

CONFIDENTIAL

Wasp Management Software Limited (the "Offeror")
 Precedent Drive
 Rooksley
 Milton Keynes
 Buckinghamshire
 MK13 8PP

8 December 2011

Dear Sirs

Letter of Intent: Proposed Offer by the Offeror for the Company

1. In this letter and the schedule hereto:

"Associates"	means, in relation to Schroder Investment Management Limited: (i) any subsidiary or holding company of Schroder Investment Management Limited or any subsidiary of any such holding company (such terms being as defined in section 1159 of the Companies Act 2006); or (ii) any other entity controlling or controlled by Schroder Investment Management Limited;
"City Code"	means The City Code on Takeovers and Mergers;
"Company"	means Wasp Systems International plc;
"Offer Document"	means the formal documentation containing the Offer;
"Offeror"	means Workplace Management Software Limited;
"Offer"	means the proposed takeover offer within the meaning of section 974 of the Companies Act 2006 by the Offeror for the Company at a cash price per Share of no less than 25 pence ; and all references in this letter to the "Offer" shall mean this proposed offer, whether made by or on behalf of the Offeror or any of its subsidiaries (and, if made by or on behalf of a subsidiary, all references to the "Offeror" shall be deemed to include that subsidiary);
"Press Announcement"	means the press announcement proposed to be made in respect of the Offer, a draft of which (dated 7 December 2011) is attached to this letter;

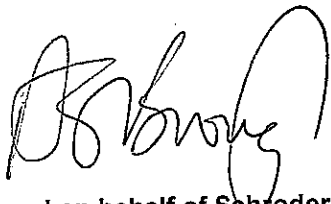
“Proposed Announcement Date”	means a date no later than Friday 09 December 2011; and
“Shares”	means 6,770,642 ordinary shares of 5 pence each in the issued share capital of the Company.

2. This letter is written in connection with the Offer. The terms and conditions of the Offer will be substantially as set out or referred to in the Press Announcement, together with such additional terms and conditions as may be required to comply with: the City Code; and/or the requirements of the Financial Services Authority acting in its capacity as the United Kingdom Listing Authority; and/or The London Stock Exchange; and/or as are customarily included in offers made under the City Code.
3. We, Schroder Investment Management Limited, act on our own behalf and/or on behalf of our Associates as discretionary investment managers on behalf of clients who are the beneficial holders of the Shares.
4. We hereby express our intention, based on the information available to us at the date hereof and subject to law and regulation, that in respect of such of the Shares as are held on behalf of such clients to whom the Offer is made, we and/or our Associates will, or will procure that the registered holders, so far as reasonably practicable and unless and until the Offer lapses or is withdrawn, accept the Offer in respect of the Shares (including any other shares in the Company issued after the date hereof and attributable to or derived from such Shares and held by such clients) by not later than the first closing date of the Offer as set down in the Offer Document dispatched to the shareholders of the Company.
5. We understand that it is the intention of the Company that the Press Announcement to the public of the Offer be published on the Proposed Announcement Date. In the event that the Press Announcement has not been published by 5 p.m. (London time) on the business day in London immediately following the Proposed Announcement Date, in substantially the form of the attached draft, this letter of intent shall automatically lapse and be of no further force or effect.
6. If the Offer Document has not been posted within 28 days of publication of the Press Announcement (or within such longer period as the Offeror, with the consent of the Panel on Takeovers and Mergers, determines, being not more than six weeks after the Press Announcement) this letter of intent shall automatically lapse and be of no further force or effect.
7. Notwithstanding anything contained in this letter, and subject to law and regulation, we and our Associates reserve and retain the right to transfer the Shares (or any of them) to any replacement fund manager or custodian nominated by our underlying client in circumstances where such underlying client has terminated our or our Associates' professional relationship in respect of the Shares or where the relationship continues but our client has changed the investment mandate that we have so that our or our Associates' holding the Shares is no longer consistent with the new mandate. In any

such circumstances, the provisions of this letter of intent shall, in respect of the relevant Shares, automatically lapse and be of no further force or effect.

8. Notwithstanding anything contained in this letter, we and/or our Associates shall at all times reserve and retain the right to deal with the Shares in our absolute discretion or on the instructions of our clients or otherwise. Nothing in this letter is intended to, nor shall it, create any legal obligation or liability on us, our Associates or our clients. Furthermore, our or our Associates' intentions in respect of the Shares may change whether in the light of further information, changed circumstances or otherwise.
9. We acknowledge that you may, disclose this non-binding indication of an intention to accept the Offer in accordance with Rule 8.4 of the City Code and make reference in the Press Announcement and the Offer Document to this non-binding indication of an intention to accept the Offer, including details of our identity. We understand that, if the Offer is made, this letter of intent may be made available for inspection during the Offer period in accordance with the requirements of the City Code.
10. Save as set out in paragraph 9 above, the giving and contents of this letter of intent are confidential and may not be disclosed to any third party, unless:
 - (i) the consent of both parties has been obtained;
 - (ii) a party is required to do so by law or the rules of any regulatory body to which such party is obliged to adhere, in which case the party proposing to make such disclosure will, so far as reasonably practicable, consult with and take into account the reasonable requirements of the other as to the timing and content of any such disclosure; or
 - (iii) the information is disclosed to an agent or adviser of either party in connection with the Offer and such party agrees to be bound by these confidentiality provisions.
11. The terms of this letter of intent shall be governed by and construed in accordance with English law.
12. This letter has been signed in duplicate on behalf of Schroder Investment Management Limited. Please acknowledge receipt of this letter and confirm your agreement to its terms by countersignature on behalf of the Offeror. One copy of the letter should then be returned to us.

Yours faithfully



For and on behalf of Schroder Investment Management Limited

We acknowledge receipt of this letter and confirm our agreement to its terms.

For and on behalf of the Offeror

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY RESTRICTED JURISDICTION (INCLUDING THE UNITED STATES, AUSTRALIA, CANADA AND JAPAN) OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

FOR IMMEDIATE RELEASE

• December 2011

Recommended Cash Offer

by

[NewCo]

For

Wasp plc

The board of directors of NewCo, a Company backed by Lizard and the Management Team, and the Independent Directors of Wasp plc ("Wasp" or the "Company") are pleased to announce that they have reached agreement on the terms of a recommended cash offer to be made by NewCo for the entire issued and to be issued share capital of Wasp, excluding the Roll-over Shares which NewCo has separately contracted to acquire from the Management Team (the "Offer").

The board of directors of NewCo is comprised of existing Wasp Directors Bernard Quinn (Chief Executive), Paul Wright (Chief Finance Officer), Alex Davis (Chief Technology Officer) and Tony Knight (Client Services Director).

The Independent Directors of Wasp are [Ian Lenagan and John Herring].

Summary

- The Offer will be made at a price of 25 pence in cash for each Wasp Share to which the Offer relates. The Offer will not be made in respect of the [10,635,543] Roll-over Shares held by the Management Team, representing, as at the date of this announcement, approximately • per cent of the issued ordinary share capital of Wasp.
- The Offer values the entire issued and to be issued ordinary share capital of Wasp at approximately £[41.0] million on the basis of the offer price of 25 pence per Wasp Share and represents:
 - a premium of approximately [•] per cent. to the Closing Price of [•] pence per Offer Share on [•] December 2011, being the last Business Day prior to the commencement of the Offer Period; and
 - a premium of approximately [•] per cent. to the average Closing Price of [•] pence per Offer Share over the twelve month period to [•] December 2011, being the last Business Day prior to the commencement of the Offer Period.
- The Independent Directors, who have been so advised by Mazars, consider the terms of the Offer to be fair and reasonable so far as Independent Wasp Shareholders are concerned. In providing their advice, Mazars has taken into account the commercial assessments of

the Independent Directors. Accordingly, the Independent Directors intend unanimously to recommend that Wasp Shareholders accept the Offer.

