possibility of a Warranty

Claim or Tax Claim and in any event on or before:

- 2.1.1 in respect of a Warranty Claim (other than a Warranty Claim for breach of a Tax Warranty), the first anniversary of the Completion Date;
- 2.1.2 in respect of a Warranty Claim for breach of a Tax Warranty or a Tax Claim, the seventh anniversary of the Completion Date,

giving in each case as full details as are reasonably practicable of the applicable claim including the Buyer's best estimate of the amount of any liability of the Warrantors in respect thereof, based on the information then available to the Buyer and detailing the Buyer's calculation of the loss alleged to have been suffered by it (and/or the Company).

- 2.2 Any Warranty Claim or Tax Claim made in accordance with the provisions of this Schedule 6 shall (if it has not been previously satisfied, settled or withdrawn) be deemed to have been waived or withdrawn on the expiration of 9 months after the date on which it was made unless court proceedings in respect of it shall then have been commenced against any Warrantor (and for this purpose court proceedings shall not be deemed to have been commenced unless they have been both issued and served on the Warrantors) and the Warrantors liability in respect of any such Warranty Claim or Tax Claim shall absolutely determine.

3. **EXCLUSION OF CERTAIN CLAIMS**

- 3.1 No Warranty Claim or Tax Claim shall be made by the Buyer against the Warrantors (and accordingly the Warrantors shall not be liable under the Warranties or the Tax Indemnity) in respect of :
 - 3.1.1 any matter, liability or thing reserved, noted or disclosed in the Accounts or the Management Accounts or this Agreement or in the execution and performance of this Agreement;
 - 3.1.2 any matter, liability or thing if that matter, liability or thing would not have arisen or occurred or would have been reduced or eliminated or would not have been increased but for an act, omission, event, transaction or arrangement or default performed or allowed to occur by the Buyer or the Company and/or any of their respective directors, employees or agents after the Completion Date;
 - 3.1.3 any matter, liability or thing if that matter, liability or thing would not have arisen or occurred or would have been reduced or eliminated or would not have been increased but for an act, omission, event, transaction or arrangement or default of the Company after the date of this Agreement and before Completion at the written request or direction, or with the written consent, of the Buyer;
 - 3.1.4 any matter where the claim arises or is increased as a result of the imposition of Taxation as a consequence of any change in the law, interpretation of the law, or change in any practice or procedure published by any Taxation Authority coming into force after Completion with retrospective effect or to the extent that that claim arises or is increased by an increase in rates of Taxation after Completion with retrospective effect;
 - 3.1.5 any liability for Taxation which would not have arisen but for any claim, election, surrender, revocation or disclaimer made, or notice or consent given after Completion (other than one the giving or doing of which was taken into account in preparing the Accounts under the provision of any enactment or regulation relating to Taxation);
 - 3.1.6 any claim which arises or is increased because of timing differences or changes in accounting practice or policy in the future accounts of the Company from those

adopted in the Accounts;

