

Dated 8 December 2011

Mr Ian Lenagan
and
Wasp Management Software Limited

**Deed of Covenant Relating to the Acquisition
of Workplace Systems International plc**

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WARRANTY DEED

THIS DEED is made on 8 December 2011

BETWEEN:

- (1) IAN LENAGAN whose address is set out in Schedule 1 (the "Warrantor"); and
- (2) WASP MANAGEMENT SOFTWARE LIMITED, incorporated in England with registered number 7745721 and whose registered office is at Precedent Drive, Rooksley, Milton Keynes, Buckinghamshire, MK13 8PP (the "Buyer").

RECITAL

This Deed is entered into in connection with a recommended cash offer made by or on behalf of the Buyer pursuant to an offer document dated on even date herewith (the "Offer" or the "Offer Document") in relation to the acquisition of the entire issued and to be issued share capital of Workplace Systems International plc (the "Company").

IT IS AGREED as follows:

1. Interpretation

- 1.1 The following words and expressions where used in this Deed have the meanings given to them below:

"Accounts" means the audited consolidated balance sheet and profit and loss account of Wasp and the Existing Subsidiaries as at and for the period ended on the Accounts Date together with the notes thereto and the directors' report and the auditors' report included therewith;

"Accounts Date" means 31 March 2011;

"Act" the Companies Act 2006;

"Business Day" any day other than a Saturday, Sunday or English public holiday;

"Buyer Group" the Buyer, any holding company of the Buyer and any subsidiary of the Buyer or such holding company (including, for these purposes, after Completion the Company and every Target Group Company) from time to time and references to "Buyer Group Company" and to "any member of the Buyer Group" shall be construed accordingly;

"Buyer's Solicitors" CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London, EC1A 4DD (Ref: SUKK/JPG/OX4055.01164);

"Claim" means a claim against the Warrantor under the Warranties;

"Completion" means the date upon which the Offer becomes or is declared unconditional in all respects;

"Connected Person" means any person connected (within the meaning of section 839 Income and Corporation Taxes Act 1988) with the Warrantor;

"Consultancy Agreement" means the consultancy agreement between the Buyer, Ian Francis Lenegan and Wigan Rugby League Club Limited dated on or about the date of this Deed;

"Disclosed" means fairly disclosed (with sufficient details to identify the nature and scope of the matter disclosed) by or in Schedule 3 of this Deed (and **"Disclosure"** shall be construed accordingly);

"Disclosure Documents" means the disclosures (including the general disclosures) contained in Part A and Part B of Schedule 3 of this Deed and the two identical bundles of documents collated by or on behalf of the Warrantor, the outside covers of each of which have been signed for identification by or on behalf of the Warrantor and the Buyer;

"Encumbrance" includes any mortgage, charge, pledge, hypothecation, lien, assignment by way of security, title retention, option, right to acquire, right of pre-emption, right of set off, counterclaim, trust arrangement or any other security, preferential right, equity or restriction, and any agreement to give or create any of the same;

"Existing Subsidiaries" means the companies, the names of, and further details relating to which, are set out in Part B of Schedule 2 and which, for the avoidance of doubt shall include Wasp Australia;

"Group" means together the Company, the Existing Subsidiaries (whether before or after Completion) and every other company which is for the time being a subsidiary or holding company of the Company;

"Group Company" means any company for the time being in the Group;

"IFRS" means International Reporting Financial Standards in force as at the Accounts Date, issued by the International Accounting Standards Board;

"Intellectual Property Rights" means patents, rights to inventions, copyright and related rights, moral rights, trade marks, service marks and trade names, domain names, rights in get-up, rights to goodwill or to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights in confidential information (including Know-How) and any other intellectual property rights, in each case whether registered or unregistered, and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

"IT Systems" means all computer programs (in both source and object code form), computer hardware and peripherals, telecommunications and network equipment owned, used, leased or licensed in by or to the Group;

"ITEPA" Income Tax (Earnings and Pensions) Act 2003;

"Key Employee" means an employee of a Group Company with a basic annual salary of more than £100,000;

"Know-How" means all inventions, improvements, modifications, processes, formulae, models, prototypes and sketches, drawings, plans or specifications or any other matters made, devised, developed or discovered by any Group Company, alone or with one or more others, relating to or otherwise in connection with the business of the Group;

"LDC" means Lloyds TSB Development Capital Limited;

"Lease Claim" means a claim under clause 21.1;

"Licences In" means licences, deeds, authorisations and permissions pursuant to which the Group uses, exploits or holds (or is permitted to use, exploit or hold) any Intellectual Property Rights belonging to any third party;

"Management" means Bernard Quinn, Paul Wright, Anthony Knight and Alexander Davis;

"Management Accounts" means the unaudited consolidated management accounts in respect of Wasp and the Existing Subsidiaries as at 31 October 2011 and in respect of the 7 month period then ended and contained in the Wasp Datasite or the Disclosure Documents;

"Options" means the Wasp Options under the Wasp Share Option Schemes (as such terms are defined in the Offer Document);

"Registered IP" means the Intellectual Property Rights owned, licensed, used or exploited by the Group;

"Relevant IP" means all Registered IP and Unregistered IP;

"Reports" means the:

- (a) legal due diligence report prepared by the Buyer's Solicitors;
- (b) commercial due diligence report prepared by Parthenon;
- (c) financial and tax due diligence reports prepared by Ernst & Young;
- (d) IT report prepared by Intuitus; and
- (e) insurance report prepared by AON.

"Severance Agreement" means the severance agreement between Wasp and Ian Francis Lenegan dated on or about the date of this Deed;

"Shares" means 148,225,909 ordinary shares of Wasp;

"Target Group" means Wasp and the Existing Subsidiaries and **"Target Group Company"** shall be construed accordingly;

"Tax Warranties" means the warranties set out at clause 20;

"Taxation" means all forms of tax, charge, duty, impost, withholding, deduction, levy and governmental charge (whether national or local) in the nature of tax whatsoever and whenever created, enacted or imposed of the United Kingdom, United States of America or any other jurisdiction, and any amount whatever payable to any Taxation Authority or any other person as a result of any enactment relating to tax (but for the avoidance of doubt excludes water rates and business property rates), together with all related penalties or interest;

"Taxation Authority" means any statutory or governmental authority or body in the United Kingdom or any other jurisdiction involved in the collection or administration of Taxation;

"Third Party Claim" means any claims against a Group Company by a third party which might constitute a breach of any of the Warranties (or otherwise give rise to a Claim) or which may result in the Warrantor being liable under clause 21.1 (or otherwise give rise to a Lease Claim);

"Thirsk Lease" means the lease of the Thirsk Property dated 22 June 2001 and made between (1) Woodpark Securities Limited (2) Teleware plc and (3) Telework Systems plc;

"Thirsk Liabilities" means all sums which a Group Company pays after the date of this Deed (pursuant to a legally binding obligation) pursuant to the terms of the Thirsk Lease and any document entered into before the date of this Deed which is supplemental to or collateral with or entered into pursuant to the Thirsk Lease;

"Thirsk Property" means all that land and buildings situate at Thirsk Industrial Park, Thirsk and as further described in the Thirsk Lease;

"Unregistered IP" means Intellectual Property Rights owned, licensed, used or exploited by the Group other than Registered IP;

"VAT" Value Added Tax;

"Warranties" means the warranties set out at clauses 3 to 20 inclusive;

"Wasp" means Workplace Systems International plc, the further details of which are set out in Part A of Schedule 2;

"Wasp Australia" means WorkBuddy Solutions Pty Ltd, further details of which are set out in Part B of Schedule 2; and

"Wasp Datasite" means the datasite in connection with Project Wasp hosted by Shoosmiths Interactives as at the date of this Deed, copies of the documents contained in such site as at that date having been copied onto a CD Rom (in Agreed Form).

- 1.2 Where clauses or paragraphs in this Deed and the schedules contain the expression "to the best of the knowledge, information and belief of....." or "so far as is/are aware" or phrases having a similar meaning or effect, they shall be deemed to be followed by the words "having made reasonable enquiry of Paul Wright and Bernard Quinn;
- 1.3 Unless the context otherwise requires, words and expressions defined in provisions of the Companies Act 2006 shall be read as having those meanings where used in this Deed.
- 1.4 Headings are used in this Deed for convenience only and shall not affect its construction or interpretation.
- 1.5 In this Deed references to schedules are to schedules to this Deed and references to clauses are to clauses in this Deed and, unless otherwise specified, references to paragraphs are to paragraphs of the clause in which such reference appears and references to annexures are to annexures to this Deed.
- 1.6 In this Deed reference to a person includes any legal or natural person, partnership, trust, company, government or local authority department or other body (whether corporate or unincorporated).
- 1.7 In this Deed, unless the context does not so admit, reference to an individual or individuals shall include his or their respective personal representatives.
- 1.8 In this Deed, unless the context does not so admit, reference to the singular includes a reference to the plural and vice versa and reference to the masculine includes a reference to the feminine and neuter.

- 1.9 Reference in this Deed to any statutory provision shall include a reference to that provision as amended, extended or re-enacted and to any statutory replacement thereof (either before or after the date hereof) from time to time and to any former statutory provision replaced (with or without modification) by the provision referred to, and shall also include reference to all statutory instruments and orders made pursuant to any such statutory provision except to the extent that an amendment, extension, re-enactment or replacement would extend or increase the liability of the Warrantor under this Deed.

2. Conditions

If the Offer shall not have become or (where permitted by the terms of the Offer) been declared unconditional in all respects on or before the date falling 60 days after the posting of the Offer Document to the shareholders of the Company, or such later date as may be permitted by the Panel on Takeovers and Mergers (the "Long Stop Date"), then this Deed shall terminate and be of no further force and effect and the parties shall be under no further obligation to each other in respect of this Deed, save that clauses 31 to 35 shall survive without limit in time.

3. Warranties

Subject as provided in this Deed (including, without limitation, the maximum aggregate limit on the Warrantor's liability set out in clause 23.8) the Warrantor hereby warrants to the Buyer as at the date hereof on the terms set out in clauses 4 to 20.

