

1320869

DATE

3 May

2001

A14-5

**CORDIANT COMMUNICATIONS GROUP PLC**

**A MINORITY SHAREHOLDER OF BULLETIN  
INTERNATIONAL LIMITED**

If you have any concerns about this share purchase  
agreement, please ensure you take independent  
legal advice before signing.

**MINORITY SHARE PURCHASE AGREEMENT**

relating to the acquisition of Bulletin International Limited

WE HEREBY CERTIFY THAT THIS IS  
A TRUE AND EXACT COPY OF THE ORIGINAL

MACFARLANES  
10 NORWICH STREET  
LONDON EC4A 1BD



EDX  
COMPANIES HOUSE

\*EPF0600C\*

0867

2519103

## CONTENTS

Clause		Page
1	Definitions, interpretation and third party rights	1
2	Sale and purchase	6
3	Consideration	6
4	Completion	11
5	Earnout	12
6	Warranties	12
7	Restrictions on the Vendor	13
8	Release by the Vendor	16
9	Confidentiality	17
10	Assignment	17
11	General	18
12	Notices	19
13	Power of Attorney	20
14	Governing law and jurisdiction	21
 <b>Schedule</b>		
Part 1	The Vendor	
Part 2	Documents to be provided by the Vendor on Completion	
Part 3	Restricted Territory	

## MINORITY SHARE PURCHASE AGREEMENT

DATE

3 May

2001

### PARTIES

- 1 THE PERSON whose name and address is set out in Schedule 1 ("the Vendor");
- 2 **CORDIANT COMMUNICATIONS GROUP PLC** (registered in England and Wales under number 1320869) whose registered office is at 121-141 Westbourne Terrace, London, W2 6JR ("the Purchaser").

### INTRODUCTION

- A The Company is a private company limited by shares.
- B The Vendor has agreed to sell and the Purchaser has agreed to buy the Minority Shares specified in the Schedule on the terms and subject to the conditions of this Agreement.
- C Simultaneously with the execution and delivery of this Agreement, each of the other Minority Shareholders and the Purchaser are entering into their respective Minority Share Purchase Agreement in substantially the same form, pursuant to which the relevant Minority Shareholder has agreed to sell and the Purchaser has agreed to buy the Minority Shares held by such Minority Shareholder on the terms and subject to the conditions of each such Minority Share Purchase Agreement.
- D Simultaneously with the execution and delivery of this Agreement, the Majority Shareholders and the Purchaser are entering into the Majority Share Purchase Agreement, pursuant to which the Majority Shareholders have agreed to sell and the Purchaser has agreed to buy the Majority Shares on the terms and subject to the conditions of the Majority Share Purchase Agreement.

### AGREEMENT

#### 1 Definitions, interpretation and third party rights

- 1.1 The Schedule forms part of this Agreement and has the same force and effect as if set out in the body of this Agreement. Any reference to this Agreement includes the Schedule.

- 1.2 In this Agreement, the following words and expressions have the following meanings:-

**the Acquired Group:** the Company and the Subsidiaries (including, in relation to any period after Completion, any additional subsidiaries from time to time);

**the Agreed Form:** the form agreed between and signed for the purposes of identification by or on behalf of the Vendor and the Purchaser;

**the Business:** the business of the Company and the Subsidiaries carried on at the Completion Date, including each and any of the businesses of broadcast public

relations consultancy, media training and video production as carried on by the Acquired Group at Completion;

**Business Day:** any day other than a Saturday, Sunday or any other day which is a public holiday in England;

**CCG Shares:** Ordinary Shares of 50p each (or such other nominal amount as may result from any sub-division or consolidation of CCG Shares) in the capital of the Purchaser;

**the Company:** Bulletin International Limited (registered in England No. 2581681);

**the Companies Acts:** the Companies Act 1985, the Companies Consolidation (Consequential Provisions) Act 1985, the Companies Act 1989 and Part V of the Criminal Justice Act 1993;

**Completion:** completion of the sale and purchase of Shares in accordance with this Agreement;

**the Completion Date:** the date of this Agreement;

**Confidential Information:** all information in relation to the Business, the Company and the Subsidiaries not in the public domain, which the Vendor shall have received or obtained at any time by reason of or in connection with his relationship with the Company or any of the Subsidiaries including: trade secrets; customer/client lists, contact details of clients, customers and suppliers and individuals within those organisations; technical information, know-how, research and development; financial projections, target details and accounts; fee levels, pricing policies, commissions and commission charges; budgets, forecasts, reports, interpretations, records and corporate and business plans; planned products and services; marketing and advertising plans, requirements and materials, marketing surveys and research reports and market share and pricing statistics; and computer software and passwords;