- The Offer will be conditional, inter alia, on acceptances being received which will result in NewCo holding more than 90 per cent. (or such lower percentage above 50 per cent. as NewCo may in its absolute discretion decide) of the Offer Shares.
- Subject to the Offer becoming or being declared unconditional in all respects and NewCo receiving acceptances under the Offer in respect of, and/or otherwise acquiring, 75 per cent. or more in the nominal value of all the Wasp Shares and of the voting rights carried by those Wasp Shares in issue, NewCo intends to apply to the London Stock Exchange for the cancellation of trading in the Wasp Shares on AIM and to re-register Wasp as a private limited company. Subject to receiving acceptances or otherwise acquiring or contracting to acquire 90 per cent. or more in nominal value of all the Offer Shares and of the voting rights of those Offer Shares, NewCo intends to exercise its rights pursuant to sections 974 to 991 of the Companies Act 2006 to acquire compulsorily the remaining Offer Shares on the same terms as the Offer.
- NewCo believes that the ongoing participation in and leadership of the business of Wasp by the Management Team is fundamental to its continued growth, due to their knowledge of the Company's software, services, customers and the markets in which Wasp operates. As a consequence, the Management Offers, which are described in more detail in the body of this announcement, have been agreed between NewCo and the Management Team.
 - NewCo has agreed to acquire all of the Management Shares. The Management Team will accept the Offer in respect of their Management Offer Shares in accordance with the irrevocable undertakings given by the Management Team as described in more detail in the body of this announcement. NewCo will acquire the Roll-over Shares from the Management Team in exchange for NewCo Loan Notes and NewCo Ordinary Shares, pursuant to the terms of the Share Exchange Deed, at the date that the Offer becomes, or is declared, unconditional in all respects. Anthony Knight has agreed to subscribe for certain NewCo Loan Notes pursuant to the Shareholders and Subscription Agreement at the date that the Offer becomes, or is declared, unconditional in all respects.
 - In relation to the Management Offers, the Panel has agreed, subject to the requisite Ordinary Resolution being passed on a poll of Independent Wasp Shareholders at the General Meeting to be held on [●] 2011, to allow the Management Offers to be made on the terms and subject to the conditions of the Share Exchange Deed and the Subscription and Shareholders' Agreement notwithstanding the fact that the opportunity to participate in such arrangements is not being extended to all Wasp Shareholders. Accordingly, a notice convening the General Meeting for 11.00a.m. on [●] 2011 will be sent to Wasp Shareholders at which the Ordinary Resolution to approve the Management Offers, pursuant to the Code, will be proposed. In accordance with the requirements of the Code, only the Independent Wasp Shareholders will be permitted to vote on the Ordinary Resolution, which will be taken on a poll. The Offer is conditional, inter alia, upon the passing of the Ordinary Resolution.
- Mazars considers that the Management Offers are fair and reasonable and are in the best interests of the Independent Wasp Shareholders and the Company as a whole.
- The Independent Directors have irrevocably undertaken to accept the Offer in respect of a total of 72,907,030 Offer Shares (which includes 1,250,000 Offer Shares to be issued pursuant to the exercise of Wasp Options), representing approximately 45.7 per cent. of the Offer Shares and to vote in favour of the Ordinary Resolution in respect of a total of 71,657,030 Eligible Voting Shares, representing approximately [●] per cent. of the Eligible Voting Shares.

- Certain institutional and individual shareholders of Wasp have also entered into irrevocable undertakings to accept the Offer and vote in favour of the Ordinary Resolution in respect of, in aggregate, • Offer Shares, representing approximately [•] per cent. of the Offer Shares and, for the purposes of the Ordinary Resolution, approximately [•] per cent. of the Wasp Issued Share Capital.
- The Management Team have irrevocably undertaken to accept the Offer (or procure that the registered holder accepts the Offer) in respect of the Management Offer Shares, which amount to [•] Offer Shares, representing [•] per cent. of the Offer Shares.
- Accordingly, NewCo has received, in aggregate, irrevocable undertakings to accept the Offer in respect of a total of:
 - (a) [•] Offer Shares, representing approximately [•] per cent. of the Offer Shares; and
 - (b) [•] Eligible Voting Shares to vote in favour of the Ordinary Resolution, representing approximately [•] per cent. of the Eligible Voting Shares.

Commenting on the Offer, • (on behalf of NewCo) said:
“•”

Commenting on the Offer, • (Chairman of Wasp) said:
“•”

This summary should be read in conjunction with, and is subject to, the full text of this announcement (including the Appendices). The Offer will be subject to the Conditions and further terms set out in Appendix • to this announcement and the additional terms to be set out in the Offer documentation when issued. Appendix • contains the sources and bases of certain information used in this summary and in the following announcement. Appendix • contains definitions of certain terms used in this announcement. Appendix • contains details of irrevocable undertakings given by certain Wasp Shareholders.

Enquiries:

For further information, please contact:

[CONTACT DETAILS]

This announcement does not constitute or form part of any offer or invitation to sell or purchase any securities or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, pursuant to the Offer or otherwise. The Offer will be made solely by the Offer Document which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

Fairfax I.S. PLC, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting only for each of NewCo and the Management Team and no one else in connection with the Offer and will not be responsible to anyone other than NewCo and the Management Team for providing the protections afforded to clients of Fairfax I.S. PLC or for providing advice in relation to the Offer, the contents of this announcement or any other matters referred to in this announcement.

Torch Partners Corporate Finance Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting only for each of NewCo and Lizard and no one else in connection with the Offer and will not be responsible to anyone other than NewCo and Lizard for providing the protections afforded to clients of Torch Partners Corporate Finance Limited or for providing advice in relation to the Offer, the contents of this announcement or any other matters referred to in this announcement.

Mazars Corporate Finance Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting only for Wasp and no one else in connection with the Offer and will not be responsible to anyone other than Wasp for providing the protections afforded to clients of Mazars Corporate Finance Limited or for providing advice in relation to the Offer, the contents of this announcement or any other matters referred to in this announcement.

You may request a hard copy of this announcement (and any information incorporated by reference in this announcement) by contacting [Mazars Corporate Finance Limited] during business hours on ● or by submitting a request in writing to ●. It is important that you note that unless you make such a request, a hard copy of this announcement and any information incorporated by reference in it will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.

The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by NewCo and permitted by applicable law and regulation, subject to certain exemptions, the Offer is not being, and will not be, made, directly or indirectly, in or into and will not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, unless otherwise determined by NewCo, copies of this announcement and any other documentation relating to the Offer are not being and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction and persons receiving this announcement and any other documentation relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may be a breach of applicable law and regulation in that jurisdiction and may invalidate any purported acceptance of the Offer. The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal or regulatory requirements of their jurisdiction.

Any person (including nominees, trustees and custodians) who would, or otherwise intends to, or may have a legal or contractual obligation to, forward this announcement and/or any documentation relating to the Offer to any jurisdiction outside the United Kingdom, should inform themselves of, and observe, any applicable legal or regulatory requirements of any relevant jurisdiction and seek appropriate advice.

This announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

FORWARD-LOOKING STATEMENTS

This announcement includes certain “forward-looking” statements with respect to the financial condition, results of operations and business of Wasp and/or NewCo and certain plans and objectives of the board of directors of Wasp, and NewCo with respect thereto. The forward-looking statements contained herein may include statements about the expected effects on NewCo or Wasp of the Offer, the expected timing and scope of the Offer, anticipated earnings enhancements, other strategic options and all other statements in this announcement other than historical facts. Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates” and words of similar import. These statements are based on assumptions and assessments made by the boards of directors of Wasp and NewCo in the light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. They have not been reviewed by the auditors of Wasp or NewCo. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

All subsequent oral or written forward-looking statements attributable to Wasp or NewCo or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included in

this announcement are based on information available to Wasp and NewCo on the date of this announcement and are made only as of the date of this announcement. Undue reliance should not be placed on such forward-looking statements.

Subject to compliance with the Code and other legal and regulatory requirements, neither Wasp nor NewCo intend, or undertake any obligation, to update any information contained in this announcement.

DEALING DISCLOSURE REQUIREMENTS

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Information relating to Wasp Shareholders

Addresses, electronic addresses and certain information provided by Wasp Shareholders, persons with information rights and other relevant persons for the receipt of communications from Wasp may be provided to NewCo during the offer period as requested under Section 4 of Appendix 4 of the Code.

Publication on website and availability of hard copies

A copy of this announcement will be made available free of charge, at www.workplacesystems.com and www.waspidco.com by no later than 12 noon on [•] 2011 and will be available during the course of the

Offer. You may request a hard copy of this announcement, free of charge, by contacting [•], the [•] of Wasp, on [•] or [•] of CMS Cameron Mckenna LLP on 02073673000. You may also request that all future documents, announcements and information sent to you in relation to the Offer should be in hard copy form. For the avoidance of doubt, the content of the websites referred to above are not incorporated into and does not form part of this announcement.

Rule 2.10 Disclosure

In accordance with Rule 2.10 of the Code, Wasp confirms that there are 148,225,909 Wasp Shares in issue and admitted to trading on AIM under ISIN Code 009250845.

ALL REFERENCES TO TIME IN THIS ANNOUNCEMENT ARE TO LONDON TIME

Recommended Cash Offer

by

[NewCo]

For

Wasp plc

1. Introduction

The board of directors of NewCo, a Company backed by Lizard and the Management Team, and the Independent Directors of Wasp plc ("Wasp" or the "Company") are pleased to announce that they have reached agreement on the terms of a recommended cash offer to be made by NewCo for the entire issued and to be issued share capital of Wasp, excluding the Roll-over Shares which NewCo has separately contracted to acquire from the Management Team (the "Offer").