4. Wasp/Group Structure

- 4.1 The copy of the articles of association of each Group Company which is included in the Disclosure Documents is true and complete and so far as the warrantor is aware, each Group Company has carried on its business and affairs in all material respects in accordance with its memorandum of association (where relevant) and articles of association.
- 4.2 The statutory books (including all registers but excluding the minute books) of each Group Company have been properly kept and contain an accurate record of the matters which should be dealt with in those books and no written notice or written allegation that any of them is incorrect or should be rectified has been received and so far as the Warrantor is aware, there are no circumstances which he believes are likely to lead to any such notice or allegation being served any Group Company.
- 4.3 So far as the Warrantor is aware, all returns, particulars, resolutions and other documents required to be filed with or delivered to the Registrar of Companies by each Group Company have been correctly and properly prepared and so filed or delivered.
- 4.4 All dividends declared or due in respect of the shares of Wasp have been paid in full.
- 4.5 There is no Encumbrance on, over or affecting any unissued shares, debentures or other securities of the Company and save for the Options set out in the Offer Document, no person has the right (exercisable now or in the future and whether contingent or not) to call for the issue of any share capital of Wasp.
- 4.6 The shares in the Existing Subsidiaries are in each case held by the relevant Group Company (on a wholly owned basis, save for Wasp Australia and Workplace Systems plc, the shares are held as set out in Schedule 2 Part B) free from all Encumbrances and with all rights attaching to them and, save as set out in the Offer Document, no Group Company owns or has agreed to acquire any shares, loan capital or other securities (legally or beneficially) in any other company.

4.7 **No Group Company:**

- 4.7.1 is or has agreed to become a member of any partnership, joint venture, consortium or other unincorporated association other than a recognised trade association or any agreement or arrangement for sharing commissions or other income (other than sales agency arrangements, distribution agreements and other trading arrangements, in each case entered into in the ordinary course of business); or
- 4.7.2 has any branch, place of business or substantial assets outside England and Wales or any permanent establishment (as that expression is defined in any relevant Order in Council made pursuant to section 2 Taxation (International and Other Provisions) Act 2010) in any country outside the United Kingdom.

5. Financial position

- 5.1 The Accounts were prepared in accordance with IFRS and the requirements of the Companies Act 2006 as at their date of preparation, are consistent with the practice adopted by Wasp during the two financial periods ended on the Accounts Date, comply with the requirements of the Act (as the case may be), give a true and fair view of the financial position of the Group as at the Accounts Date and of the results for the financial year then ended and, in particular, but without prejudice to the generality of the foregoing, make appropriate provision (where appropriate by way of note) for all material liabilities, contingent liabilities, bad and doubtful debts (in each case as known at their date of preparation) and depreciation and (save as expressly disclosed therein) do not include any unusual, exceptional, non-recurring or extraordinary item of material income or expenditure.
- 5.2 The Management Accounts have been prepared from the relevant Group Company's accounting records in accordance with good practice in the preparation of management accounts and fairly reflect the financial position of the Group as at 31 October 2011 and for the 7 month period then ended (acknowledging that the Management Accounts are not audited). Having regard to the purpose for which the Management Accounts were prepared, they are not misleading in any material respect as of the dates to which they were drawn up and (save as expressly disclosed therein) do not include any unusual, exceptional, non-recurring or extraordinary item of material income or expenditure.

6. Debts

- 6.1 So far as the Warrantor is aware (having made no enquiry of any specific debtor), all outstanding invoices raised by a Group Company are believed to be collectable in the ordinary course of business.

7. Events since the Accounts Date

- 7.1 Since the Accounts Date each Group Company has carried on its business as a going concern in the ordinary course, and no Group Company has (save as referred to or provided for in this Deed or in the Offer Document):
- (a) incurred any material liability other than in the ordinary course of its business;
 - (b) entered into (whether in the ordinary course or not) any long term, substantial or unusual obligations or transactions (other than sales of goods or services or licences of software (in each case in the ordinary course of business)) including (without limitation) any capital commitment involving more than £50,000 individually and/or £300,000 in aggregate other than in the ordinary course of its business;

- (c) made (or agreed to make) any change in the basis or amount of the emoluments of or benefits for its directors or any of its Key Employees;
- (d) written off, written down, waived or released (or agreed so to do) any amounts appearing in any management accounts since the Accounts Date exceeding £25,000 individually or £250,000 in aggregate which were payable to it before or after the Accounts Date and which write off, write down, waiver or release is not contained within the Management Accounts;
- (e) paid, declared or made (or agreed so to do) any dividend or other distribution.

8. Assets

- 8.1 No asset with a value in excess of £25,000 and which is reflected in the Accounts or in the Management Accounts as being owned by a Group Company, save as Disclosed, was or is being acquired under any hire or hire purchase agreement, conditional sale, credit sale, deferred payment or similar agreement, and each such asset is (save to the extent that it has been sold in the ordinary course of business) in the beneficial ownership and sole possession and control of such Group Company.

9. Employment matters

- 9.1 So far as the Warrantor is aware there are no employees of a Group Company whose contracts of employment cannot be terminated by six months' notice or less without giving rise to any claim for damages or compensation (other than a statutory redundancy payment or statutory compensation for unfair dismissal).
- 9.2 There are no agreements or other binding arrangements or outstanding claims or disputes between any Group Company and any trade union or other body representing all or significant proportion of the employees of such Group Company.
- 9.3 Save as Disclosed or contained in the Wasp Datasite, there are no contracts of employment with employees of any Group Company under which basic salary at a rate in excess of £100,000 per annum is payable.
- 9.4 The Warrantor has been informed, having made enquiries of Paul Wright and Bernard Quinn, that the Wasp Datasite contains complete copies of all standard terms of employment and share option schemes and details of all remuneration payable and other benefits provided or which the relevant Group Company is bound to provide to each director of the Company (including profit sharing, incentive, bonus and severance arrangements to which the relevant Group Company is a party, whether legally binding or not).
- 9.5 So far as the Warrantor is aware no Group Company owes any material (being in excess of £20,000 in aggregate) amounts to, or has any outstanding obligations in respect of, any present or former directors, employees or shareholders of such company other than unclaimed expenses and for remuneration accrued during the month in which this Deed has been entered into.
- 9.6 Since the Accounts Date no Group Company has received written notice of any liability for breach of any employment contract, for redundancy payments, protective awards or for compensation for wrongful dismissal or unfair dismissal or for failure to comply with any order for the reinstatement or re-engagement of any employee or for any other liability accruing from the termination or variation of any contract of employment and since the Account Date no gratuitous payment has been made or agreed to be made in connection with the actual or proposed termination or suspension of employment or variation of any contract of employment of any present or former director or employee of a Group Company.

9.7 Other than the Aviva Company Stakeholder Personal Pension Scheme, there is no arrangement to which any Group Company contributes or will contractually become liable to contribute under which benefits of any kind are payable to or in respect of any of the employees directors or officers or any former employee or former director or former officer of any Group Company (or to any spouse or dependant of any of them) on retirement, on death or in the event of disability or sickness.

10. Authorities

10.1 So far as the Warrantor is aware, no Group Company has received notice in the period of 36 months immediately prior to the date of this Deed that it has not obtained and/or complied with all permits, authorities, licences and consents (whether granted by public or private authority but excluding any relating to Intellectual Property Rights) necessary to carry on its business effectively and without hindrance in the manner and in the places in which its business is now carried on and there are no circumstances that the Warrantor knows or reasonably suspects will or is likely to lead to the suspension, alteration or cancellation of any such permits, authorities, licences or consents.

10.2 No person, not being a director of any Group Company, has any actual or ostensible authority, whether under a power of attorney, agency agreement or otherwise, to commit such Group Company to any obligation other than an obligation of a nature which it is usual for it to incur in the ordinary course of its business.

11. Litigation

11.1 No Group Company is engaged in any legal proceedings (including litigation, arbitration, prosecution or any hearing before any tribunal or official body). So far as the Warrantor is aware no such proceedings are pending or threatened and, so far as the Warrantor is aware there has been no act, omission or other occurrence that the Warrantor knows or reasonably suspects will or is likely to give rise to any such proceedings.

11.2 There is no judgment or order of any court, tribunal or official body against any Group Company that has not been fully satisfied or discharged.

12. Applicable legislation

12.1 In carrying on its business each Group Company, and so far as the Warrantor is aware, its officers and employees (in connection with the affairs of each Group Company) have complied in all material respects with all applicable legislation in force at the relevant time ("**Applicable Legislation**").

12.2 No written notice or written intimation (or so far as the Warrantor is aware, oral notice or intimation) has been received by a Group Company in the 12 months prior to the date of this Deed (or at any time and which remains outstanding) that a Group Company is in breach of any Applicable Legislation or is subject to an investigation relating to a breach or alleged breach of any Applicable Legislation and the Warrantor is not aware of any such investigation.

13. Insurances

13.1 In respect of the policies of insurance contained in the Wasp Datasite, all such particulars are materially accurate and all premiums due on such policies have been duly paid and all such policies are in force and so far as the Warrantor is aware there are no circumstances which the Warrantor believes might lead to such insurances being vitiated.

13.2 Details of all claims where the amount claimed exceeds £25,000 (in respect of any individual claim) made against those insurances in the last two years have been Disclosed.

14. Company agreements

14.1 So far as the Warrantor is aware, there have been Disclosed, all agreements, transactions, obligations, commitments, understandings, arrangements or liabilities to which a Group Company is party and which:

14.1.1 involves or is likely to involve the supply of goods by or to any Group Company the aggregate sales value of which will represent in excess of £100,000 per annum;

14.1.2 requires any Group Company to pay any commission, finder's fee, royalty or the like (otherwise than in the ordinary course of business); or

14.1.3 is in any way otherwise than in the ordinary course of the relevant Group Company's business.

14.2 The terms of all contracts of each Group Company have been complied with in all material respects by the relevant Group Company so as not to result in any individual claim being made against any Group Company exceeding £25,000 nor any claims in aggregate being made against any Group Company exceeding £200,000 and, so far as the Warrantor is aware, by the other parties to the contracts, in each case in all material respects and so far as the Warrantor is aware, there are no circumstances which he believes are likely to give rise to any such default resulting in a liability to any Group Company.

14.3 There are no outstanding claims notified in writing to a Group Company in excess of £25,000 individually and/or £100,000 in aggregate against any Group Company in respect of defects in quality or delays in delivery or completion of contracts or deficiencies of design or performance or otherwise relating to liability for products or services sold or supplied by the relevant Group Company and so far as the Warrantor is aware, no such claims are threatened or anticipated.