**Consideration:** any of the Initial Consideration or the Further Consideration as the context may require;

**Consideration Shares:** CCG Shares allotted or required to be allotted pursuant to this Agreement, each other Minority Share Purchase Agreement and the Majority Share Purchase Agreement as consideration for the sale of the Shares, duly authorised and validly issued, credited as fully paid up, and ranking pari passu in all respects with other CCG Shares in issue at their date of allotment, save that they shall not so rank for any dividend or other distribution declared, made or paid by reference to a record date prior to the date of allotment (and in the case of a conditional allotment the date of allotment shall be the date such allotment becomes unconditional or, where applicable pursuant to Clause 3.4.4, Substitute Shares);

**Deferred Amount:** the outstanding amount payable to the Vendor pursuant to Clause 3.2.3 and any outstanding portion of any Earnout Payment which has been finally determined, payment of which is deferred pursuant to Clause 3.4.1.1(ii);

**Earnout Payment Amount:** each and any of P2, P3 and P4, as applicable;

**Earnout Period:** the period commencing on the Completion Date and ending on 31 December 2003;

**EBITDA:** when designated by reference to any month of 2001, EBITDA (earnings before interest, taxation, depreciation and amortisation) of the Acquired Group for the Financial Period ending on the last day of that month of that year, and when designated by reference to 2002 or 2003, EBITDA for the Financial Period ending on 31 December of that year, in each case determined in accordance with the terms of the Majority Share Purchase Agreement;

**Financial Period:** the seven month period ending 31 December 2001 and each and any of the 12 month periods ending 31 May 2001 and 31 December 2002 and 2003, as applicable;

**Further Consideration:** the aggregate of the Consideration Shares and/or Loan Notes issuable to the Minority Shareholders pursuant to Clauses 3.3 and 3.4 of this Agreement and the corresponding provisions of the other Minority Share Purchase Agreements and to the Majority Shareholders pursuant to the corresponding provisions of the Majority Share Purchase Agreement and/or any portion thereof or individual entitlement thereto, as the context may require;

**Group Company:** in relation to any company, any body corporate which is from time to time a holding company of that company, a subsidiary of that company or a subsidiary of a holding company of that company;

**the Initial Cash Consideration:** the initial cash payment specified in Clause 3.2;

**the Initial Consideration:** the initial consideration specified in Clause 3.2;

**the Initial Consideration Shares:** the number of Consideration Shares specified in Clause 3.2;

**LIBOR:** in relation to Clause 11.9, in respect of the period from and including the date upon which a payment is due (the "Payment Date") until the date on which the Consideration Shares are issued, the offered rate quoted in the London Inter-Bank Market on the Payment Date for sterling deposits of an amount comparable to the amount due on the Payment Date for a period of three months, as reported in the *Financial Times* or derived from such other source as the Purchaser may reasonably determine; provided that if at any time LIBOR cannot be ascertained, a substitute rate of interest as reasonably determined by the Purchaser shall apply;

**Listed:** admitted to listing by the United Kingdom Listing Authority and admitted to trading by the London Stock Exchange;

**Loan Notes:** unsecured, unsubordinated floating rate loan notes of the Purchaser constituted by an instrument in the form provided under the Majority Share Purchase Agreement;

**London Stock Exchange:** London Stock Exchange plc;

**the Majority Shareholders' Solicitors:** Osborne Clarke OWA of Hillgate House, 26 Old Bailey, London, EC4M 7HW;

**the Majority Share Purchase Agreement:** the agreement dated the same date as this Agreement, referred to in paragraph D of the Introduction;

**the Majority Shares:** the shares sold by the Majority Shareholders pursuant to the Majority Share Purchase Agreement, being all the Ordinary Shares of 0.0005p each in the capital of the Company;

**the Majority Shareholders:** Anthony Hayward, Shoba Purushothaman and Frederick Hayward;

**the Minority Shares:** all of the issued A Ordinary Shares of 0.0005p each in the capital of the Company;

**Minority Shareholders:** each and any of the Vendor and the other holders of Minority Shares;

**Minority Share Purchase Agreement:** this Agreement and each and every agreement, dated the same date as this Agreement, referred to in paragraph C of the Introduction;