- 3.1.7 any liability for Taxation which would not have arisen or would have been reduced or eliminated but for a failure or omission on the part of the Company or the Buyer after Completion to make any claim, election, surrender or disclaimer or to give any notice or consent or do any other thing under or in connection with a provision of any enactment or regulation relating to Taxation;
- 3.1.8 any liability for Taxation where such liability arises in respect of corporation tax (but not interest, penalties, charges or similar impositions on such tax) on the income, profits or gains of the Company which were not but should have been reflected in the Accounts;
- 3.1.9 any matter, liability or thing which gives rise to a loss which is made good or otherwise compensated for otherwise than by the Buyer;
- 3.1.10 any matter, liability or thing fairly disclosed in the Disclosure Letter; or
- 3.1.11 to the extent that:
 - 3.1.4.1 the loss or liability in respect of which the claim is made is (or could reasonably be) recoverable under a policy of insurance in which case no such matter shall be the subject of a claim under the Warranties unless and until the Company shall have made a claim against its insurers and any such insurance claim shall then reduce by the amount recovered or extinguish any such claim for breach of the Warranties; or
 - 3.1.4.2 an allowance, provision or reserve in respect of any liability the subject of the claim was made and noted in the Accounts or the Management Accounts; or
 - 3.1.4.3 the liability under the claim is contingent, future or unascertainable in which case the Warrantors shall not be liable to make any payment to the Buyer in respect of any such Warranty Claim or Tax Claim until such time as the Buyer shall actually have suffered the loss or incurred the liability in question provided this occurs before the third anniversary of Completion and provided that such claim shall have been notified to the Warrantors in accordance with paragraph 2.1 above (provided that the claim shall not be deemed to have been waived or withdrawn (if it has not been previously satisfied, settled or withdrawn) by reason of court proceedings in respect of it not having been commenced within 12 months after the date on which the claim was made, pursuant to paragraph 2.2 of this Schedule 6, but the claim shall be deemed to have been waived or withdrawn (if it has not been previously satisfied, settled or withdrawn) on the expiration of 12 months after the date on which the Buyer shall actually have suffered the loss or incurred the liability in question unless court proceedings in respect of it shall then have been commenced against any Warrantor (and for this purpose court proceedings shall not be deemed to have been commenced unless they have been both validly issued and validly served on the Warrantors);
 - 3.1.4.4 the claim results from the cessation or transfer of the Business after Completion.
- 3.2 The Warrantors shall not be liable under the Warranties or Tax Indemnity if and to the extent that the claim would not have arisen or would have been reduced but for an alteration or enactment of any statute, statutory instrument or regulation or other legislative or regulatory act or imposition which was announced or enacted or imposed or became effective on or after the date of this Agreement, any publication or withdrawal of any

decision of the courts or any other relevant regulatory authority after the date of this agreement altering the accepted interpretation of any such provision .

- 3.3 The Warrantors shall not be liable under the Warranties or Tax Indemnity more than once in respect of the same loss if and to the extent that the loss in question has been recovered under any other provision of this Agreement.
- 3.4 The liability of the Warrantors shall not be increased by reason of the fact that any Warranty Claim in respect of any one matter or default is made or is capable of being made in respect of more than one of the Warranties.
4. If the Warrantors make any payment to the Buyer in relation to any Warranty Claim and/or Tax Claim and the Buyer subsequently becomes entitled to recover from a third party any amount referable to or any benefit which would not have been received but for the circumstances giving rise to, the subject matter of that claim, the Buyer shall and procure that the Company shall take all necessary steps to enforce such recovery and shall once it has received such amount or benefit, immediately repay to the Warrantors either:
 - 4.1 the amount of such receipt (less all reasonable costs, charges and expenses properly incurred by the Buyer or the Company in making such recovery); or if lesser
 - 4.2 the amount paid by the Warrantors,together with any interest paid to the Buyer in respect of it.
5. Where the Buyer or the Company are at any time entitled to recover from some other person any sum in respect of any matter giving rise to a Warranty Claim or Tax Claim or under any of the other provisions of this Agreement, the Buyer shall and shall procure that the Company shall, undertake all necessary steps to enforce such recovery prior to taking any action (other than notifying the Warrantors of the potential claim) against the Warrantors and in the event that the Buyer or the Company shall recover any amount from such other person the amount of the claim against the Warrantors shall be reduced by the amount recovered, less all reasonable costs, charges and expenses properly incurred by the Buyer or the Company in recovering that sum from such other person.
6. No provision of this agreement shall have the effect of relieving the Buyer from any common law duty to mitigate any loss or damage suffered by it.
7. Where having discharged any claim, the Warrantors request the assignment to him/them of any right of the Buyer or any other member of the Buyer's Group to make recovery in whole or in part from any third party, the Buyer will assign or procure the assignment to the Warrantors (subject to payment by the Warrantors of associated costs and expenses) of such right and, if that right is not legally capable of effective assignment, will, subject to being indemnified to the reasonable satisfaction of the Buyer against any associated costs and expenses, pursue such claim on behalf of the Warrantors and pay over to the Warrantors all amounts recovered up to the amount of the relevant claim previously discharged by him/them.