14.4 So far as the Warrantor is aware, no Group Company has any outstanding material claims or disputes concerning its products and/or services with any customer or supplier and so far as the Warrantor is aware no material customer or supplier (being a customer or supplier whose bill or costs represent in excess of £100,000 per annum) has during the last 12 months, ceased or given notice in writing to cease trading with, or materially reduced its purchases from or supply to any Group Company.

14.5 So far as the Warrantor is aware, no Group Company has received notice of any intention to terminate, repudiate or disclaim any agreement or other transaction from any material customer or supplier (being a customer or supplier whose sales volume or costs represent in excess of £100,000 per annum).

14.6 So far as the Warrantor is aware, no Group Company is a party to any subsisting agency agreement (being an agreement whereby an agent has the authority to execute a contract such as to legally bind any Group Company).

14.7 Copies of the standard terms and conditions of business of the Group Companies are contained in the Wasp Datasite.

14.8 So far as the Warrantor is aware, no offer, tender or the like is outstanding which is capable of being converted into an obligation of any Group Company by an acceptance or other act of

some other person and which, upon becoming binding, will be an agreement of the type referred to in paragraph 14.1.3 above.

- 14.9 No Group Company, save as Disclosed or set out in Schedule 2 of this Deed:
- (a) is a member of any partnership or unincorporated association (other than a recognised trade association);
 - (b) is a party to any joint venture or consortium;
 - (c) holds any shares or securities of or interest in any corporation incorporated without limited liability or in which liability is not limited.
- 14.10 No Group Company is under any liability to repay any grant made to it by any governmental or other authority or person and no circumstances have arisen in which such Group Company would be required to repay any such grant, either in whole or in part.
- 14.11 So far as the Warrantor is aware, no Group Company is party to any agreement or arrangement restricting its freedom to provide and take goods and services by such means and from and to such persons and into or from such place as it may from time to time think fit.
- 14.12 So far as the Warrantor is aware, no Group Company, nor any of its officers, employees or agents, has at any time, or is presently or has agreed to become, engaged in any conduct (including by way of acquiescence or failure to perform) that constitute an offence under the Bribery Act 2010, and each Group Company has since section 7 of that Act came into force, had in place adequate procedures designed to prevent persons associated with it within the meaning of section 8 of that Act from undertaking any conduct that would constitute an offence by the Group Company under section 7 of that Act. All material terms of all such procedures have been Disclosed and so far as the Warrantor is aware no such person has at any time, or is presently or has agreed to become, engaged in such conduct. No Group Company and, so far as the Warrantor is aware, none of its officers, employees or agents has been the subject of any actual or threatened investigation, or been charged, in connection with any offence or alleged offence under that Act.
- 15. Loans and financial facilities**
- 15.1 No Group Company has made any loans (other than normal trade credit) that now remain outstanding in whole or in part (other than to other wholly owned Group Companies).
- 15.2 Particulars of all money borrowed by each Group Company as at the date of this Deed (other than normal trade credit) including, in each case, the name and address of all banks with whom each Group Company holds an account and the name and number of such account, have been Disclosed together with complete and accurate copies of all documents relating to all debentures, acceptance lines, overdrafts, loans or other financial facilities outstanding or available to each Group Company and all Encumbrances to which any asset of each Group Company is subject.
- 15.3 No Group Company has any liability (present, future, ascertained or contingent) under any guarantee, surety, indemnity, bond or similar obligation; or is responsible (including on a contingent basis) for the indebtedness of any other person (other than for another Group Company) nor subject to any obligation (whatever called) to pay, purchase or provide funds for the payment of, or as an indemnity against the consequence of default in the payment of, any indebtedness of any other person (other than for another Group Company).

16. Insolvency

- 16.1 No Group Company is insolvent as defined by section 123 Insolvency Act 1986, has entered into any scheme of arrangement or voluntary or other arrangement with any of its creditors, or has taken any steps to obtain a moratorium as set out in Schedule A1 of that act.
- 16.2 No order has been made or resolution passed for the winding up of any Group Company and there is not outstanding any petition for the winding up of a Group Company, nor, so far as the Warrantor is aware, has any application been made for the appointment of an administrator in relation to a Group Company, nor has any receiver or manager been appointed of the whole or any part of the undertaking or assets of any Group Company.
- 16.3 So far as the Warrantor is aware, there are no circumstances which would entitle any person to present a petition for the winding up of a Group Company or to apply for the appointment of an administrator in relation to any Group Company or to appoint a receiver or manager of the whole or any part of its undertaking or assets.

17. Properties

- 17.1 The leasehold properties being:

- 17.1.1 Precedent Drive, Rooksley, Milton Keynes, England, MK13 8PP;
- 17.1.2 Ground Floor Office Suite, Unit 3 & 4 Napier Court, Napier Road, Reading, Berkshire, England;
- 17.1.3 Suite 9, Hardmans Business Centre, Newhallhey Road, Rawtenstall, Rossendale, Lancashire, BB4 6HH;
- 17.1.4 Suite 201, 504 Pacific Highway, St Leonards, New South Wales (part being folio identifier 20/LF309); and
- 17.1.5 Unit 5045, 321 N.Clark Street (5th Floor), Chicago, IL 60654;

(the "Properties")

comprise all the land and buildings owned, leased or occupied by any Group Company.

- 17.2 No Group Company has any liability (whether actual, contingent or otherwise) as tenant, assignee, guarantor, covenantor arising from or relating to any estate, interest or right in any land other than the Properties.
- 17.3 A Group Company is in actual occupation of each of the Properties (save as Disclosed) on an exclusive basis and, no person, other than a Group Company, has any right (actual or contingent) to possession, occupation or use of or interest in the Properties.
- 17.4 So far as the Warrantor is aware, complete and accurate copies of all leases under which the Properties are held are contained in the Wasp Datasite.
- 17.5 So far as the Warrantor is aware there are no disputes, claims, actions, demands or complaints which are outstanding affecting the Properties nor in respect of the tenant's obligations under the Thirsk Lease, nor the Group's obligations as guarantor under the Thirsk Lease.
- 17.6 All payments in respect of the Properties (including, without limitation, rent, insurance and service charge) which are due and payable have been made to date.

- 17.7 All steps in rent reviews have been duly taken and no rent reviews are or should be currently under negotiation or the subject of a reference to an expert or arbitrator or the courts and, where appropriate, evidence of the agreement or determination of the current rent has been placed with the documents of title.
- 17.8 So far as the Warrantor is aware, there have not been received by any Group Company, any dilapidations notices requiring works in respect of any of the Properties or to the Thirsk Lease.
18. **DELIBERATELY LEFT BLANK**
19. **Intellectual Property**
- 19.1 The Disclosure Documents or the Wasp Datasite contains particulars of all Registered IP and all material Unregistered IP owned, used or exploited by the Group (other than Intellectual Property Rights used or exploited by the Group pursuant to Licences In).
- 19.2 There are no material Licences In (other than off the shelf, non-bespoke or shrink-wrap licences).
- 19.3 The Group owns free from Encumbrance the Intellectual Property Rights in the workforce management modules developed by the Group for sale to customers on premises or to be licensed as a service by the Group to customers.
- 19.4 So far as the Warrantor is aware, the Group has had sufficient material Licences In of software to run the commercial aspects of its business, and the development tools necessary to develop, run operationally and support the business of the Group, in each case in the 12 months prior to the date of this Deed.
- 19.5 Except in respect of Intellectual Property Rights used, exploited or held by the Group pursuant to the Licences In, a Group Company is the sole legal and beneficial owner of all Relevant IP free from all Encumbrances.
- 19.6 The Group has taken all reasonable steps to keep its material Know-How confidential to the Business and so far as the Warrantor is aware, it has not been disclosed otherwise than in the ordinary course of business or subject to an obligation of confidentiality on the person to whom it was disclosed.
- 19.7 No Group Company has (within the 24 months prior to the date of this Deed or which remains unremedied) received written notice of any claim, dispute, opposition, interference or contested ownership of any Relevant IP (insofar as it is owned by the relevant Group Company) and, so far as the Warrantor is aware, there are no circumstances which he believes are likely to give rise to the service of any such notice.
- 19.8 So far as the Warrantor is aware, there is no current infringement by any third party of any Relevant IP.
- 19.9 No activities of any Group Company have infringed, infringe or, so far as the Warrantor is aware, are likely to infringe the Intellectual Property Rights of any third party or (save pursuant to Licences In) has given rise to any obligation to pay any royalty, fee compensation or other sum whatsoever.
- 19.10 The Licences In have not been the subject of any material breach or default by any Group Company or, so far as the Warrantor is aware, by any third party and are not, and have not been, the subject of any claim, dispute or proceeding, so far as the Warrantor is aware, pending or threatened.

- 19.11 All IT Systems are owned, rented or licenced to the Group and none of the IT Systems is wholly or partly dependent on any facilities or services not under the exclusive ownership and control of the Group.
- 19.12 The Group has, in respect of Licences In, no source code in its possession, control, or under escrow arrangements (save for open source software).
- 19.13 All websites operated by any Group Company have been created or developed by the Group or pursuant to contracts that vest the legal and beneficial ownership of all copyright and all other Intellectual Property Rights in such websites in a Group Company.
- 19.14 The Group has implemented reasonable procedures for ensuring the security of the IT Systems and the confidentiality and integrity and recoverability of data stored in the IT Systems (including, without limitation preparation of commercially reasonable back up and recovery plans).