**P1:** the amount specified as such in Clause 3.2;

**P2, P3 and P4:** the amounts defined by and determined as provided in the relevant sub-clauses of Clause 3.3;

**the Parties:** the parties to this Agreement;

**Payment Amount:** each of P1 and the Earnout Payment Amounts, as appropriate;

**Publicly Traded:** Listed, or listed or admitted to listing in or trading on any recognised investment exchange (as defined by the Financial Services Act 1986 of the UK) located in the United States of America or France;

**Purchaser's Solicitors:** Macfarlanes of 10 Norwich Street, London EC4A 1BD;

**Reference Share Price:** in respect of any allotment of Consideration Shares, an amount in UK pounds sterling equal to the average of the closing middle market prices for one CCG Share, derived from the Official List, for the 5 Business Days ending on the fifth Business Day prior to the date of allotment of such Consideration Shares, provided always that the Reference Share Price shall not in any event be less than 50p (adjusted for any subdivision or combination of CCG Shares) or, in the case of Substitute Shares where Clause 3.4.4 applies, the average of the nearest equivalent prices on the relevant exchange (or the principal recognised investment exchange, if more than one), for the same period;

**Restricted Shares:** the meaning set out in Clause 3.4.2;

**the Restricted Territory:** in relation to the Vendor, the restricted territory specified in Part 3 of the Schedule, subject always to Clause 7.4;

**Service Agreement:** the terms of employment agreed in writing between the Vendor and the Company or any of its Group Companies, including any amendment thereto or replacement thereof so agreed in writing;

**the Shares:** all of the Minority Shares and the Majority Shares (and "Share" shall mean any of the Shares);

**the Subsidiaries:** the subsidiaries of the Company, details of which are set out in Schedule 3 of the Majority Share Purchase Agreement;

**Substitute Shares:** following an Event (as defined in Clause 3.4.4) ordinary shares (or equivalent) of the ultimate holding company of the Purchaser of a class which are Publicly Traded;

**a third party:** any person other than the Parties and any member of the Acquired Group; and

**Vendor's Proportion:** the proportion specified against the name of the Vendor in Column 3 of Part 1 of the Schedule.

- 1.3 In this Agreement (unless the context requires otherwise):-
  - 1.3.1 words and expressions which are defined in the Companies Acts have the same meanings as are given to them in the Companies Acts;
  - 1.3.2 any question as to whether a person is connected with any other person shall be determined in accordance with the provisions of section 839 Taxes Act 1988;
  - 1.3.3 any reference to a statute, statutory provision or subordinate legislation ("legislation") shall (except where the context requires otherwise) be construed as referring to such legislation as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without modification) any such legislation, provided that, as between the Parties no such amendment or modification shall apply for the purposes of this Agreement to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely effect the rights of, any Party;
  - 1.3.4 any gender includes a reference to the other genders;
  - 1.3.5 the singular includes a reference to the plural and vice versa;
  - 1.3.6 any reference to the Introduction, a Clause or Schedule is to the Introduction, a Clause or Schedule (as the case may be) of or to this Agreement;
  - 1.3.7 "directly or indirectly" means (without limitation) either alone or jointly with any other person, firm or body corporate and whether on his own account or in partnership with another or others or as the holder of any interest in or as officer, employee or agent of or consultant to any other person, firm or body corporate;

- 1.3.8 any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- 1.3.9 any reference to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include what most nearly approximates in that jurisdiction to the English legal term.
- 1.4 The index and Clause headings in this Agreement are included for convenience only and do not affect the interpretation of this Agreement.
- 1.5 The Parties agree that, subject always to and save as expressly provided in the provisions of this Clause 1.5, Clause 7 (restrictive covenants for the benefit of Group Companies of the Purchaser), Clause 8 (release by Vendor for the benefit of third parties):-
- 1.5.1 no term of this Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a third party; and
- 1.5.2 notwithstanding that any term of this Agreement may be or become enforceable by a third party, the terms of this Agreement or any of them may be varied, amended or modified or this Agreement may be suspended, cancelled, rescinded or terminated by agreement in writing between the Parties without the consent of any such third party.

## **2 Sale and purchase**

- 2.1 The Vendor shall sell with full title guarantee free from all liens, charges, encumbrances and any other third party rights and the Purchaser shall purchase the Minority Shares set opposite his name in Part 1 of Schedule 1 with effect from and including the Completion Date to the intent that as from that date all rights and advantages accruing to such Shares, including any dividends or distributions declared or paid on such Shares after that date, shall belong to the Purchaser.
- 2.2 The Purchaser shall not be obliged to complete the purchase of any of the Shares unless the sale of all of the Shares is completed simultaneously.