The board of directors of NewCo is comprised of existing Wasp Directors Bernard Quinn (Chief Executive), Paul Wright (Chief Finance Officer), Alex Davis (Chief Technology Officer) and Tony Knight (Client Services Director).

The Independent Directors of Wasp are [Ian Lenagan and John Herring].

The Offer

Under the Offer, which will be made by NewCo on terms and subject to the further conditions set out below and in appendix I to this announcement, Wasp Shareholders will receive:

For each Offer Share **25 pence in cash**

The Offer values Wasp's issued and to be issued share capital at approximately £41.0 million and represents:

a premium of approximately [●] per cent. to the Closing Price of [●] pence per Offer Share on [●] 2011, being the last Business Day prior to the commencement of the Offer Period; and

a premium of approximately [●] per cent. to the average Closing Price of [●] pence per Offer Share over the last twelve months to [●] 2011, being the last Business Day prior to the commencement of the Offer Period.

The Offer extends to all Offer Shares unconditionally allotted or issued and fully paid on the date of the Offer and any Offer Shares which are unconditionally allotted or issued and fully paid before the date on which the Offer closes to acceptances or such earlier date as NewCo may announce, subject to the Code and in accordance with the further conditions and terms of the Offer set out and referred to in Appendix I to this announcement.

The Offer Shares will be transferred to NewCo fully paid with full title guarantee and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and other third party rights or interests and together with all rights attaching to such Offer Shares including, without limitation, the right to receive all dividends and other distributions (if any) announced, declared, made or paid after the Announcement Date.

Background to and reasons for the Offer

As one of the pre-eminent mid-market private equity firms, Lizard has significant experience and a strong track record of investing in the UK technology sector. Lizard believes that Wasp represents an attractive investment opportunity on the basis of three key factors: (i) Wasp's reputation with its workforce management software solutions in the market verticals in which it operates; (ii) the ability of Lizard to add value to the operations of Wasp; and (iii) the ability of Wasp to prioritise its growth potential without the demands of a public listing.

Research and development and other investments

Wasp has invested significant amounts of capital on research and development in the last three years, in part, in developing Wasp's Software as a Service product "Wasp OnLine". Lizard believes that in order to achieve its full potential, Wasp OnLine will continue to require additional significant investment, not only on R&D, but also on sales & marketing investment.

The ability of Lizard to add value

Lizard is a long established private equity investor with extensive experience managing growth businesses and Lizard believes that existing and new customers can draw confidence from the reputation of Lizard and the wider Lizard Group and its track record of commitment to its portfolio businesses. Lizard believes that Wasp's ability to grow in the future will be enhanced under its ownership as it executes its longer term strategy. Lizard intends to support the Company by providing resources to continue to invest in research, product development, sales and marketing and, should valid opportunities arise, strategic acquisitions.

Background to and reasons for the recommendation

For 25 years, the Wasp Group has provided Workforce Management software solutions which can often enable customers to improve their financial and operational performance by increasing service levels, reducing labour ineffectiveness and improving employee utilisation. As a leading supplier in this market, Wasp has a blue chip customer base, including Walmart in the US, Next, Coral, Gala and Wickes in the UK and H&M and Metro Group in Europe.

In deciding to recommend the Offer to Wasp Shareholders, the Independent Directors have taken into account a range of factors, including those outlined below.

In 2009, Wasp introduced its Software as a Service ("SaaS") product "Wasp OnLine" and has continued to maintain its On Premise solution which is delivered over the internet. Since then, Wasp has focused significant resource on selling its SaaS product whilst maintaining the original Wasp On-premise solution for its existing and new potential clients.

Wasp has managed the additional research & development ("R&D") expenditure for Wasp OnLine carefully within the constraints required for satisfactory financial performance and against the background of a difficult trading environment in recent years. Additional financial investment is likely to be needed in R&D and sales & marketing resources to develop further the Wasp OnLine presence and profile in Europe and the United States in order to take advantage of the increased market opportunity which is available for a SaaS based Workforce Management Product.

These medium and long term growth prospects for Wasp are dependent on the adoption of Wasp's Workforce Management solutions by an increasing number of end user customers, in various business sectors with a particular focus on retailers in the US, UK and Europe. The opportunity also arises with the Online SaaS product for some of these new business wins to come from customers switching away from other suppliers to use Wasps' products and services. Whilst Wasp has an encouraging pipeline of business opportunities in specific markets and a number of promising ongoing pilots, it cannot be guaranteed whether or when current pilots will turn into full contracts. Similarly, extension of pilot programmes and

the potential for cancellation or postponement of investment projects by Wasp customers, mean that delivery of consistent sales growth remains unpredictable.

In considering whether to recommend the Offer, the Independent Directors have concluded that whilst Wasp could continue to trade successfully as an independent entity, the Offer Price made represents a fair offer which takes into account the Company's growth in the next full year at least and which is particularly attractive to shareholders against the backdrop of financial uncertainty in the European and worldwide economies.

In considering whether to recommend the Offer, the Independent Directors have also placed considerable weight on the attraction to Wasp Shareholders of an immediate cash return of 25 pence per Offer Share, which represents an attractive premium to both the current and recent closing prices at which the Wasp Shares have traded.

The Independent Directors consider that the Offer provides certainty to Wasp's Shareholders and provides fair value now for the medium and longer term prospects for the Company.

For these reasons, the Independent Directors, firstly, unanimously recommend that Wasp Shareholders accept the Offer and, secondly, unanimously recommend Independent Wasp Shareholders to vote in favour of the Ordinary Resolution, as they have irrevocably undertaken to accept in respect of a total of 72,907,030 Offer Shares (which includes 1,250,000 Offer Shares to be issued pursuant to the exercise of Wasp Options), representing approximately 45.7 per cent. of the Offer Shares and to vote in favour of the Ordinary Resolution in respect of a total of 71,657,030 Eligible Voting Shares representing approximately [•] per cent. of the Eligible Voting Shares.

Recommendation

In view of their proposed involvement with NewCo, members of the Management Team have not participated in the consideration of the Offer or the formulation of advice to Independent Wasp Shareholders. Accordingly the recommendation of the Offer is being made by the Independent Directors.

The Independent Directors, who have been so advised by Mazars, consider the terms of the Offer to be fair and reasonable. In providing advice to the Independent Directors in relation to the Offer, Mazars has taken into account the commercial assessments of the Independent Directors.

Accordingly, the Independent Directors unanimously recommend that Wasp Shareholders accept the Offer as they have irrevocably undertaken to do in respect of a total of 72,907,030 Offer Shares (which includes 1,250,000 Offer Shares to be issued pursuant to the exercise of Wasp Options), representing approximately 45.7 per cent. of the Offer Shares.

Mazars has advised the Independent Directors that the terms of the Management Offers are fair and reasonable in so far as Independent Wasp Shareholders are concerned. In providing its advice to the Independent Directors in relation to the Management Offers, Mazars has taken into account the commercial assessments of the Independent Directors.

The Independent Directors also unanimously recommend that the Independent Wasp Shareholders vote in favour of the Ordinary Resolution to approve the Management Offers, as the Independent Directors have irrevocably undertaken to do in respect of a total of 71,657,030 Eligible Voting Shares, representing approximately [•] per cent. of the Eligible Voting Shares.

In giving its advice, Mazars is advising the Independent Directors in relation to the Offer and is not acting for any Independent Director in his personal capacity or for any Wasp Shareholder or Wasp option holder. Mazars will not be responsible to any such person for providing the protections afforded to its customers or for advising any such person in relation to the Offer. In particular, Mazars will not owe any duties or responsibilities to any particular Wasp Shareholder or holder of Wasp Options concerning the Offer.

Arrangements with the Management Team

The Independent Directors agree with NewCo that the ongoing participation by the Management Team in the continued growth of Wasp is fundamental, in the light of their knowledge of the Company's software, services, customers and the markets in which Wasp operates. As a consequence, the Management Offers, which are described in more detail in the Offer Document, have been agreed between NewCo and the Management Team.

NewCo has agreed to acquire all of the Management Shares. The Management Team will accept the Offer in respect of their Management Offer Shares in accordance with the irrevocable undertakings given by the Management Team as described in paragraph 8 of Appendix IV to this document. NewCo will acquire the Roll-over Shares from the Management Team for NewCo Loan Notes and NewCo Ordinary Shares, pursuant to the terms of the Share Exchange Deed, at the date that the Offer becomes, or is declared, unconditional in all respects. Anthony Knight has agreed to subscribe for certain NewCo Loan Notes pursuant to the Subscription and Shareholders Agreement at the date that the Offer becomes, or is declared, unconditional in all respects. Accordingly, the Management Team shall hold NewCo Ordinary Shares and NewCo Loan Notes as set out in the table below.