20. Taxation

- 20.1 Save to the extent that specific provision has been made in the Accounts for any liability or contingent liability to Taxation and save for any liability to corporation tax arising in the ordinary course of the Company's normal trading since the Accounts Date, no Group Company has any liability or contingent liability in respect of any form of Taxation.
- 20.2 Each Group Company has duly complied with its obligations to account to HM Revenue & Customs and all other relevant authorities for all amounts for which it is accountable in respect of Taxation or amounts payable under social security legislation.
- 20.3 All returns and computations in connection with Taxation that should have been made by each Group Company have been made correctly and on a proper basis; no such return or computation has been or so far as the Warrantor is aware, is likely to be disputed or give rise to any claim for any Taxation or to the deprivation of any relief from Taxation or advantage that would otherwise have been available.
- 20.4 Each Group Company has prepared, kept and preserved sufficient records to enable it to make and complete returns for Taxation purposes. Such records form part of appropriate tax accounting arrangements (as defined in paragraph 14 Schedule 46 Finance Act 2009) and enable each Group Company to calculate the liability to Taxation or the amount of a relief arising on the disposal of any asset owned at the Accounts Date or acquired since the Accounts Date but before the date of this Deed and otherwise as required by law.
- 20.5 No Group Company has in the 7 years prior to the date of this Deed been a party to any scheme or arrangement designed partly or wholly for the purpose of artificially avoiding Taxation.
- 20.6 Each Group Company is duly registered for VAT purposes and has in all other respects complied with all legislation and other enactments relating to VAT and all orders, regulations, directions or conditions made or imposed thereunder and has maintained correct and up-to-date records, invoices and other documents appropriate or necessary for the purposes of such legislation and is not in arrear with any payment or returns thereunder or liable to any abnormal or non-routine payment or any forfeiture or penalty or to the operation of any penal provision. Each Group Company is a taxable person for the purposes of such legislation and is not treated and has not at any time been treated as a member of any group for the purpose thereof nor has any application for it to be so treated at any time been made.

21. Indemnities and Covenant to pay

21.1 Subject to the following provisions of this Deed, the Warrantor shall pay to the Buyer, within one month of written demand by the Buyer, a sum equal to:

21.1.1 the first £500,000 of the Thirsk Liabilities, and thereafter;

21.1.2 one third of the Thirsk Liabilities (to the extent they exceed £500,000),

up to the maximum liability set out at clauses 23.9 and 23.10 below.

21.2 The Warrantor agrees to indemnify the Buyer against any demand for income tax and employee national insurance contributions which may become payable on up to £200,000 of payment(s) arising from the arrangements set out in the Consultancy Agreement, the Severance Agreement and/or arising out of or in connection with the termination of his employment with the Company and any interest and penalties which the Company may incur in connection with such demand.

21.3 The Warrantor hereby covenants to pay to the Buyer on demand an amount in cash equal to all payments made or agreed to be made to the Warrantor or any Connected Person by a Group Company, or any payments made or agreed to be made by any Group Company for the benefit of the Warrantor or any Connected Person, in respect of the negotiation, preparation, finalisation or execution of this agreement, the Disclosure Letter, the Consultancy Agreement and Severance Agreement or any other documentation entered into by the Warrantor or any Connected Person in connection with the Offer (including without limitation legal and other advisers' fees).

22. General provisions relating to the Warranties

22.1 The Warranties are given subject to those matters that have been Disclosed.

22.2 The Warrantor undertakes not to make any claim against a Target Group Company or any (current or former) director, officer or employee of a Target Group Company which they may have in respect of a misrepresentation, inaccuracy or omission in or from information or advice provided by a Target Group Company or any (current or former) director, officer or employee of a Target Group Company for the purpose of assisting the Warrantor to give a Warranty or prepare the Disclosures (save in the case of fraud).

22.3 The only warranties given by the Warrantor:

22.3.1 in respect of any dilapidations in relation to the Properties are those set out in clause 17.8 and the other Warranties shall be deemed not given in relation to dilapidations; and

22.3.2 in respect of taxation are those set out in clause 20 and the other Warranties shall be deemed not given in relation to taxation.

22.4 No warranties are given in this Deed in respect of environmental or health and safety matters save for clauses 10 and 11.

22.5 No warranties are given in respect of the accuracy or completeness of the information contained in Schedule 2 save as expressly set out in Warranty 4.6.

23. Limitations on Warrantor's Liability

- 23.1 The provisions of clauses 23 to 30 of this Deed shall operate to limit the liability of the Warrantor under and in respect of the provisions of the Warranties and (where specifically stated) Lease Claims which are in each case given subject to such provisions.
- 23.2 The Warranties shall continue in full force and effect subject to the provisions of this Deed, notwithstanding Completion.
- 23.3 Each Warranty shall be separate and independent and, save as expressly provided, shall not be limited by reference to any other Warranty.
- 23.4 All liability of the Warrantor in relation to any claim for breach of the Warranties shall cease on the expiry date save to the extent of and in relation to any such claim of which written notice has been given to the Warrantor by or on behalf of the Buyer prior to the expiry date. The expiry date for this purpose shall be the earlier of the date which falls one month after that on which the board of directors of the Buyer shall receive the audited consolidated accounts of the Group as finalised and signed off by the auditors for its second financial year to end following the date of this Deed and 31 July 2013 (save in the case of any claim the subject matter of which relates to the Tax Warranties, in which case the expiry date shall be the third anniversary of the date of this Deed).
- 23.5 All liability of the Warrantor in relation to any Lease Claim shall cease on 31 May 2026 (or upon earlier expiry or termination of the Thirsk Lease) save to the extent of and in relation to any such claim of which written notice has been given to the Warrantor by or on behalf of the Buyer prior to such date.
- 23.6 No claim or claims shall be made in respect of any breach or breaches of the Warranties unless:
- 23.6.1 the amount thereof exceeds £25,000. For the purposes of this paragraph, where a claim relates to more than one event which would separately constitute a claim, it shall be treated as a separate claim in respect of each such event; and
- 23.6.2 the aggregate amount that would otherwise be recoverable in respect of all such Claims (after giving due effect to paragraph 23.6.1 above in relation to each claim) exceeds £200,000 (but in such event the full amount of such claim or claims and not just the excess shall be recoverable).
- 23.7 Any Claim or Lease Claim shall be deemed to be withdrawn (if it has not been previously satisfied, settled or withdrawn) (and no new claim may be made in respect of the facts giving rise to such withdrawn claim) unless legal proceedings in respect thereof have been commenced within 12 months of the giving of written notice of the Claim or Lease Claim (as applicable), and for this purpose such legal proceedings shall not be deemed to have commenced unless both issued and served, provided that such twelve-month time limit shall not start to run in relation to a contingent Claim or contingent Lease Claim (as applicable) until such Claim or Lease Claim (as applicable) has become an actual liability.
- 23.8 Save in the case of fraud or dishonesty the aggregate liability of the Warrantor in respect of all Claims under the Warranties shall not in any circumstances exceed £500,000.
- 23.9 The maximum aggregate liability of the Warrantor in respect of all Lease Claims shall not in any circumstances exceed an amount equal to £Y and in any event shall not exceed £1,000,000.

Y for this purpose shall be an amount determined as follows:

- (i) in respect of Lease Claims notified by the Buyer to the Warrantor in accordance with clause 23.5 in the period from Completion until 31 May 2012 (both dates inclusive), Y shall be £1,000,000;
- (ii) in respect of Lease Claims notified by the Buyer to the Warrantor in accordance with clause 23.5 in the period set out in column one of the table below, when aggregated with the Warrantor's liability for Lease Claims made prior thereto, Y shall be the sum set out in column 2 of the table below (subject to clause 23.10):

From 1 June 2012 until 31 May 2013 (both dates inclusive)	£900,000
From 1 June 2013 until 31 May 2014 (both dates inclusive)	£800,000
From 1 June 2014 until 31 May 2015 (both dates inclusive)	£700,000
From 1 June 2015 until 31 May 2016 (both dates inclusive)	£600,000
From 1 June 2016 until 31 May 2017 (both dates inclusive)	£500,000
From 1 June 2017 until 31 May 2018 (both dates inclusive)	£400,000
From 1 June 2018 until 31 May 2019 (both dates inclusive)	£300,000
From 1 June 2019 until 31 May 2020 (both dates inclusive)	£200,000
From 1 June 2020 until 31 May 2021 (both dates inclusive)	£100,000
From 1 June 2021	nil

23.10 In the event that the Thirsk Lease is not terminated (or otherwise expires) by 1 June 2021, the maximum aggregate liability of the Warrantor in respect of all Lease Claims notified by the Buyer to the Warrantor in accordance with clause 23.5 in the period from 1 June 2021 to 31 May 2026 (both dates inclusive) shall be as set out in the table below.

From 1 June 2021 until 31 May 2022 (both dates inclusive)	£350,000
From 1 June 2022 until 31 May 2023 (both dates inclusive)	£280,000
From 1 June 2023 until 31 May 2024 (both dates inclusive)	£210,000
From 1 June 2024 until 31 May 2025 (both dates inclusive)	£140,000
From 1 June 2025 until 31 May 2026 (both dates inclusive)	£70,000

23.11 The Warrantor shall have no liability for a Claim to the extent that the matter or circumstance giving rise to the Claim was:

- (a) Disclosed; and/or
- (b) within the actual knowledge of Daniel Sasaki, Waqqas Ahmad and/or Kunal Dasgupta and where they (or any of them) knew or ought reasonably to have known that such information or matters contained in any of the Reports (as updated by Management to LDC in writing) constituted a breach of the Warranties.

24. Changes on and/or after the date of this Deed

24.1 The Warrantor shall not be liable for any Claim:

- 24.1.1 to the extent that a specific or express provision or reserve in respect thereof (not being a deferred taxation provision or reserve) was made in the Accounts PROVIDED THAT the profits in question have not been distributed or otherwise withdrawn from the Company as at the date of this Deed;
- 24.1.2 (in the case of a liability for Taxation), to the extent that such liability arises from any act or transaction of the Target Group in the ordinary course of its trading since the Accounts Date ;
- 24.1.3 to the extent that such liability arises or is increased as a result of any change in law, change or withdrawal of any published practice or concession, announced and coming into force after the date of this Deed with retrospective effect;
- 24.1.4 to the extent that such liability arises as a result of a change after the date of this Deed in any accounting policy of the Target Group (other than any change necessary to comply with the law or intended to bring the accounting policy into line with IFRS in each case applicable as at the Accounts Date where it was previously deficient) PROVIDED THAT no claims shall be made where such change is made in the treatment of revenue recognition;
- 24.1.5 to the extent that such liability would not have arisen but for an act or transaction carried out by the Buyer or the Target Group after the date hereof otherwise than in the ordinary course of business and otherwise than as compelled by law or pursuant to a legally binding obligation created on or before the date hereof;
- 24.1.6 (in the case of a liability for Taxation), to the extent that such liability would not have arisen or would have been reduced but for a failure or omission on the part of the Buyer or the Target Group after the date of this Deed to make any election, claim, surrender or disclaimer, or give any notice or consent, in relation to Taxation, the anticipated making giving or doing of which was taken into account in computing any provision or reserve for Taxation in preparing the Accounts but only to the extent that (i) the Purchaser has been notified in writing within a reasonable time, with specific reference to this sub-clause, of the need to make any such election, claim, surrender or disclaimer or give any notice or consent or (ii) the matter has been Disclosed; and
- 24.1.7 to the extent that such liability is in respect of stamp duty or stamp duty reserve tax payable on the transfer or agreement to transfer the Shares pursuant to the Offer.