SCHEDULE 7

LIMITATIONS ON LIABILITY (BUYER)

INTRODUCTION AND PURPOSE

1. This Schedule 7 contains provisions which limit the liability of the Buyer Warrantors under the Buyer's Warranties.

2. FINANCIAL LIMITATIONS

- 2.1 The Buyer Warrantors shall not be liable in respect of any Buyer Warranty Claim (and no amount shall be payable by the Buyer Warrantors in respect of any such claim) unless the amount of each individual Buyer Warranty Claim exceeds £5,000; and
- 2.2 The maximum aggregate liability of the Buyer Warrantors in respect of all Buyer Warranty Claims (including interest and costs) shall not exceed the lesser of £25,000 and the value of Ordinary Shares held by him (on the date of this Agreement) on the date all Relevant Claims are finally settled.
- 2.3 The aggregate value of the Ordinary Shares for the purpose of determining the maximum liability of the Buyer Warrantors pursuant to paragraph 2.2 shall be the lower of 55 pence and the average middle-market price of an ordinary share of 5p each in the capital of the Buyer on PLUS for the last five dealing days prior to the date on which the Relevant Claim is Finally Settled.

3. TIME LIMITS

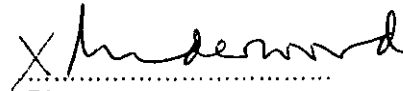
- 3.2 The Buyer Warrantors shall be under no liability whatsoever in respect of any Buyer Warranty Claim unless any one of the Sellers has served on the Buyer Warrantors a written notice as soon as reasonably practicable after such Seller becomes aware of the possibility of a Buyer Warranty Claim and in any event on or before the date falling 12 months after the Completion Date giving as full details as are reasonably practicable of the applicable claim including the Sellers' best estimate of the amount of any liability of the Buyer Warrantors in respect thereof, based on the information then available to the Sellers and detailing the Sellers' calculation of the loss alleged to have been suffered by them.
- 3.3 Any Buyer Warranty Claim made in accordance with the provisions of this Schedule 7 shall (if it has not been previously satisfied, settled or withdrawn) be deemed to have been waived or withdrawn on the expiration of 9 months after the date on which it was made unless court proceedings in respect of it shall then have been commenced against any Buyer Warrantor (and for this purpose court proceedings shall not be deemed to have been commenced unless they have been both issued and served on the Buyer Warrantors) and the Buyer Warrantors liability in respect of any such Buyer Warranty Claim shall absolutely determine.

Buyer

EXECUTED and DELIVERED
as a DEED by PRIMAVERA
CAPITAL PLC

)
)
)

acting by:


.....
Director

.....
Director/Company Secretary

Sellers

EXECUTED and DELIVERED
as a DEED by TECHTRAN GROUP LIMITED

)

)

acting by:

.....
Director

.....
Director/Company Secretary

EXECUTED and DELIVERED
as a DEED by DAVID NORWOOD

)
)
)

In the presence of:

Witness signature

Witness Name

Witness Address

Witness occupation

EXECUTED and DELIVERED
as a DEED by ALAN AUBREY

)
)
)

In the presence of:

Witness signature

Witness Name

Witness Address

Witness occupation

Buyer

EXECUTED and DELIVERED
as a **DEED** by **PRIMAVERA**
CAPITAL PLC

)
)
)

acting by:

X
.....
Director

.....
Director/Company Secretary

Sellers

EXECUTED and DELIVERED
as a **DEED** by **TECHTRAN GROUP LIMITED**

)

)

acting by:

.....
Director

.....
Director/Company Secretary

EXECUTED and DELIVERED
as a **DEED** by **DAVID NORWOOD**

)
)
)

In the presence of:

Witness signature
Witness Name
Witness Address
.....
Witness occupation

EXECUTED and DELIVERED
as a **DEED** by **ALAN AUBREY**

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In the presence of:

Witness signature
Witness Name
Witness Address
.....
Witness occupation

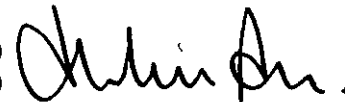
EXECUTED AS A DEED
by THE ATTACHMENT OF THE
UNIVERSITY OF LEEDS COMMON SEAL
in the presence of:

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)
Member of Council

Member of Council

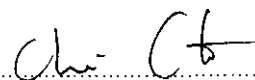
Secretary

EXECUTED and DELIVERED
as a DEED by STEPHEN MAURICE WINSTON

) 

In the presence of:

Witness signature



Witness Name

CHRIS COATES


Witness Address

235 BANNY ROAD
LONDON WC2B 5RZ

Witness occupation

SOLICITOR

EXECUTED and DELIVERED
as a DEED by RICHARD BRUCE FARLEIGH

) 
AS ATTORNEY FOR
RICHARD FARLEIGH

In the presence of:

Witness signature



Witness Name

CHRIS COATES



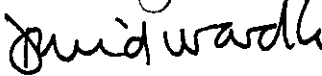
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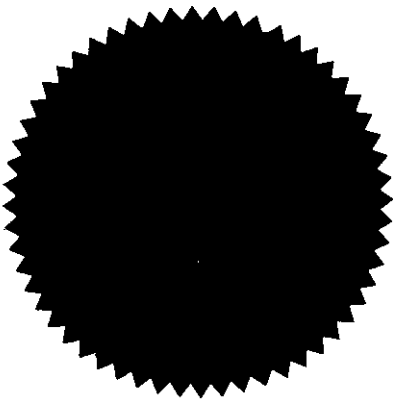
235 BANNY ROAD
LONDON WC2B 5RZ

Witness occupation

SOLICITOR

by THE ATTACHMENT OF THE)
UNIVERSITY OF LEEDS COMMON SEAL)
in the presence of:)

 Member of Council
 Member of Council
 Secretary (Assistant)



EXECUTED and DELIVERED)
as a DEED by STEPHEN MAURICE WINSTON)

In the presence of:

Witness signature
Witness Name
Witness Address
.....
Witness occupation

EXECUTED and DELIVERED)
as a DEED by RICHARD BRUCE FARLEIGH)

In the presence of:

Witness signature
Witness Name
Witness Address
.....
Witness occupation

Buyer

EXECUTED and DELIVERED
as a DEED by **PRIMAVERA**
CAPITAL PLC

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)
)

acting by:

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Director

.....
Director/Company Secretary

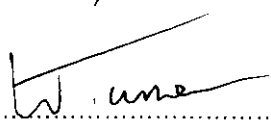
Sellers

EXECUTED and DELIVERED
as a DEED by **TECHTRAN GROUP LIMITED**

)

)

acting by:


.....
Director

.....
Director/Company Secretary

EXECUTED and DELIVERED
as a DEED by **DAVID NORWOOD**

)
)
)

In the presence of:

Witness signature

Witness Name

Witness Address

Witness occupation

EXECUTED and DELIVERED
as a DEED by **ALAN AUBREY**

)
)
)

In the presence of:

Witness signature

Witness Name

Witness Address

Witness occupation

Buyer

EXECUTED and DELIVERED
as a DEED by **PRIMAVERA**
CAPITAL PLC

)
)
)

acting by:

.....
Director

.....
Director/Company Secretary

Sellers

EXECUTED and DELIVERED
as a DEED by **TECHTRAN GROUP LIMITED**

)

)

acting by:

.....
Director

.....
Director/Company Secretary

EXECUTED and DELIVERED
as a DEED by **DAVID NORWOOD**

)
)
)

[Signature]
AS ATTORNEY.

In the presence of:

Witness signature

C Broomfield.....

Witness Name

COLLEEN BROOMFIELD

Witness Address

95 SOUTH FARM RD

LS9 6QD

Witness occupation

OFFICE ASSISTANT

EXECUTED and DELIVERED
as a DEED by **ALAN AUBREY**

)
)
)

[Signature]
AS ATTORNEY

In the presence of:

Witness signature

C Broomfield.....