<i>Name</i>	<i>Amount of NewCo 'A' Loan Notes</i>	<i>Amount of NewCo 'B' Loan Notes</i>	<i>Number of NewCo Ordinary Shares</i>	<i>% of issued share capital of NewCo</i>
	£	£		
Bernard Quinn	287,451	287,451	10,624	4.25%
Paul Wright	118,414	118,413	10,625	4.25%
Alex Davis	118,414	118,413	10,625	4.25%
Tony Knight	38,330	38,330	10,625	4.25%

As at the date that the Offer becomes, or is declared, unconditional in all respects, the Management Team will hold in aggregate approximately 17.5 per cent. of the issued share capital of NewCo and the remaining approximately 82.5 per cent. will be owned by Lizard. Lizard's interest is split between voting and nonvoting shares. Lizard will hold voting shares equalling 49.9 per cent. of the shareholder voting rights in NewCo with the remainder comprising non-voting shares.

Three per cent. of NewCo 'C' Ordinary Shares have been authorised to be issued and are intended for future allocation to non-executive directors, although such NewCo Ordinary Shares are unlikely to be issued at the same time as those issued to the Management Team pursuant to the Share Exchange Deed. There will also be a five per cent. option pool available to management (subject to remuneration committee approval).

The shareholding of the Management Team is subject to adjustment depending on whether NewCo achieves certain financial performance targets for the financial years ending 31 December 2012, 31 December 2013 and 31 December 2014. At the end of these years, if the financial performance targets are met, there will be no adjustment to the Management Team's shareholding. If the financial performance targets for the relevant financial year are exceeded, the Management Team's shareholding will increase by 1 per cent. and if the financial performance targets for the relevant financial year are not achieved, the Management Team's shareholding will decrease by 1 per cent. Therefore, after the financial year ending 31 December 2014, the lowest percentage shareholding which the Management Team may hold in NewCo is 14 per cent. and the highest shareholding they may hold is 20 per cent. (in each case assuming the additional 3 per cent. of NewCo Shares are issued).

The members of the Management Team have agreed pursuant to the Subscription and Shareholders Agreement to enter into new service contracts on the Offer being declared unconditional in all respects,

which are broadly on the same terms as their current service contracts with Wasp, save that the service contracts are being made consistent in relation to notice periods so that any member of the Management Team may terminate on six months' notice and NewCo may terminate on 12 months' notice.

In relation to the Management Offers, the Panel has agreed, subject to the Ordinary Resolution being passed on a poll of Independent Wasp Shareholders at the General Meeting to be held on [•] 2011, to allow the Management Offers to be made on the terms and subject to the conditions set out in the Share Exchange Deed and the Subscription and Shareholders Agreement notwithstanding the fact that the opportunity to participate in such arrangements is not being extended to all Wasp Shareholders.

Mazars considers that the Management Offers are fair and reasonable and are in the best interests of the Independent Wasp Shareholders and the Company as a whole.

Accordingly, a notice will be sent to Wasp Shareholders convening the General Meeting for 11.00 a.m. on [•] 2011 at which the Ordinary Resolution to approve the Management Offers, pursuant to the Code, will be proposed. In accordance with the requirements of the Code, only the Independent Wasp Shareholders will be permitted to vote on the Ordinary Resolution, which will be taken on a poll. The Offer is conditional, *inter alia*, upon the passing of the Ordinary Resolution.

Management, employees and locations

NewCo values the skills, knowledge and expertise of Wasp's existing management and employees and expects them to play an important role in the further development and continuing growth of the Wasp business.

NewCo has indicated that, with the exception of Ian Lenagan and John Herring who will resign from the Wasp Board upon the Offer becoming, or being declared, wholly unconditional, the Offer will not have any adverse repercussions on Wasp's employees or management and will provide continuity of employment for staff. Following the Offer becoming, or being declared, unconditional in all respects, Ian Lenagan has agreed to provide consultancy services to NewCo. Details of his consultancy agreement with NewCo and the terms of his compromise agreement with Wasp will be set out in the Offer Document.

Furthermore, NewCo does not intend to change the location of Wasp's place of business or to redeploy any of Wasp's fixed assets or effect a material change in any conditions of employment (save for the Management Team's new service contracts, which are broadly on the same terms as their current service contracts with Wasp plc, save as set out above) and has given assurances to the Independent Directors that the existing employment rights, including pension rights, of all Wasp employees will be fully safeguarded upon the Offer becoming, or being declared, wholly unconditional.

Irrevocable Undertakings to accept the Offer and vote in favour of the Ordinary Resolution

The Independent Directors have irrevocably undertaken to accept the Offer in respect of a total of 72,907,030 Offer Shares (which includes 1,250,000 Offer Shares to be issued pursuant to the exercise of Wasp Options), representing approximately 45.7 per cent. of the Offer Shares and to vote in favour of the Ordinary Resolution in respect of a total of 71,657,030 Eligible Voting Shares, representing approximately [•] per cent. of the Eligible Voting Shares. The undertakings provided by the Independent Directors will continue to be binding, even in the event of a higher offer for Wasp by a competing third party and cannot be withdrawn unless the Offer lapses or is withdrawn.

The following institutional shareholders of Wasp have entered into irrevocable undertakings to accept the Offer in respect of the following Offer Shares and to vote in favour of the Ordinary Resolution in respect of the following Eligible Voting Shares:

Name	Total number of Offer Shares	Percentage of Eligible Voting Shares	Percentage of Offer Shares

Institution A	[•]	[•]	[•]
Institution B	[•]	[•]	[•]
Institution C	[•]	[•]	[•]

[The irrevocable undertakings provided by [Institution A, Institution B and Institution C] will remain binding in the event of a higher offer for Wasp by a competing third party, unless the value of the competing offer represents an improvement of ten per cent. or more of the value of the consideration being made available under the Offer.]

The Management Team have irrevocably undertaken to accept the Offer (or procure that the registered holder accepts the Offer) in respect of the Management Offer Shares, which amount to [•] Offer Shares, representing [•] per cent. of the Offer Shares.

Accordingly, NewCo has received, in aggregate, irrevocable undertakings to accept the Offer in respect of a total of:

- (a) [•] Offer Shares, representing approximately [•] per cent. of the Offer Shares; and
- (b) [•] Eligible Voting Shares to vote in favour of the Ordinary Resolution, representing approximately [•] per cent. of the Eligible Voting Shares.

Information on Lizard

Lizard is one of the UK's leading mid-market private equity firms with over 30 years' history supporting ambitious management teams. Lizard is a wholly owned subsidiary of Lloyds TSB Bank plc which itself is a wholly owned subsidiary of the Lloyds Banking Group. Lizard has been investing off the balance sheet of its parent throughout the economic cycle.

Lizard has a portfolio of over 70 businesses valued in excess of £2 billion, an extensive network of 12 offices across the UK and a growing international presence in Asia. Lizard seeks to provide the businesses it invests in with access to new market opportunities, potential synergies, costs savings and revenue opportunities both from its portfolio and within the Lloyds Banking Group.

Information on Lloyds Banking Group

Lloyds Banking Group is a UK based financial services group providing a wide range of banking and financial services, primarily in the UK, to personal and corporate customers. Its main business activities include retail, commercial and corporate banking, general insurance, and life, pensions and investment provision. During its last financial year to 31 December 2010, Lloyds Banking Group and its affiliates worldwide earned consolidated revenues of approximately £43.467 billion.

Information relating to NewCo

NewCo is a limited liability company incorporated in England and Wales for the purposes of making the Offer and is backed by Lizard. NewCo has not traded since its incorporation and the only obligations that it has entered into are in connection with implementing the Offer.

Financing

The consideration payable under the Offer will be funded entirely through financing provided by Lizard with no requirement for any funding from third party providers of debt finance to the NewCo Group. Lizard's funding is provided by Lloyds Banking Group's cash resources.

Fairfax and Torch Partners, joint financial advisers to NewCo, have confirmed that they are satisfied that sufficient resources are available to NewCo to satisfy the full cash consideration payable to Wasp Shareholders under the terms of the Offer and to participants in the Wasp Share Options Schemes under the proposals to be made to such participants.

Information relating to Wasp

Wasp is a public limited company incorporated in England and Wales with company number 3966381 and registered office at Precedent Drive, Rooksley, Milton Keynes, Buckinghamshire MK13 8PP. Wasp is a leader in the development and supply of software products and of consulting services for workforce management.

Wasp software modules address staff planning and staff tracking together with planning and tracking of the work done by staff including resources required for most industry sectors. Major application modules cover: Labour Budgeting, Workload Demand Forecasting, Task Management, Staff Scheduling, Roster Management, Time and Attendance, Work Planning and Tracking, Performance and Productivity, Mobile Working.