25. Reimbursement of Claims

If, after the Warrantor has made any payment in respect of a Claim or Lease Claim, the recipient of that payment (or any other member of the Buyer Group) recovers from a third party (including any Taxation Authority) (whether by payment, discount, credit, relief or otherwise) a sum which is in respect of the same loss giving rise to the Claim (the "Recovery Amount") such that the relevant Group Company or member of the Buyer's Group has in aggregate recovered more than its total loss in respect of the matter giving rise to such Claim or Lease Claim (the "Excess"), then the Buyer shall forthwith repay (or procure the repayment) to the Warrantor a sum equal to the lower of: (i) the sum paid by the Warrantor; and (ii) the Excess, in each case less any Taxation charged on the Recovery Amount less any costs and expenses incurred in such recovery.

26. Mitigation

26.1 The Buyer shall (and shall procure that any relevant Target Group Company shall) adhere to its common law duty to mitigate its loss.

26.2 Without prejudice to clause 26.1, if the Thirsk Lease has been surrendered to a Group Company, the Buyer shall use its reasonable endeavours (including without limitation, use its reasonable endeavours to procure an assignment or sub-letting (including at a rent lower than the passing rent under the Thirsk Lease) of the Thirsk Lease/Property) to minimise the Thirsk Liabilities.

27. Reduction in consideration

Any amount paid by the Warrantor in respect of any Claim or Lease Claim shall be treated as a reduction in the consideration received by the Warrantor pursuant to the Offer.

28. Double recovery

The Buyer shall not be entitled under this Deed or otherwise to recover damages or otherwise obtain reimbursement or restitution or be indemnified more than once in respect of the same loss.

29. No claims

The Buyer acknowledges and declares that in entering into this Deed it has not relied and is not relying on any warranties, representations, covenants, undertakings, indemnities, promises, forecasts or other statements whatsoever whether written or oral (and whether implied or otherwise) (collectively "Representations"), other than those expressly set out in this Deed.

30. Third Party Claims

30.1 The Buyer shall inform, or shall procure that the relevant Group Company shall inform, the Warrantor in writing of any Third Party Claim which comes to the notice of the Buyer or any other member of the Buyer Group whereby it appears that the Warrantor is likely to become liable under any Claim or Lease Claim within 14 days after the day on which such Third Party Claim comes to the notice of the Buyer or a Group Company (as the case may be).

30.2 Subject to the Buyer being indemnified and secured to its reasonable satisfaction in accordance with clause 30.4 and 30.5 of this Deed:

30.2.1 the Buyer shall, and shall procure that the relevant Group Company shall, take such action and give such information and assistance as the Warrantor may

reasonably request in writing to avoid, dispute, resist, mitigate, compromise or defend any Third Party Claim and to appeal against any judgment or decree given in respect thereof; and

30.2.2 on the written request of the Warrantor, the sole conduct of any legal proceedings of whatsoever nature arising out of any Third Party Claim ("Proceedings") shall be delegated to the Warrantor. For this purpose, the Buyer shall give or procure to be given to the Warrantor all such assistance as the Warrantor may reasonably require and shall appoint such solicitors and other professional advisers as the Warrantor may nominate to act of behalf of the Buyer or the relevant Group Company in accordance with the Warrantor's instructions.

30.3 Where Proceedings are delegated to the Warrantor in accordance with clause 30.2.2 of this Deed (and subject to clause 30.5):

30.3.1 the Warrantor shall keep the Buyer fully and promptly informed of the Proceedings and all developments and strategies in relation to the Proceedings, shall copy the Buyer on all correspondence and, shall consult the Buyer on any matter which is or is likely to be material in relation to any Proceedings and shall take account of all reasonable requirements of the Buyer in relation to such Proceedings; and

30.3.2 the Warrantor shall not make any settlement or compromise of the Third Party Claim which is the subject of Proceedings, or agree to any matter in the conduct of such Proceedings which may affect the amount of the liability in connection with such Third Party Claim without the prior approval of the Buyer (such approval not to be unreasonably withheld or delayed).

30.4 Where the Warrantor takes over the conduct of any Proceedings pursuant to the provisions of clause 30.2 of this Deed the Warrantor shall indemnify and secure the Buyer to its reasonable satisfaction in respect of all costs, charges and expenses reasonably and properly incurred by the Buyer or any Group Company as a consequence of any actions taken at the request of the Warrantor pursuant to clause 30.2 and 30.3 of this Deed.

30.5 Subject to the proviso to this clause, nothing in this clause 30 shall require the Buyer to take or omit to take any action which in the reasonable opinion of the Buyer would or would be likely to have a material adverse effect on the business of the Group or the Buyer PROVIDED THAT this clause 30.5 shall not apply in respect of a Lease Claim.

31. General

31.1 This Deed represents the entire agreement between the Parties in relation to the subject matter hereof and shall supersede any previous agreement or understanding between all or any of the Parties in relation to all or any such matters.

31.2 This Deed may be executed in any number of documents or counterparts each in the like form, all of which taken together shall constitute one and the same document and any Party may execute this Deed by signing any one or more of such documents or counterparts.

31.3 No variation of this Deed shall be binding on any Party unless and to the extent that the same is recorded in a written document executed by such Party but where any such document exists and is so signed such Party shall not allege that the same is not binding by virtue of an absence of consideration.

31.4 Nothing in this Deed is intended to confer on any person any right to enforce any term of this Deed which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

31.5 No right of any Party to agree any amendment, variation, waiver or settlement under or arising from or in respect of this Deed, or to terminate this Deed, shall be subject to the consent of any person who has rights under it solely by virtue of the Contracts (Rights of Third Parties) Act 1999.

32. Further assurance

Each party will (at the cost and expense of the requesting party) do, or procure the doing of, all acts and things and execute, or procure the execution of, all documents as any other party reasonably considers necessary to give full effect to the terms of this Deed.

33. Rights and remedies

33.1 Save as provided in this Deed, the rights and remedies expressly provided for by this Deed will not exclude any rights or remedies provided by law.

33.2 Notwithstanding any other provision of this Deed, the limitations to any claim made under this Deed shall not (save for clause 23.10) apply to any claim made against the Warrantor in the case of any fraud or dishonesty by the Warrantor.

34. Notices

34.1 ~~Any notice given under or in connection with this Deed shall be in writing.~~

34.2 The respective addresses for service of notices under this Deed shall be those set out at the outset of or in Schedule 1 to this Deed provided however that any Party may, by written notice to the others, substitute another address in England for the service of notices on that Party hereunder.

34.3 Notices may be given by being delivered to the notice address of the addressee (in which case the notice shall be deemed to be served at the time of delivery) or by being sent by facsimile (in which case the notice shall be deemed to be served upon completion of the transmission) or by being sent by first class post (in which case the notice shall be deemed to be served the second Business Day after posting).

34.4 In proving service of any notice, it shall be sufficient to prove that delivery was made or that the envelope containing the notice was properly addressed and posted or that the facsimile was transmitted to the correct number, as the case may be.

35. Applicable Law and Jurisdiction

35.1 This Deed, and any non-contractual rights or obligations arising out of or in connection with it or its subject matter, shall be governed by and construed in accordance with English law and each of the Parties agrees that the courts of England shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed or its subject matter.

IN WITNESS whereof this document has been duly executed and delivered as a deed the day and year first before written.

Schedule 1

The Warrantor

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SCHEDULE 2

PART A

PARTICULARS CONCERNING WASP

Registered number	-	03966381
Country of incorporation	-	England
Date of incorporation	-	6 April 2000
Registered office	-	Precedent Drive, Rooksley, Milton Keynes, Buckinghamshire MK13 8PP
Share capital issued	-	148,225,909 ordinary shares of 5p each

<u>Shareholders</u>	<u>No of Shares held</u>
Chase Nominees Limited	9,645,642 (6.51%)
Mr Ian Francis Lenagan	56,607,060 (38.19%)
State Street Nominees Limited	10,909,643 (7.30%)
State Street Nominees Limited	15,064,458 (10.16%)

(The shareholders listed above have a shareholding of over 5% of the issued share capital as per the schedule of shareholders provided by the Company and dated 15 November 2011).

Options

N/A

Directors

Mr Alexander William Davis
Mr Nigel Richard Garrett
Mr John Anthony Herring (non-executive director)
Mr Anthony Peter Knight
Mr Ian Francis Lenagan (chairman)
Mr Ian Anthony Mills
Mr Bernard Paul Quinn (chief executive)
Mr Paul Keith Wright

Secretary

Paul Keith Wright

Accounting reference date

31 March

Auditors

Mazars LLP

Mortgages, debentures and other charges

Fixed and floating charges over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery pursuant to an instrument dated 13 February 2007 and securing all monies due or to become due from the company to the chargee on any account whatsoever (in favour of HSBC Bank plc).

PART B

PARTICULARS CONCERNING THE EXISTING SUBSIDIARIES

Name	-	WorkPlace Group Limited
Registered number	-	02561567
Country of incorporation	-	England
Date of incorporation	-	22 November 1990
Registered office	-	Precedent Drive, Rooksley, Milton Keynes, Buckinghamshire MK13 8PP
Share capital issued	-	666,667 shares of 5p each
<u>Shareholders</u>		<u>No of Shares held</u>
WorkPlace Systems International plc		666,667 (100%)

Options

N/A

Directors

Paul Keith Wright
Ian Francis Lenagan

Secretary

Paul Keith Wright

Accounting reference date

31 March

Auditors

Mazars LLP

Mortgages, debentures and other charges

None.