Witness Name

COLLEEN BROOMFIELD

Witness Address

95 SOUTH FARM RD

LS9 6QD

Witness occupation

OFFICE ASSISTANT

EXECUTED and DELIVERED
as a DEED by ALISON FIELDING

)
)
)


AS ATTORNEY.

In the presence of:

Witness signature

CBroomfield

Witness Name

COLLEEN BROOMFIELD

Witness Address

95 SOUTH FARM RD

LS9 6QD

Witness occupation

OFFICE ASSISTANT

EXECUTED and DELIVERED
as a DEED by MAGNUS GOODLAD

)
)
)


AS ATTORNEY

In the presence of:

Witness signature

CBroomfield

Witness Name

COLLEEN BROOMFIELD

Witness Address

95 SOUTH FARM RD

LS9 6QD

Witness occupation

OFFICE ASSISTANT

EXECUTED and DELIVERED
as a DEED by WILLIAM TURNER

)
)
)


AS ATTORNEY.

In the presence of:

Witness signature

CBroomfield

Witness Name

COLLEEN BROOMFIELD

Witness Address

95 SOUTH FARM RD

LS9 6QD

Witness occupation

OFFICE ASSISTANT

EXECUTED and DELIVERED
as a DEED by STEPHEN BROOKE

)
)
)


AS ATTORNEY.

In the presence of:

Witness signature

CBroomfield

Witness Name

COLLEEN BROOMFIELD

Witness Address


95 SOUTH FARM RD

LS9 6QD

Witness occupation

OFFICE ASSISTANT

EXECUTED and DELIVERED
as a **DEED** by **PROFESSOR**
DAVID LEWIS

) 

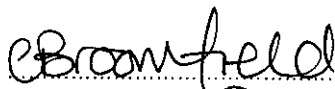
In the presence of:

Witness signature

Witness Name

Witness Address

Witness occupation


COLLEEN BROOMFIELD
95 SOUTH TORM RD
LS9 6QD
OFFICE ASSISTANT

EXECUTED and DELIVERED
as a **DEED** by **DR ANDREW EDWARD BAYLIFF**

) 

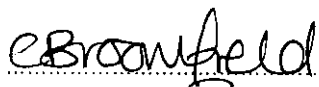
In the presence of:

Witness signature

Witness Name

Witness Address

Witness occupation


COLLEEN BROOMFIELD
95 SOUTH TORM RD
LS9 6QD
OFFICE ASSISTANT

EXECUTED and DELIVERED
as a **DEED** by **DR MATTHEW CLARK**

) 

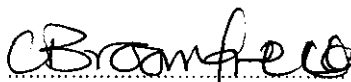
In the presence of:

Witness signature

Witness Name

Witness Address

Witness occupation


COLLEEN BROOMFIELD
95 SOUTH TORM RD
LS9 6QD
OFFICE ASSISTANT

EXECUTED and DELIVERED
as a DEED by DR JAMIE HAWKES

) 

In the presence of:

Witness signature

Witness Name

Witness Address

Witness occupation

C Broomfield
COLLEEN BROOMFIELD
95 SOUTH FARM RD
LS9 6QD
OFFICE ASSISTANT

EXECUTED and DELIVERED
as a DEED by DR JEREMY KNAPP

) 
AS ATTORNEY.

In the presence of:

Witness signature

Witness Name

Witness Address

Witness occupation

C Broomfield
COLLEEN BROOMFIELD
95 SOUTH FARM RD
LS9 6QD
OFFICE ASSISTANT

EXECUTED and DELIVERED
as a DEED by DR RODNEY ADAMS

) 

In the presence of:

Witness signature

Witness Name

Witness Address

Witness occupation

C Broomfield
COLLEEN BROOMFIELD
95 SOUTH FARM RD
LS9 6QD
OFFICE ASSISTANT

EXECUTED and DELIVERED
as a DEED by ANITA PULLEYN

) 

In the presence of:

Witness signature

Witness Name

Witness Address

Witness occupation

C Broomfield
COLLEEN BROOMFIELD
95 SOUTH FARM RD
LS9 6QD
OFFICE ASSISTANT

EXECUTED AS A DEED

)