With Wasp Group's 25 years' experience, Wasp often enables organisations to improve their financial and overall performance by increasing employee utilisation, efficiency and effectiveness to better conduct their business by providing workforce management solutions and consulting services. Wasp customers exist in a wide variety of sectors and range from 500 to 300,000 staff in centralised or multi-site operations.

Wasp has its headquarters in Milton Keynes, England and has additional offices in North America and Australia. A cross section of clients include: Argos, BAE Systems, BBC, British Airways, BMS Retail, Danish Radio, E.ON Energy Services, Eurostar, H&M, Manpower, Menzies Aviation, Metro Group, National Express, Next plc, RAC Motoring Services, Severn Trent Water, Tetley, Wickes and World Duty Free.

Highlights of the consolidated financials for the financial years ending 31 March 2011 and 2010 are as follows:

	2011 £'000	2010 £'000
Revenue	9,097	9,064
Gross Profit	8,127	8,225
(Loss)/profit before tax	(349)	(350)
Basic and Diluted (loss)/earnings per share	(0.24)	(0.03)

Current trading and prospects of Wasp

Trading highlights from the Interim Financial Statements for the 6 months ended 30 September 2011 were as follows:

£'000

Revenue	5,289
Gross Profit	286
Profit before tax	(290)
Basic/diluted earnings per share	0.20/0.18

In the Interim Report published at the same time as this announcement, the Chairman, Ian Lenagan, reported:

“In May 2011 the company celebrated its 25th Anniversary, a notable achievement for an independent UK software company. It is apt that this coincided with a continuation of and improvement in the operating profit of the company which started in the second-half of the previous Financial Year.

As previously reported to the market, the first half of the Financial Year focused on the SaaS pilots being run by the company in each of its operating regions and the conversion of these pilots into full roll-outs. On 1 September the company announced that it had succeeded in moving to roll-out its OnLine SaaS solution at a major retailer in the US in addition to a number of high street operators in the UK and Australia. The company also won contracts in the Middle East and South Africa for its SaaS solution and in the Baltics for its On-premise StaffPlanner product.

During the period the company sold its investment in EASE Inc, a US Labour Standards Software and Consultancy company, whilst maintaining its Distribution Rights for the retail EASE product. The company also sold its remaining freehold property in Woodstock which it had sublet for a number of years. The company made a combined profit of £40k on the sale of these two assets releasing over £400k of working capital.

Financial Results

The operating profit for the half-year of £286k compared favourably to the loss of £480k in the comparable period of 2010 and the £125k profit recorded in the second-half of the Financial Year ended 31 March 2011.

Revenue for the six month period ended 30 September 2011 increased to £5.3 million (2010: £4.7 million). The gross margin increased to 90 per cent. (2010: 88 per cent.) as the fixed cost element of the company's SaaS infrastructure was now spread across a greater number of customers. The company's overhead base increased during the period from £3.9 million in the six months to 31 March 2011 to £4.5 million (2010: £4.6 million) reflecting the cost of additional staff during the period to support the growing revenue streams. At 30 September 2011 the company retained cash balances of £1.5 million (2010: £2.1 million). The reduction in cash was more than offset by an increase in working capital as the timing of new contracts and the extended credit requested by several retail customers was recognised through the business.

Business Performance

Interest in WorkPlace On-Line continues to grow in all regions in which the company operates and a growing awareness of the benefits which can be achieved through a true SaaS solution has been important in winning business in all regions. The value of the Company's rapid implementation process has been recognised in the retail sector and the delivery of SaaS via the internet has opened new opportunities for customers with multiple small format outlets.

In addition the company has continued to develop its On-premise product and, during the period, received further orders from existing customers to enable them to roll-out the On-Premise software into new countries.

Outlook

The progress made by the Company during the last twelve months in developing the SaaS solution alongside the existing On-Premise software is reflected in the half-year figures and the orders that were announced in September.”

Wasp Share Option Schemes

The Offer extends to any Offer Shares which are unconditionally allotted or issued fully paid (or credited as fully paid) prior to the date on which the Offer closes (or such earlier date as NewCo may, subject to the Code and/or with the consent of the Panel, determine) as a result of the exercise of options granted under the Wasp Share Option Schemes. Participants in the Wasp Share Option Schemes will be contacted and appropriate proposals will be made to such participants at the time of posting the Offer Document. At the date of this announcement options over a maximum of 15,923,538 Wasp Shares are outstanding.

Wasp cancellation of trading on AIM, re-registration as a private company and intention to compulsorily purchase Offer Shares

If NewCo receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more of the Offer Shares, NewCo will exercise its rights pursuant to sections 974 to 991 of the Companies Act 2006 to acquire compulsorily the remaining Offer Shares in respect of which the Offer has not been accepted following the Offer becoming or being declared unconditional in all respects.

It is also intended that, following the Offer becoming or being declared unconditional in all respects and subject to any applicable regulatory requirements, NewCo will procure that Wasp applies to the London Stock Exchange for the cancellation of trading in Wasp's Shares on AIM. De-listing would significantly reduce the liquidity and marketability of any Offer Shares not acquired by NewCo.

NewCo will also seek to procure the re-registration of Wasp as a private company.

Overseas Shareholders

The availability of the Offer to Independent Wasp Shareholders who are not resident in the UK may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal or regulatory requirements of their jurisdiction. If you remain in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

Anticipated timetable

NewCo will dispatch the Offer Document to Wasp Shareholders and, for information only, to holders of Wasp Options as soon as practicable and, in any event, within 28 days of the date of this announcement (unless agreed otherwise with the Panel).

Further details of the Offer

The Offer will be subject to the conditions and the further terms set out in Appendix I to this announcement and the additional terms to be set out in the Offer documentation when issued. Appendix II to this announcement contains the sources and bases of certain information set out in this announcement. Appendix III to this announcement contains definitions of certain terms used in this announcement.
[Note: Plus an appendix on the Management Offers]

[Documents on display

Copies of the following documents will be available, free of charge, on Wasp's website at www.workplacesystems.com and Newco's website at www.waspidco.com during the course of the Offer:

- the Articles of Association of each of Wasp and NewCo;
- the financial statements that will be referred to in Appendices III and IV to the Offer Document;
- Wasp's unaudited interim results for the six months ended 30 September 2011;
- the service contracts of the Wasp Directors;
- the rules of the Wasp Share Option Schemes;
- the material contracts referred to in paragraph 7 of this Appendix IV;
- the irrevocable undertakings referred to in paragraph 8 of this Appendix IV;
- the letters of consent referred to in paragraphs 13.1, 13.2 and 13.3 of this Appendix IV; and
- a copy of this document, the Announcement, the Form of Acceptance and the Form of Proxy.]

Wasp and NewCo will provide, without charge, to each person to whom a copy of this document has been delivered, upon their written request, a copy of any documents or information incorporated by reference in this document. Copies of any documents or information incorporated by reference into this document will not be provided unless such a request is made. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form. Requests for copies of any such documents or information should be directed to [•], the [•] of Wasp, on [•], or [•] of CMS Cameron McKenna LLP on +44 (0) 207 367 3337.

Appendix I

Conditions and Further Terms of the Offer

Part A

Conditions of the Offer

Definitions and Interpretations

Except where the context requires otherwise, any reference in this Appendix I to:

the “**Acceptance Condition**” means the condition set out in paragraph 2 of this Part A of Appendix I;

“**acceptances of the Offer**” includes deemed acceptances of the Offer;

“**acting in concert with NewCo**” is a reference to a person acting or deemed to be acting in concert with NewCo for the purposes of the Code and/or the Offer (including the Management Team);

“**Day 39**” means [●] 2011;

“**Day 60**” means [●] 2011;

“**Disclosed**” means fairly disclosed by Wasp (i) in the Financial Statements; or (ii) by way of Public Announcement [since 31 March 2011];

“**First Closing Date**” means [●] 2011;

“**the Offer becoming unconditional**” means the Acceptance Condition and further conditions of the Offer set out in paragraphs 3.1 and 3.2 of this Part A of Appendix I becoming satisfied, and references to the Offer having become or not become unconditional shall be construed accordingly;

the “**relevant day**” has the meaning given to it in paragraph 2.1 of Part B of this Appendix I;

“**Restricted Escrow Transfer**” has the meaning given to it in paragraph 5.6 of Part B of this Appendix I; and

“**Restricted ESA Instruction**” has the meaning given to it in paragraph 5.6 of Part B of this Appendix I.