Name - WorkPlace Software Limited
Registered number - 02194718
Country of incorporation - England
Date of incorporation - 17 November 1987
Registered office - Precedent Drive, Rooksley, Milton Keynes, Buckinghamshire
MK13 8PP
Share capital issued - 50 ordinary shares of £1 each

Shareholders No of Shares held

WorkPlace Systems plc 50 (100%)

Options

N/A

Directors

Ian Francis Lenagan

Secretary

Paul Keith Wright

Accounting reference date

31 March

Auditors

Mazars LLP

Mortgages, debentures and other charges

None

Name - WorkBuddy Solutions Pty Ltd
Company number - ACN 107 229 452
Country of incorporation - Australia (New South Wales)
Date of incorporation - 1 December 2003
Registered office - Suite 6, Level 1 1-9 Chandos Street, St Leonards, NSW 2065
Share capital issued - 2822 ordinary shares

Shareholders No of Shares held

WorkPlace Systems International plc	1411
Konigsberg Pty Ltd	666
Buddyworks Pty Ltd	666
Philip Hugh Nelson	79

Options

N/A

Directors

Roland Guy Handel
Aaron Kwok Ming Ng
Ian Francis Lenagan

Secretary

N/A

Accounting reference date

N/A

Auditors

N/A

Mortgages, debentures and other charges

N/A

Name - WorkPlace Systems International Pty Ltd
Company number - ACN 107 957 255
Country of incorporation - Australia (New South Wales)
Date of incorporation - 12 February 2004
Registered office - 5 Lavaine Street, Bracken Ridge, QLD 4017

Share capital issued - 1 ordinary share

Shareholders No of Shares held

WorkPlace Systems plc 1

Options

N/A

Directors

Ian Francis Lenagan
Gregory John Phillips

Secretary

Gregory John Phillips

Accounting reference date

N/A

Auditors

N/A

Mortgages, debentures and other charges

N/A

Name - WorkPlace Systems Inc
Registered number - 3856543
Country of incorporation - United States of America, Delaware
Date of incorporation - 20 October 2004
Registered office - Corporation Trust Centre, 1209 Orange Street, Wilmington,
Delaware, 19801

Shareholders

Share Ownership

WorkPlace Group Limited 100%

Options

None

Directors

Ian Francis Lenagan
Michael D. Wailing
Charles D.Cagle

Secretary

Michael D. Wailing

Mortgages, debentures and other charges

None

Name - Labor Solutions International Inc
Registered number - 4027005
Country of incorporation - United States of America, Delaware
Date of incorporation - 8 September 2005
Registered office - 2711 Centerville road, Suite 400, Wilmington, Delaware, 19808

Shareholders Share Ownership

WorkPlace Systems Inc 100%

Options

None

Directors

Ian Francis Lenagan
Michael D. Wailing

Accounting reference date

December 31

Mortgages, debentures and other charges

None

SCHEDULE 3

PART A

GENERAL DISCLOSURES

This Schedule 3 and the documents and matters referred to in it, sets out the written disclosures made by or for the Warrantor in relation to this Deed.

Where there is any inconsistency or conflict between statements made in this Schedule 3 and statements made in any document attached to or referred to in it, the terms of this Schedule 3 shall prevail.

All disclosures in this Schedule 3 are made generally in relation to the Warranties (notwithstanding any reference to any particular part of the Deed) are not to be related to any particular provision.

The following matters which are or may be inconsistent with or in contravention of the Warranties shall be deemed to have been disclosed to the Buyer:

- 1.2 all information contained in this Deed and/or the Offer Document;
- 1.3 all information contained in the Wasp Datasite;
- 1.4 all information contained or specifically referred to in the Accounts and the notes to the Accounts and the Management Accounts;
- 1.5 any matter which would be revealed by an inspection (whether made or not) of the statutory books registers or minute books of Wasp and the Existing Subsidiaries in the form provided to the Buyer on the date hereof;
- 1.6 all information on Wasp and the Existing Subsidiaries available to the public at Companies House in England and Wales or on the Data Protection Register as at 5pm on 28 November 2011, whether any inspection, search or enquiry is made or not;
- 1.7 all information concerning the trademarks, service marks, patents, registered designs or other intellectual property rights of Wasp and the Existing Subsidiaries available to the public at the Intellectual Property Office as at 5pm on 2 December 2011; and
- 1.8 all information contained in the documents listed in Schedule 4 to this Deed.

PART B

SPECIFIC DISCLOSURES

Without prejudice to the generality of the foregoing, the following specific matters (which are, for convenience only, set against the numbered clauses of this Deed to which they most obviously relate) are disclosed in relation to the Warranties generally:

Warranty No. (Clause of this Deed)	Disclosure
4.1	<p>The Articles of Association are in the Disclosure Bundles as follows:</p> <ul style="list-style-type: none"> • The Company – document no 3; • WorkPlace Group Limited – document no 5; • WorkPlace Systems plc – document no 4; • WorkPlace Software Limited – document no 6; • WorkBuddy Solutions Pty Limited – document no 7; • WorkPlace Systems, Inc – Datasite document number Legal Due Diligence / 1.1.3; • Labor Solutions International, Inc – Datasite document number Legal Due Diligence / 1.1.3. <p>The Warrantor does not have access to copies of the Articles of Association of WorkPlace Systems International Pty Limited.</p>
4.2	<p>The register of members of Wasp is maintained by Capita Registrars. Wasp maintains a register of board minutes but otherwise does not keep or maintain statutory books.</p> <p>The Existing Subsidiaries do not keep or maintain any statutory registers/books. They use annual returns as records in matters which are usually kept in registers. Company books have in the last 7 days been reconstituted for the UK Group Companies.</p>
4.5	<p>The Company has granted a fixed and floating charge over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery pursuant to an instrument dated 16 February 2007 and securing all monies due or to become due to the company to the charge on any account whatsoever in favour of HSBC Bank plc.</p>

4.7.1	Sales agency, distribution and commission arrangements include Northgate, Infor, ATS, Gintautas in Lithuania, IWS in Australia.
4.7.2	<p>The following Existing Subsidiaries are located outside of England and Wales:</p> <ul style="list-style-type: none"> • Wasp Australia is located in Australia; • WorkPlace Systems International Pty Limited is located in Australia; • WorkPlace Systems, Inc. is located in the United States of America; • Labor Solutions International, Inc is located in the United States of America. • There is a customer provided office in Bentonville, USA.
5.1	Ernst & Young do not agree with the accounting treatment of revenue recognition used by Mazars in the preparation of the Accounts accordingly Ernst & Young are of the view that the Accounts do not comply with generally accepted accounting practice in the UK by companies preparing IAS accounts. The Warrantor understands that Paul Wright and Mazars are of the view that the Accounts do comply.
	The Accounts will not be consistent with prior audited accounts to the extent that changes have been made to comply with International Accounting Standards and changes in accounting standards and practices.
5.2	<p>The Warrantor has been told that Ernst & Young do not agree with the principles used by the Group in the preparation of the Management Accounts. Please also see disclosure 5.1 as the Management Accounts deal with revenue recognition in a manner which Ernst & Young consider is not in accordance with accepted practice.</p> <p>The Group made a loan to Labor Solutions International Inc of which approximately \$3.5m remains outstanding. The loan is not documented.</p> <p>There are loans of approximately AUSS 160,000 to Aaron Ng and Roland Herold as one part and Work Buddy which are being repaid at about AUSS 8,000 per month in total. See the Work Buddy Data Site.</p>
6.1	On occasions where a customer places a new order a rebate will be given on an existing invoice.
7.1(b)	The substantial contracts in the normal course of business include Navisite hosting at £120,000 pa in the UK and \$420,000 pa in the US, Tiscali at £72,000 pa and GlobalNet in Australia at £18,000 pa.
7.1(c)	<p>Group Companies have sold the following assets since the Accounts Date:</p> <ul style="list-style-type: none"> • on 30 April 2011 Workplace Systems, Inc. entered into and completed a common stock purchase agreement with EASE, Inc. and

	<p>Michael F. Linos pursuant to which Workplace Systems, Inc. sold its entire interest in the share capital of Ease, Inc. (comprising 2,723 shares) to Michael F. Linos for US\$300,000; and</p> <ul style="list-style-type: none"> on 7 September 2011 Wasp completed the sale of the freehold property known as 4 The Quadrangle, Banbury Road, Woodstock OX20 1LH for £248,000.
7.1(d)	<p>Each of the following have received improved employment packages since the Accounts Date</p> <ul style="list-style-type: none"> Nigel Garrett – new commission arrangement James Freshwater – new commission arrangement and package to be revised in February 2012 on return to the UK Aaron Ng – an increase to AUS\$ 140,000 <p>Agreements have been reached with certain directors for changes to their emoluments should Completion take place. They are for B Quinn, P Wright, A Davis and A Knight. The Warrantor does not have details of these changes.</p> <p>I Lenagan is to enter into a severance agreement and a Consultancy Agreement.</p>
7.1(e)	<p>Since the Accounts Date the Company has written off a £110,000 debt due to the Group from Next plc as set out in the Management Accounts.</p> <p>It is possible that Iceland may attempt to get out of paying the last £20,000 due in the £80,000 agreed to be charged. This is negotiation in the normal course of business.</p>
9.1	<p>The following have 12 months notice: Ian Lenagan, Barney Quinn, Paul Wright, Alex Davis, Ian Mills, Nigel Garrett, John Herring. Kim Black has a guaranteed termination payment equivalent to 12 months notice (£42,000) to reflect 19 years service.</p>
9.3	<p>Lenagan, Quinn, Wright, Davis, Knight – each have a base salary exceeding £100,000.</p>
9.7	<p>The Group Companies also contribute to the following pension schemes:</p> <ul style="list-style-type: none"> in the USA, the US401K Plan; and in Australian, the State Superannuation Plan. <p>The Group also provides the following benefits:</p> <ul style="list-style-type: none"> life assurance; critical illness cover;

	<ul style="list-style-type: none"> • BUPA health insurance for all employees and directors (and in some cases family members); • membership of the Institute of Directors; • car allowances or car costs (including private mileage for Lenagan); • Christmas party allowance; • tickets to Milton Keynes theatre; • breakdown recovery cover; • professional subscriptions; • telephone/internet at home for directors.
11.1	<p>Paul Wright and Barney Quinn both confirm to the Warrantor that there are no legal proceedings nor are they or the Warrantor aware of any pending or threatened proceedings or acts, omissions or other occurrences which might give rise to such proceedings other than the form of threatening language used by Metro regularly (and believed to be a negotiating ploy) in respect of SLA's outside levels, system performance, delivery problems and threats that they will go out to tender sometime. They have been doing this for years but are forward committed anyway until at least December 2012 as are Real who would like to get away from the Metro WorkPlace contract mainly because of their dissatisfaction with MSI, the Metro HQ Systems Group.</p>
14.	<p>Listed below are all the material contracts of the Group above the threshold of £100,000pa using as reference point the Top Customer List produced by Liz Dobbie at the request of Paul Wright which shows for the 8 months period since the Accounts Date the sales without VAT year to date. Full details and disclosure are provided on all those over £100,000 already plus those above £66,666 who arithmetically might be thought to reach £100,000 in the year and others who are below the threshold of £66,666 but who could be expected to reach £100,000 in the year.</p> <p>The full contracts are not included in the Disclosure Documents but will be provided if you wish to review them.</p> <p>In addition it is understood that Walmart, Rite Aid and all significant pilots have been disclosed by the Managers including Stockmann, Debenhams, BBC, Clicks, Coral, Maxima, Next, B&Q, Co-op, Metro and H&M. These are taken as disclosed but some further disclosure detail is added for completeness.</p> <p>There are no Australian customers near the £100,000 threshold but Barney Quinn's comments on Ritchies, Wilsons and Sigma have been disclosed here.</p> <p>Any problems highlighted are normally handled in the normal course of business.</p>

	<p>All customers of the older non OnLine products, pay Annual Use/Licence Agreement fees generally annually in advance to continue to be licensed to use the software plus, in some cases, hardware maintenance for clocks. Each year, they have a notice period in advance (generally 3 months) to give notice of termination of intended use of the software. The contracts are generally index linked. Approximately 10%-15% give notice of termination each year but sometimes higher; sometimes lower.</p> <p>OnLine contracts are generally year-on-year rental (sometimes for a fixed number of years) and the customer can give notice of termination each year (unless agreed for a longer period). Historically, customers have stayed with Workforce Management systems for many years but notice can be given and care has to be taken to service the customer well.</p> <p>The uncertain economic climate can result in insolvency (eg Focus DIY) or financial difficulties (eg: NewLook) which can make for forward uncertainty. Reorganisation, capital freezes, takeovers, staff changes can affect projects before, during and after pilots and rollouts.</p> <ol style="list-style-type: none"> 1. Gala Coral: £613k. Rollout of OnLine has completed 2. Metro: £363k. Scheduling goes very well. T&A is more difficult with the different rules and requirements in different countries causing difficulties. They are committed to at least December 2012 having been a major customer and reference site for many years but are "high maintenance" requiring careful handling and servicing. A consistently difficult but lucrative customer who often threatens to go out to tender and doesn't. Their other division, Real, appears determined to move to a different system than Metro because of their problems with Metro MGI. Could terminate but contracted until December 2012. 3. H&M: £315k. Major customer looking to further significant rollout beyond current 5 countries. 4. Siemens (now replaced by Atos): £279k Opportunity for upgrades, modifications and more licences. 5. NXG: £224k. Lost its Rail Franchise from Feb 2012 to the same competitor who owns Merseyrail, another new Workplace customer (Abelio/Serco). It is likely, but not certain, that Workplace would keep the business from the new franchise holder. The Strategic Rail Authority has the right to step in and forbid usage of a particular computer system by a new franchisee but this is felt unlikely. 6. Rank: £223k. Rank has been a customer for 10+ years and recently was the first StaffPlanner customer to upgrade to OnLine. Mecca Bingo has rolled out; Grosvenor Casinos continue with StaffPlanner T&A. 7. BAe Systems (outsourced to Capita and CSC); £217k plus hardware maintenance. 15 years with WorkPlace but Outsourcers always try to create change or reductions. £180k lost recently at Barrow – moving

	<p>to SAP. £138k threatened at Scotsfoun next year – moving to Crown. 3 year deal running with Selex at £70k per year.</p> <p>8. McDonalds: £181k. Supply of clocks only. Rolled out with occasional additional clock orders.</p> <p>9. Argos/Home Retail: £158k. Mature StaffPlanner customer on regular maintenance. T&A good; scheduling little used. Opportunity to upgrade to OnLine but could lose to competitor.</p> <p>10. EWS: £139k. Mature customer with almost no contact. Pay their AULM yearly and threatened termination 18 months ago but renewed in July. May or may not be using the software.</p> <p>11. Next plc: £112k. Mature stores system. Failure to retain Distribution Centre business. Will review method of use in stores next year – opportunity and threat.</p> <p>12. Menzies Air Services: £258k. Rolled out to many countries. Successful.</p> <p>13. Britvic: £91k. New OnLine rollout.</p> <p>14. Danish Radio: £90k. Mature user. Asked recently about upgrading. Demo wanted.</p>
	<p>15. Astrium/Smiths: £86. Mature user. Will eventually terminate since group standardising on Kronos.</p> <p>16. Iceland: £84k. Pilot system. Efficient operator and may be difficult to prove business case. Takeover rumours. Attempting to avoid paying last £20k of pilot.</p> <p>17. GE Aviation: £74k. Mature user. Heard of no problems.</p> <p>18. South West Water: £70k. Mature user. Happy. Intending to upgrade next year.</p> <p>19. B&Q: £68k. Labour Standards customer.</p> <p>20. Liptons: £67k. Said to be potential to increase scope after restructuring.</p> <p>21. Eurostar £66k. Mature customer. Vulnerable to French system. Customers currently below £100k pa</p> <p>22. World Duty Free: £61k. Deployed. Savings made. Introductions elsewhere.</p> <p>23. Clicks SA: £61k. Pilot about to go live in pilot Pharmacies. Asked to extend to 5 full stores.</p>

	<p>24. Maxima: £58k.</p> <p>25. Tetley: £53k. Just deployed worldwide including Indian tea blending sites.</p> <p>26. Banoco: £50k. mature customer. Affected by Arab Spring problems. Uncertain.</p> <p>27. NewLook: £50k. Competitive pilot. Could win or lose rollout or do nothing.</p> <p>28. Debenhams: £47k. Pilot.</p> <p>29. KAC: £43k. Mature customer 15 years. Difficult to have any real idea what will happen in future.</p> <p>30. Astrium/Satellites: £40k. Mature customer. Recent upgrade.</p> <p>In Australia, there are no £100k pa customers.</p> <p>Ritchies, Wilsons Security and Sigma are all in process of implementation and Barney Quinn confirms these are progressing with only the usual problems, with the first two, of complaints about modifications delivery and faults.</p> <p>In addition to possible Contracts above £100,000 from already disclosed customers above and disclosed pilots, CVS, Unified and Mens Warehouse in the US, 4 Train Operating Companies in the UK, Maxima and Kesco Finland contracts plus the Sigma franchisees in Australia could result in such material contracts.</p>
14.1.1	<p>See above for customers.</p> <p>Suppliers include Navisite, ATS clocks, Microsoft, Oracle, MK lease, Tiscali.</p>
14.2	<p>Vets Now are reported not to have paid a £20,000 invoice but are still ordering services.</p>
14.4/14.5	<p>See disclosure at 14.1. Around 15% of Contracts, including indexation, are terminated on notice each year but this can be more or less in specific years.</p>
14.5	<p>As part of any usual trading year customers who have maintenance agreements with the Group terminate such agreements by giving the appropriate notice or such agreements are not renewed. On average in any year agreements terminated by notice or which are not renewed account for approximately 15% of the annual revenue of the Group from maintenance agreements. The Group aims to replace such agreements with new agreements with existing and/or new customers with the aim to increase the annual maintenance revenue.</p>
14.10	<p>R&D Tax Credits can be challenged for up to 3 years by HMRC.</p>
14.11	<p>Restrictions exist in law around hosted/cloud/SaaS systems. An example is</p>

	<p>the Data Protection Act which disallows outside the EU the running of systems containing UK staff data. The US Medical insurance Boards preclude pharmacy systems to be run from outside the US. There will be other such restrictions also.</p> <p>The US precludes worldwide software vendors such as Microsoft and Oracle from allowing their software to be used in certain countries – North Korea, Iran...etc. WorkPlace software may hence be restricted. There are location constraints in Eastern Europe for where data can be hosted.</p>
14.12	<p>No Group Company had any written policies relating to bribery and/or corruption before the Bribery Act 2010 came into force.</p> <p>WorkPlace has a Bribery Act policy in place which is in the Dataroom and which was formalised at the time of the Act. Neither Paul Wright nor Barney Quinn are aware of any such issue before that time.</p>
15.1	<p>Ian Lenagan has a director's loan account outstanding of approximately £28,000 owed to the company plus some expenses outstanding to him. This net amount will be cleared by him personally at Completion.</p>
15.2	<p>The Group has an overdraft facility with HSBC plus a Foreign Exchange trading facility.</p> <p>The following documents are contained within the Wasp Datasite:</p> <ul style="list-style-type: none"> • HSBC Bank plc overdraft facility letter – Wasp Datasite document number Legal Due Diligence / 8.1.1; • HSBC Bank plc foreign bills / cheques for negotiation facility letter – Wasp Datasite document number Legal Due Diligence / 8.1.2; • HSBC Bank plc window forward extra confirmation – Wasp Datasite document number Legal Due Diligence / 8.2.1; <p>The Company has an account with HSBC Bank plc, Home and Eastern Counties Corporate Centre, Level 6, Metropolitan House, CBX 3, 321 Avebury Boulevard, Milton Keynes MK9 2GA:</p> <p>The Company has granted a debenture in favour of HSBC Bank plc. A copy of Form 395 and the Certificate of Registration is at document number 8.</p> <p>Wasp Australia owes A\$77,000 to Aaron Kwok Ming Ng, which is being repaid in monthly instalments of A\$4,000.</p> <p>Wasp Australia owes A\$79,000 to Roland Guy Hendel, which is being repaid in monthly instalments of A\$4,000.</p> <p>Thirsk Lease guarantee.</p>
15.3	<p>The Company is a guarantor under the Thirsk Lease. It is believed that the tenant under the Thirsk Lease is in financial difficulties. A copy of the Thirsk</p>