Acceptance Condition

The Offer will be conditional on valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. (London time) on [●] 2011 (or such later time(s) and/ or date(s) as NewCo may, subject to the rules of the Code or with the consent of the Panel, decide) in respect of such number of Offer Shares which, together with the Offer Shares acquired or agreed to be acquired by NewCo or parties acting in concert with NewCo before or during the Offer Period (whether pursuant to the Offer or otherwise), will result in NewCo and any person acting in concert with it holding Offer Shares carrying more than 90 per cent. (or such lower percentage, but not lower than 50 per cent, as NewCo may decide) of the voting rights then normally exercisable at a general meeting of Wasp. For the purpose of this condition, Offer Shares which have been unconditionally allotted but not issued before the

Offer becomes unconditional, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights which they will carry on issue.

Certain further conditions of the Offer

Subject to the requirements of the Panel, the Offer will be conditional upon the following further conditions:

Passing the Ordinary Resolution to approve the Management Offers

the passing at the Wasp General Meeting (or at any adjournment of the meeting) of the Ordinary Resolution by the Independent Wasp Shareholders to approve the **Management Offers**;

Australian Foreign Investment Policy

the issue of a notice of consent by the Treasurer of the Commonwealth of Australia ("**Treasurer**"), stating that the Australian Commonwealth Government does not object to the investment in Australia pursuant to the Offer, under the Australian Government's Foreign Investment Policy ("**Policy**"), and, if that consent is given subject to conditions or requirements, this condition is not fulfilled unless those conditions or requirements are reasonably acceptable to NewCo;

Notifications, waiting periods and authorisations

all material notifications, filings or applications which are necessary having been made in connection with the Offer and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in respect of the Offer and the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Wasp by NewCo, in each case where the absence of such notification, filing or application would have a material adverse effect on the Wider NewCo Group or the Wider Wasp Group in each case taken as a whole, and all authorisations necessary in respect thereof having been obtained in terms and in a form reasonably satisfactory to NewCo from all appropriate third parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Wasp Group or the Wider NewCo Group has entered into contractual arrangements and all such authorisations necessary to carry on the business of any member of the Wider Wasp Group in any jurisdiction remaining in full force and effect at the time at which the Offer becomes otherwise wholly unconditional and no notice of an intention to revoke, suspend, restrict, modify or not to renew such authorisations having been made where, in each case, absence of such authorisation would have a material adverse effect on the Wider Wasp Group or the Wider NewCo Group, in each case taken as a whole;

Antitrust and regulatory

no antitrust regulator, government, governmental, quasi governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade, agency, association, institution or any statutory person in any jurisdiction in which Wasp carries on business (a "**Relevant Jurisdiction**") and each a ("**Third Party**") having, without the consent of NewCo, given notice in writing of a decision to take, institute, implement or threaten in writing any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) (in each case which would be material in the context of the Wider NewCo Group or the Wider Wasp Group in each case taken as a whole) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:

require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider NewCo Group or by any member of the Wider Wasp Group of all or any material part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) (in any case to an extent which is material in the context of the Wider NewCo Group or the Wider Wasp Group, as the case may be, taken as a whole);

except pursuant to Chapter 3 of Part 28 of the 2006 Act, require any member of the Wider NewCo Group or the Wider Wasp Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Wasp Group (other than in connection with the implementation of the Offer);

impose any material limitation on, or result in a material delay in, the ability of any member of the Wider NewCo Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Wasp or on the ability of any member of the Wider Wasp Group or any member of the Wider NewCo Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Wasp Group, in each case to an extent which is material in the context of the Wider NewCo Group or the Wider Wasp Group, as the case may be, taken as a whole;

otherwise materially adversely affect the business, assets or profits of any member of the Wider Wasp Group to an extent in any such case which is material in the context of the Wider Wasp Group taken as a whole;

result in any member of the Wider Wasp Group ceasing to be able to carry on business to the extent conducted at the date of this announcement under any name under which it presently carries on business (in any case to an extent which is material in the context of the Wider Wasp Group taken as a whole);

make the Offer, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Wasp by any member of the Wider NewCo Group void, unenforceable and/or illegal under the laws of any Relevant Jurisdiction, or otherwise, directly or indirectly materially prevent or prohibit, restrict, restrain or delay to a material extent or otherwise materially delay the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge or require material adverse amendment of the Offer or the acquisition of any shares or other securities in, or control or management of, Wasp by any member of the Wider NewCo Group;

require, prevent or materially delay a divestiture by any member of the Wider NewCo Group of any shares or other securities (or the equivalent) in any member of the Wider Wasp Group (in any case to an extent which is material in the context of the Wider Wasp Group or the Wider NewCo Group, as the case may be, taken as a whole); or

impose any material limitation on the ability of any member of the Wider NewCo Group or of any member of the Wider Wasp Group to integrate all or any part of its business with all or any part of the business of any other member of the Wider NewCo Group and/or the Wider Wasp Group (in any case to an extent which is material in the context of the Wider Wasp Group or the Wider NewCo Group, as the case may be, taken as a whole),

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the

laws of any Relevant Jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any Wasp Shares having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

save as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Wasp Group is a party or by or to which any such member or any of its assets is or may be bound or be subject which, as a consequence of the Offer or the acquisition or the proposed acquisition by NewCo of any shares or other securities in Wasp or because of a change in the control or management of any member of the Wider Wasp Group would or might reasonably be expected to result in, to an extent in any such case which is material in the context of the Wider Wasp Group taken as a whole:

any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Wasp Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Wasp Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;

any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Wasp Group being adversely modified or any obligation or liability arising or any adverse action being taken or arising thereunder;

any liability of any member of the Wider Wasp Group to make any severance termination, bonus or other payment to any of its directors, or other officers;

any member of the Wider Wasp Group ceasing to be able to carry on business under any name under which it presently carries on business;

the financial or trading position of, any member of the Wider Wasp Group being prejudiced or adversely affected; or

the creation of any liability (actual or contingent) by any member of the Wider Wasp Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Wasp Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in conditions 3.5.1 to 3.5.7 to an extent in any such case which is material in the context of the Wider Wasp Group taken as a whole;

Certain events occurring since the Announcement Date

save as Disclosed, no member of the Wider Wasp Group having since the Announcement Date:

issued or agreed to issue or authorised or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such

shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Wasp Shares out of treasury (except, in each case, where relevant, as between Wasp and wholly owned subsidiaries of Wasp or between the wholly owned subsidiaries of Wasp and except for the issue or transfer out of treasury of Wasp Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Wasp Share Option Schemes);

recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Wasp to Wasp or any of its wholly owned subsidiaries;

other than pursuant to the Offer (and except for transactions between Wasp and its wholly owned subsidiaries or between the wholly owned subsidiaries of Wasp and transactions in the ordinary course of business) implemented, effected, authorised or announced its intention to implement, effect or authorise any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings which remains open for acceptance to an extent in any such case which is material in the context of the Wider Wasp Group taken as a whole;

except for transactions in the ordinary course of business or between the Wider Wasp Group and its wholly owned subsidiaries, disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised or announced any intention to do so;

issued, authorised or announced an intention to authorise, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or (other than trade credit incurred in the ordinary course of business) incurred or increased any indebtedness except as between Wasp and any of its wholly owned subsidiaries or between such subsidiaries which in any case is material in the context of the Wider Wasp Group taken as a whole;

entered into or varied or authorised or announced its intention, other than in the ordinary course of business, to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude to an extent in any such case which is material in the context of the Wider Wasp Group taken as a whole;

entered into or materially varied the terms of, or made any offer (which remains open for acceptance) to enter into or materially vary the terms of any contract, service agreement, commitment or arrangement with any director of Wasp;

proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Wasp Group (in a manner which is material in the context of the Wider Wasp Group taken as a whole) (other than pursuant to the implementation of the Offer);

purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph 3.6.1 above, made any other change to any part of its share capital (other than pursuant to the implementation of the Offer);

(other than in respect of claims between Wasp and any wholly owned subsidiaries of Wasp) waived, compromised or settled any claim which is material in the context of the Wider Wasp Group taken as a whole;

terminated or varied the terms of any agreement or arrangement between any member of the Wider Wasp Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Wasp Group taken as a whole;

made any alteration to its articles of association or other incorporation documents;

been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any material part of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;

taken any corporate action or had any legal proceedings instituted or threatened in writing against it in relation to its winding-up (other than in respect of a member of the Wider Wasp Group which is dormant and was solvent at the relevant time), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed (in any case to an extent which is material in the context of the Wider Wasp Group taken as a whole);

made, authorised or announced an intention to propose any change in its loan capital to an extent in any such case which is material in the context of the Wider Wasp Group taken as a whole; or

entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) to effect any of the transactions, matters or events referred to in this Condition 3.6 which in any such case is material in the context of the Wider Wasp Group as a whole;