	Lease is contained within the Disclosure Bundle at document no 2.
16.1	<p>The Existing Subsidiaries referred to at 4.7.2 above require intergroup borrowings for trading purposes.</p> <p>On the basis of support received from Workplace Systems International plc, no Group company is treated as insolvent but could be without this support.</p>
17.1	Some members of the support team are based from their home.
17.2	See disclosure 15.3 above.
17.3	<p>The Company does not have exclusive possession of the:</p> <ul style="list-style-type: none"> • Chicago property; and • Milton Keynes property, <p>(each property being referred to in clause 17.1 of this Deed).</p> <p>Reading, Rossendale, Chicago and Sydney offices are multi-tenant.</p>
19.3	<p>The Group owns the Intellectual Property Rights (IPR) in all of its developed modules unless specifically indicated otherwise below. Paul Wright has confirmed that all contracts including WorkPlace OnLine contracts signed in the last 3 years have all IPR owned by the Group.</p> <p>1. StaffPlanner Modules</p> <ul style="list-style-type: none"> ▪ Forecasting ▪ Scheduling ▪ T&A ▪ Budgeting ▪ Management Information Reporting (MI) ▪ Standard Interfaces ▪ Some customised interfaces <p>The above products make use of open-source routines and controls available widely as standard in a range of programming environments including but not limited to Java, JQuery, PHP...etc</p> <p>In some other contracts entered into more than 3 years ago and where specifically developed and paid for by customers, the IPR in non-standard interfaces belongs to the customer.</p> <p>For major customers such as Metro, special interfaces/routines such as SAP interfaces, Language Translation, Consolidated Reporting have</p>

	<p>specific versions which the customer may claim to own the IPR to but the core/basic capabilities in these interfaces/routines belong to the Group separated from the Metro-specific elements.</p> <p>The same applies to the specialist elements developed by the Group and paid for by the customer with a number of other major companies including H&M, Rank, Argos above the £100k pa level (based upon 8 months cumulative since the Accounts Date) and Maxima, Woolworths SA, Stockmann, Hema in the level £50k-£100k pa prorata but who may reach £100k pa in the next 4 months.</p> <p>2. StaffTracker/WorkTracker Modules</p> <ul style="list-style-type: none"> ▪ T&A ▪ Work Tracking/Job Booking and Tracking ▪ Resource Planning ▪ Employee Kiosk ▪ Field Force Planner ▪ Access Control/Epow ▪ Standard Interfaces such as to Payroll
	<ul style="list-style-type: none"> ▪ Some customised interfaces <p>The above also use Microsoft Reporting Services, Crystal Reports, Oracle reporting tools and other Licensed In software for reporting, dashboards and other purposes.</p> <p>In some other cases contracts entered into more than 3 years ago and where specifically developed and paid for by customers, the IPR in non-standard interfaces belongs to the customer.</p> <p>The above products make use of open-source routines and controls available widely as standard in a range of programming environments including but not limited to Java, JQuery, PHP...etc.</p> <p>For major customers such as BBC, special interfaces and/or customised routines have specific versions which they may claim to own the IPR to but the core/basic capabilities in these interfaces/routines belong to a Group Company separated from the customer-specific elements.</p> <p>The same applies to specialist elements developed by a Group Company and paid for by the customer with a number of customer including NXG, EWS, Menzies, Danish Radio, Astrium, GE Aviation, South West Water above the £100k pa level (based upon 8 months cumulative since the Accounts Date) and Eurostar, World Duty Free, Bahrain Petroleum Company, KAC, Merseyrail in the level £50k-£100k pa prorata but who may reach £100k pa in the next 4 months.</p>

	<p>3. WorkPlace OnLine Modules</p> <ul style="list-style-type: none"> ▪ Historical Forecasting ▪ AutoScheduling ▪ Schedule Management ▪ T&A ▪ Standard Interfaces Out (HTML) ▪ Standard Interfaces In (HTML and CSV) ▪ Standard Interfaces between Modules ▪ Shift Bidding (in development) ▪ Computer Assisted Scheduling (in design and development) ▪ Budgeting (in design and development) <p>The above products make use of open-source routines and controls available widely as standard in a range of programming environments including but not limited to Java, JQuery, PHP...etc.</p>
	<p>They also use Microsoft Reporting Services, Crystal Reports and other Licensed In software for reporting, dashboards and other purposes.</p> <p>It is possible that there are customers in Australia using OnLine which have elements of modifications and interfaces where the IPR belongs to the customer but this has no effect on the ownership by WorkPlace of the core IPR in the products. None of the Australian customers are in the classification £100,000 pa.</p> <p>4. Old WorkPlace Modules but Still in Use</p> <ul style="list-style-type: none"> ▪ APS (Advanced Planning and Scheduling) ▪ Aviator ▪ ShiftPlanner <p>The above products contain standard bought-in controls (such as spreadsheet controls) which were bought in and used within the products as allowed.</p> <p>These are smaller non-core products which still are sold occasionally – two customers approaching the £100,000 pa level are Tetley and Lipton with APS. The core algorithm has been Licensed In since 1998 (originally from Dash) and is called Express Optimisation.</p>
19.2/19.4	<p>There are significant development and/or run-time Licences In including Microsoft, Oracle, Microfocus and Crystal Reports and significant open-</p>

	<p>source products including PHP, Apache, J-Query, MySQL. Dash's Express Optimisation algorithm is licensed for use in the old APS product.</p>
19.4	<p>For the major WorkPlace product set, WorkPlace OnLine, the development language PHP plus J-Query and the database MySQL are both open-source meaning the company has sufficient material licences together with the licence/rental agreement with Navisite to provide the hosted service. Large increases in user customers will mean increases in costs.</p> <p>For the other product sets, Oracle, Microsoft and Microfocus run-time licences are needed for each customer. Development licences have been in tune with the number of developers. The absence of these has not been a business constraint in the past 12 months.</p> <p>Microsoft, Oracle and Microfocus have the right to audit or force self-audit of usage of their software elements by WorkPlace. Such audits sometimes identify errors in Licences in use which are then rectified since the WorkPlace policy, as a software licensor itself, is to be fully licensed. Equally, WorkPlace audits of customers' licences can result in increases.</p> <p>An Oracle audit is scheduled in December 2011 and annual review of WorkPlace's status with Microsoft as a Gold partner will occur in the next few months which may result in changes in status and consequent change in commercial licensing and prices. Microfocus audit/review less often and WorkPlace are in a strong position with them whereas Oracle and Microsoft are dominant and can change structures, prices and negotiating position on errors in licensing almost at will.</p> <p>There is the possibility that as the Group does not sell more than £100,000 of Microsoft Licences it will lose its Gold Partner status. This could mean £100,000 of cost for licences which are currently not paid for under Gold Partner status.</p> <p>Business systems run internally by the Group include Sage for accounting and Tiscali for internet, email, shared services, Office and related services. Whilst speeds could be better, these services are sufficient for business operational purposes. Similarly, systems are sufficient in Australia and US with around 30 staff in total.</p>
19.5	<p>There are two long-term contractors – Jeremy Bradshaw and Rufus Mayfield – who have each been with Workplace for at least 13 years but do not currently have a consultancy agreement which reserves IPR to Workplace. This is being rectified, I understand.</p>
19.6	<p>Customers are required to sign a Master Licence or Master Services Agreement, sometimes with a Statement of Work also in the case of pilots or phases of a material contract. Paul Wright confirms that other than Britvic – which is being rectified currently and has terms already agreed in writing – a Master Licence or Master Service Agreement has been signed in all cases for at least the last 3 years covering all OnLine contracts and pilots.</p> <p>A signed NDA is obtained in the normal course of business in other cases involving any material Know-How exposure such as but not limited to customers, consultants, companies or individuals wishing to peruse the software or designs before committing to licences, distributorships, sales</p>

	<p>arrangements...etc.</p> <p>Any approaches from other companies outside the normal course of business are always dealt with under a signed NDA.</p> <p>It is possible that some small pilots or services may escape this process by staff not following the defined process but any material contracts are policed by the finance director for agreement compliance.</p> <p>The vast majority of older pre-OnLine contracts have signed Agreements for all material contracts.</p> <p>These defined processes apply to US and UK contracts fully and to larger Australian contracts.</p> <p>It is possible that the same rigour may not be applied in Australia with smaller customers.</p>
19.8	<p>The Group's business is dependent on facilities and services provided to the Group by:</p> <ul style="list-style-type: none"> • NaviSite Europe Limited in London, Woking, California and Massachusetts; and • Global Switch in Australia,
	<p>in each case in respect of the IT Systems.</p>
19.10	<p>There maybe a shortfall in Oracle licences and a possible reclassification as a Microsoft Partner which might have some financial effect. See above</p>
19.11	<p>Systems such as the Navisite, Tiscali and GlobalNet services are rented/licensed to WorkPlace but not under WorkPlace's control in the normal use of that word.</p>
19.13	<p>The main website for WorkPlace was produced by OBS with IPR and copyright vested to WorkPlace.</p>
19.14	<p>The material IT Systems for hosting customers is at Navisite and subject to SAS70 audit which requires at least such reasonable procedures to be in place.</p>
20.1	<p>The Ease sale and the sale of the Woodstock property are not in the normal course of business.</p>
20.6	<p>None of the Group Companies incorporated outside of the UK are registered for UK VAT and are not taxable persons for the purposes of such legislation as referred to in clause 20.6.</p>

SCHEDULE 4

DISCLOSURE BUNDLE INDEX

1. Unaudited consolidated management accounts in respect of Wasp and the Existing Subsidiaries as at 31 October 2011 and in respect of the 7 month period then ended.
2. Lease of land and buildings situate at Thirsk Industrial Park, Thirsk dated 22 June 2001 between (1) Woodpark Securities Limited, (2) Teleware plc and (3) Telework Systems plc.
3. Articles of Association of Wasp.
4. Memorandum of Association and Articles of Association of Workplace Systems plc.
5. Memorandum of Association and Articles of Association of Workplace Group Limited.
6. Memorandum of Association and Articles of Association of Workplace Software Limited
7. Articles of WorkBuddy Solutions Pty Limited.
8. Form 395 filed with Companies House and certificate of registration of a mortgage or charge in respect of the debenture dated 16 February 2007 granted by Wasp in favour of HSBC Bank plc.
9. The Severance Agreement
10. The Consultancy Agreement

Executed as a deed by)
WASP MANAGEMENT SERVICES)
LIMITED)
on being signed by:)
in the presence of:) Director

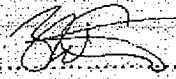
Signature of witness:

Name:

Address:

Occupation:

Signed as a deed by)
IAN LENAGAN)
in the presence of:) 

Name of witness: 

Signature: BRANDON RANSELY

Address: ONE FLEET PLACE
LONDON EC4M 7WS

Occupation: PARTNER