No adverse change, litigation, regulatory enquiry or similar (save as Disclosed)

since the Announcement Date and save as Disclosed, there has been:

no adverse change having occurred in the business, assets, financial or trading position or profits of any member of the Wider Wasp Group which is material in the context of the Wider Wasp Group taken as a whole;

no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened in writing, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Wasp Group or to which any member of the Wider Wasp Group is or could reasonably be expected to become a party (whether as claimant, defendant or otherwise) having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Wasp Group, in each case which might adversely affect any member of the Wider Wasp Group in any way which is material in the context of the Wider Wasp Group taken as a whole;

no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Wasp Group having been threatened in writing, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Wasp Group, in each case which might adversely affect

any member of the Wider Wasp Group in any way which is material in the context of the Wider Wasp Group taken as a whole;

no contingent or other liability in respect of any member of the Wider Wasp Group having arisen or increased other than in the ordinary course of business which is reasonably likely to materially affect adversely the business, assets, financial or trading position or profits of any member of the Wider Wasp Group to an extent in any such case which is material in the context of the Wider Wasp Group taken as a whole; and

no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Wasp Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider Wasp Group taken as a whole;

No discovery of certain matters regarding information, liabilities and environmental issues

save as Disclosed, NewCo not having discovered:

that any financial, business or other information concerning the Wider Wasp Group that has been publicly announced or otherwise publicly disclosed prior to the Announcement Date by or on behalf of any member of the Wider Wasp Group is materially misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading (in any case which has not been corrected and to an extent which is material in the context of the Wider Wasp Group taken as a whole);

that any member of the Wider Wasp Group is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise and which is material in the context of the Wider Wasp Group taken as a whole;

that any past or present member of the Wider Wasp Group has not complied in any material respect with all applicable legislation, regulations of any jurisdiction or any notice or requirement of any authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance likely to impair the environment (including property) or harm human health, which non-compliance would be reasonably likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Wasp Group (in any case to an extent which is material in the context of the Wider Wasp Group taken as a whole);

that there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration of any waste or hazardous substance likely to impair the environment (including any property) or harm human health which (whether or not giving rise to any material liability (whether actual or contingent) on the part of any member of the Wider Wasp Group (in any case to an extent which is material in the context of the Wider Wasp Group taken as a whole); or

that there is or is reasonably likely to be any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property currently or previously owned, occupied, operated or made use of by any past or present member of the Wider Wasp Group under any environmental legislation, common law, regulation, notice, circular, authorisation or order of any third party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto (in any case to an extent which is material in the context of the Wider Wasp Group taken as a whole).

Intellectual Property

save as Disclosed, NewCo not having discovered that:

any member of the Wider Wasp Group does not own or have licensed to it or otherwise possess legally enforceable rights to use all material intellectual property that is:

required or reasonably necessary for the conduct of business of the relevant member of the Wider Wasp Group as currently conducted; or

under development for such business;

any member of the Wider Wasp Group has infringed, any intellectual property rights of any third party which, in any case, is material in the context of the Wider Wasp Group taken as a whole;

any claims have been asserted in writing or threatened in writing by any person:

that the Wider Wasp Group infringes any intellectual property of any third party; or

challenging the ownership of any member of the Wider Wasp Group to, or the validity or effectiveness of, any of its intellectual property;

any material intellectual property held by any member of the Wider Wasp Group is not valid and subsisting;

there is material unauthorised use, infringement or misappropriation of any intellectual property of any member of the Wider Wasp Group by any third party; or

any persons who are now, or within the last five years have been employees, consultants or contractors of any member of the Wider Wasp Group have failed to execute proprietary information and confidentiality agreements, which, in any case, is material in the context of the Wider Wasp Group taken as a whole.

Part B

Further Terms of the Offer

The following further terms will apply, unless the context requires otherwise, to the Offer.

Further terms of the Offer

The Offer will lapse unless the conditions set out above (other than condition (a)) are fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by NewCo in its reasonable opinion to be or to remain satisfied no later than twenty-one days after the later of (i) [●] 2011 or; (ii) the date on which the Offer becomes or is declared unconditional as to acceptances, or such later date as the Panel may agree. NewCo shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied, or to treat as fulfilled any of the further conditions set out at paragraphs 3.3 to 3.8 (inclusive) of Part A of this Appendix I by any date earlier than the latest date specified above for fulfilment of that condition.

NewCo reserves the right to waive, in whole or in part, all or any of the further conditions set out at paragraphs 3.3 to 3.8 (inclusive) of Part A of this Appendix I by any date earlier than the latest date specified above for fulfilment of that condition.

NewCo shall be under no obligation to waive or treat as satisfied any of conditions set out at paragraphs 3.3 to 3.8 (inclusive) of Part A of this Appendix I by a date earlier than the latest date specified above for the satisfaction thereof notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such conditions may not be capable of fulfilment. If NewCo is required by the Panel to make an offer for Wasp under the provisions of Rule 9 of the Code, NewCo may make such alterations to the conditions as are necessary to comply with the provisions of that Rule.

Under Rule 13.5 of the Code, NewCo may not invoke a condition to the Offer so as to cause the Offer not to proceed, to lapse, or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to NewCo in the context of the Offer. The acceptance condition contained in paragraph 2 of Part A of this Appendix I is not subject to this provision of the Code.

The Offer will lapse (unless the Panel otherwise consents) if the Offer or any matter arising from or relating to the Offer is referred to the UK Competition Commission before 1.00 p.m. on [●] 2011 or the date on which the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

If the Offer lapses, the Offer will cease to be capable of further acceptances and accepting Wasp Shareholders and NewCo shall cease to be bound by acceptances submitted at or before the time when the Offer so lapses.

NewCo may, with the agreement of the Independent Directors and the Panel, elect to implement the acquisition by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act. Any such scheme of arrangement will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Offer.

The Offer Shares will be transferred to NewCo fully paid with full title guarantee and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and other third party rights or interests and together with all rights attaching to such Offer Shares, including, without limitation, the right to receive all dividends and other distributions (if any) announced, declared, made or paid after the Announcement Date.

This Offer will be governed by English law and will be subject to the jurisdiction of the English courts and the conditions set out in this announcement and in the Offer Document.

The conditions in Part A of this Appendix I and the further terms set out in Parts B, C and D of this Appendix I and the Form of Acceptance to be included in the Offer Document apply to the Offer.

Unless the context otherwise requires, any reference in Parts B, C and D of this Appendix I and in the Form of Acceptance to be included in the Offer Document:

to the Offer includes any revision, variation, renewal or extension thereof and also (where the context requires) any election or alternative available in connection with the Offer or any revision, variation, renewal or extension thereof;

to the Offer being, becoming or being declared unconditional is to the acceptance Condition and the further conditions set out in paragraphs 3.1 and 3.2 of this Part A of Appendix I being, becoming or being declared satisfied, whether or not any other condition of the Offer remains to be fulfilled;

to the Acceptance Condition is to the condition as to the acceptances in paragraph (2) of Part A of this Appendix I;

to this announcement and any the Offer Document; and

to an extension of the Offer shall include an extension of the date by which the acceptance condition is or was to be satisfied.

APPENDIX II:**SOURCES OF INFORMATION AND BASES OF CALCULATIONS**

Unless otherwise stated:

(i) The financial information relating to Wasp in this announcement is extracted from the annual report and accounts of Wasp for the year ended 31 December 2010 and the interim results announced today.

(ii) The value placed by the Offer on the entire issued and to be issued share capital of Wasp in this announcement is based on:

(A) the offer price per Offer Share of 25p;

(B) [148,225,909] Wasp Shares being in issue; and

(C) [15,923,538] options over Wasp Shares to be issued.

In each case, as at the close of business on [●] 2011, being the last business day immediately prior to the date of this announcement.

(iii) The Closing Prices of Wasp Shares stated in this announcement are derived from the AIM appendix to the Daily Official List of the London Stock Exchange.

APPENDIX III:

Definitions

The following definitions apply throughout this announcement, unless the context requires otherwise:

AIM	the AIM market of the London Stock Exchange
Announcement	this announcement, as published on the Announcement Date
Announcement Date	[●] December 2011
associated undertaking	has the meaning given to the term “associated bodies corporate” by section 256 of the Companies Act 2006
business day	any day not being a public holiday, Saturday or Sunday, on which banks are normally open for business in the City of London
Cancellation	the cancellation of admission of the Wasp Shares to trading on AIM
certified or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST)
Closing Date	[●] 2011
Closing Price	the closing middle market quotation of a Wasp Share as derived from the Daily Official List published by the London Stock Exchange
Code	the City Code on Takeovers and Mergers
Companies Act 2006	the Companies Act 2006 (as amended)
Competing Offer	<p>a proposed offer, merger, acquisition, scheme of arrangement, recapitalisation or other business combination which, if accepted in full, would result in the offeror holding shares carrying over 50 per cent. of the voting rights of Wasp and which is made by or on behalf of a party other than NewCo and which is not acting in concert with NewCo;</p> <p>an offer, proposal or approach from any party [other than NewCo and which is not acting in concert with NewCo] to acquire all or a substantial part or value of the assets of Wasp; or</p> <p>an offer, proposal or approach from any party [other than NewCo and which is not acting in concert with NewCo] with a view to undertaking a transaction which would be conditional on NewCo no longer proceeding with the Offer <i>[Note: Where used?]</i></p>
conditions	the conditions and further terms to the Offer set out in Part A and Part B of Appendix I to this announcement
Daily Official List	the AIM Appendix of the Daily Official List of the London Stock Exchange
dealing day	any day on which the London Stock Exchange is open for business in the trading of securities admitted to AIM

Eligible Voting Shares		those Wasp Shares that are eligible to vote on the Ordinary Resolution at the General Meeting
Fairfax		Fairfax I.S. PLC
Financial Statements		the audited annual consolidated financial statements of Wasp in respect of the financial year ended 31 March 2011
FSA		the Financial Services Authority
General Meeting		the general meeting of Wasp (or any adjournment thereof) to be convened pursuant to Rule 16 of the Code at which the Ordinary Resolution will be proposed
HMRC		HM Revenue and Customs
Independent Directors		the independent directors of Wasp, being Ian Lenagan, John Herring, Nigel Garrett and Ian Mills [<i>Note: Dentons/Mazars to confirm</i>]
Independent Shareholders	Wasp	the holders of Wasp Shares, save for the Management Team
Lizard Committee	Investment	the investment committee of Lizard
Lloyds Banking Group		Lloyds Banking Group plc, a public limited company registered in Scotland under number SC095000
Lloyds TSB Bank plc		Lloyds TSB Bank plc, a public limited company registered in England under number 00002065
London Stock Exchange		London Stock Exchange plc, together with any successors thereto
Management Team		Bernard Quinn (Chief Executive), Paul Wright (Chief Financial Officer), Alex Davis (Chief Technology Officer) and Tony Knight (Client Services Director)
Management Offers		the offers being made to the Management Team to sell their Roll-over Shares in consideration for a mixture of NewCo Ordinary Shares and New Loan Notes pursuant to the terms of the Share Exchange Deed and the Subscription and Shareholders' Agreement
Management Shares	Offer	the Management Shares as at the close of business on [•] 2011 (being the latest practicable date prior to the publication of this announcement), save for the Roll-over Shares which are to be sold to NewCo pursuant to the terms of the Share Exchange Deed and the Subscription and Shareholders' Agreement
Management Shares		the [•] Wasp Shares currently held in the Wasp Issued Share Capital or intended to be held by the Management Team as a result of issues made to them pursuant to the Wasp Approved Share Option Scheme, the Wasp Unapproved Share Option Scheme, the Wasp Enterprise Management Incentive (EMI) Share Option Scheme and the Wasp Share Option Schemes
Mazars		Mazars Corporate Finance Limited, the financial and Rule 3 (for the purposes of the Code) adviser to Wasp
NewCo		Wasp Management Software Limited, a private limited company registered in England and Wales under number 7745721

NewCo Directors	the directors of NewCo and "NewCo Director" means any one of them
NewCo Group	NewCo and its subsidiary undertakings and parent undertakings, and any other subsidiary of its parent undertakings, in each case from time to time
NewCo Loan Notes	a series of secured loan notes 2017 in the loan capital of NewCo
NewCo Ordinary Shares	the ordinary shares of £1.00 each in the capital of NewCo
Offer	the recommended cash offer, to acquire at the Offer Price all of the Offer Shares, to be made by NewCo on the terms and conditions set out in this announcement and the Form of Acceptance and including, where the context admits, any subsequent revision, variation, extension or renewal of such offer
Offer Document	the document to be posted to Wasp Shareholders containing the formal terms and conditions of the Offer;
Offer Period	the period beginning on and including [●] 2011 and ending on the latest of (i) 1.00 pm (London time) on [●] 2011; and (ii) the time and date on which the Offer becomes unconditional as to acceptances or lapses or is withdrawn
Offer Price	25 pence per Offer Share
Offer Shares	all of the Wasp Shares, but excluding the Roll-over Shares
Ordinary Resolution	the ordinary resolution to be proposed to the Independent Wasp Shareholders at the General Meeting (or any adjournment thereof) in accordance with the requirements of the Code to approve on a poll the arrangements between NewCo and the Management Team
Overseas Shareholders	Wasp Shareholders who are resident in, or nationals or citizens of, jurisdictions outside the UK or who are nominees of, or custodians, or trustees for, Wasp Shareholders who are citizens, residents or nationals of countries other than the UK
Panel	the Panel on Takeovers and Mergers
parent undertaking	has the meaning given to it by section 1162 of the Companies Act 2006
Public Announcement	any public announcement by Wasp to any Regulatory Information Service
Registrars	Capita Registrars Limited, Wasp's registrar
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended)
Regulatory Information Service	any of the services set out in Appendix 3 to the Listing Rules published by the United Kingdom Listing Authority
Restricted Jurisdiction	the United States, Canada, Australia, and Japan and any other jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for NewCo or Wasp if information or documentation concerning the Offer is sent or made available to Shareholders in that jurisdiction
Roll-over Shares	the Management Shares which are to be sold to NewCo pursuant to the terms of the Share Exchange Deed and the Subscription and Shareholders' Agreement

Share Exchange Deed		the Share Exchange Deed dated [●] 2011, pursuant to which NewCo has agreed, conditional on the Offer being declared unconditional, to acquire the Roll-over Shares
Shareholders or Wasp Shareholders		the registered holders of Wasp Shares from time to time
significant interest		in relation to an undertaking, an interest, direct or indirect, in 10 per cent. or more of the equity share capital (as defined in section 548 of the Companies Act 2006) of such undertaking
SNR Denton		SNR Denton UK LLP
Subscription and Shareholders Agreement		a subscription and shareholders agreement in respect of NewCo, dated [●] 2011, pursuant to which the Management Team will, conditional on the Offer being declared unconditional, subscribe for shares in NewCo
subsidiary, subsidiary undertaking and undertaking		have the meanings given by sections 1159, 1161 and 1162 of the Companies Act 2006
Torch Partners		Torch Partners Corporate Finance Limited
uncertificated or uncertificated form	in	recorded on the relevant register of the share or security concerned as being held in uncertificated form and title to which, by virtue of the Regulations may be transferred by means of CREST
United Kingdom or UK		the United Kingdom of Great Britain and Northern Ireland
United States or US		the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all areas subject to its jurisdiction or any political sub-division thereof
US Holder		holders of Wasp Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding Wasp Shares for persons in the US or with a registered address in the US
Wasp or the Company		Wasp, a public limited company registered in England and Wales under number 3966381
Wasp Board		the board of directors of Wasp
Wasp Directors		the directors of Wasp and each a "Wasp Director"
Wasp Group		Wasp and its subsidiary undertakings and parent undertakings, and any other subsidiary of its parent undertakings, in each case from time to time
Wasp Issued Capital	Share	the 148,225,909 Wasp Shares in issue at the date of this announcement
Wasp Options		the options granted under or pursuant to the Wasp Share Option Schemes
Wasp Share Schemes	Option	the Wasp Approved Share Option Scheme, the Wasp Unapproved Share Option Scheme, the Wasp Enterprise Management Incentive Scheme and the Wasp Savings-Related Share Option Scheme
Wasp Shares		the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 5 pence each in Wasp and any further such shares which are unconditionally allotted or issued fully paid (or credited as fully paid) in each case

prior to the time at which the Offer ceases to be open for acceptance (or such earlier time, as NewCo may, with the Panel's consent or in accordance with the Code, decide), including shares unconditionally allotted or issued pursuant to the exercise of options under the Wasp Share Option Schemes or otherwise

- Wider NewCo Group** NewCo Group, associated undertakings of any member of the NewCo Group (including any joint venture, partnership, firm or company in which any member of the NewCo Group is interested) or any other undertaking in which any member of the NewCo Group and/or such undertakings (aggregating their interests) have a significant interest
- Wider Lloyds Banking Group** Lloyds Banking Group and its subsidiaries and subsidiary undertakings
- Wider Wasp Group** Wasp and its subsidiaries and subsidiary undertakings, associated undertakings (including any joint venture, partnership, firm or company in which any member of the Wasp Group is interested) or any other undertaking in which Wasp and/or such undertakings (aggregating their interests) have a significant interest

In this announcement:

all references to "pounds", "£" "p" "pence" or "penny" are to the lawful currency of the United Kingdom;

the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender;

all references to legislation are to English legislation, unless the contrary is indicated, and any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension thereof; and

references to time are to London time.