## **3 Consideration**

### **3.1 Aggregate Consideration**

The aggregate consideration for the Minority Shares sold by the Vendor hereunder shall consist of the Initial Consideration and the Vendor's share of the Further Consideration (if any), subject to adjustment as provided by Clause 3.6.

### **3.2 Initial Consideration**

The Initial Consideration for the Minority Shares sold by the Vendor hereunder shall be an amount equal to the Vendor's Proportion of £2,911,000 (being £3,000,000 (P1) minus £89,000 in respect of net indebtedness of the Acquired Group as at the Completion Date)) to be satisfied by:



- 3.2.1 a payment in cash on Completion of the Vendor's Proportion of £911,000;
- 3.2.2 the allotment and issue to the Vendor by the Purchaser on Completion of such number of Consideration Shares as is equal to 25 per cent. of the Vendor's Proportion of £2,000,000 divided by the Reference Share Price as at the Completion Date); and
- 3.2.3 the allotment and issue to the Vendor, within 10 Business Days after the final determination of P4 in accordance with Clauses 3.4.1 and 5.1, of such number of Consideration Shares as is equal to 75 per cent. of the Vendor's Proportion of £2,000,000 divided by the Reference Share Price at the date of allotment, subject always to Clause 3.6.

### 3.3 Further Consideration

Subject as provided by Clause 3.6, the Purchaser shall pay to the Vendor Further Consideration for the Minority Shares sold hereunder, to be calculated and satisfied as set out below in this Clause 3.3, Clauses 3.4, 3.5, 3.6, and 5.1. The aggregate Earnout Payment Amounts for determining the Further Consideration payable pursuant to all Minority Share Purchase Agreements and the Majority Share Purchase Agreement shall be calculated as provided by the following provisions of this Clause 3.3.

- 3.3.1 The second Payment Amount (P2) shall be an amount calculated according to the following formula:-

$$P2 = (M \times ((EBITDA \text{ May } 2001 + EBITDA \text{ December } 2001) \times \frac{12}{19})) - (P1 + B)$$

where:-

M = 5.5 if EBITDA December 2001 is less than 111.2% of EBITDA May 2001; or  
6.0 if EBITDA December 2001 is equal to or greater than 111.2%, of EBITDA May 2001.

B = the amount, if any, by which payments by the Acquired Group after Completion pursuant to or in connection with the software supply contract with ZenSar/BITS dated 1 September 2000 (excluding value added tax thereon) exceed £100,000.

- 3.3.2 The third Payment Amount (P3) shall be an amount calculated according to the following formula:-

$$P3 = (M \times ((EBITDA \text{ May } 2001 + EBITDA \text{ December } 2001 + EBITDA \text{ 2002}) \times \frac{12}{31})) - (P1 + P2 + B)$$

31

where:-

M = 5.5 if EBITDA 2002 is less than 133.5% of EBITDA May 2001; or  
6.0 if EBITDA 2002 is equal to or greater than 133.5% of EBITDA May 2001.

3.3.3 The final Payment Amount (P4) shall be an amount calculated according to the following formula:-

$$P4 = (M \times ((EBITDA \text{ May } 2001 + EBITDA \text{ December } 2001 + EBITDA \text{ 2002} + EBITDA \text{ 2003}) \times \frac{12}{43})) - TP$$

where:

M = 5.5 if EBITDA 2003 is less than 160.2% of EBITDA May 2001;  
6.0 if EBITDA 2003 is equal to or greater than 160.2%, of EBITDA May 2001; or  
6.5 if EBITDA 2003 is equal to or greater than 196.9% of EBITDA May 2001; and

TP = the sum of P1, P2, P3 and B

PROVIDED ALWAYS that:-

- (i) the sum of all Earnout Payment Amounts (before taking account of any adjustment pursuant to Clause 3.6 or the corresponding provisions of the other Minority Share Purchase Agreements and the Majority Share Purchase Agreement) shall not in any event exceed an amount equal to £5,500,000; and
- (ii) for the avoidance of doubt, if any Earnout Payment Amount is a negative number, no Further Consideration shall be due in respect of that Earnout Payment Amount but nor shall the Vendor be obliged to refund any Payment Amount previously paid to him.

### 3.4 Satisfaction of Further Consideration

3.4.1 Within 10 Business Days after the final determination of each Earnout Payment Amount in accordance with Clause 5.1, the Purchaser shall, subject as provided by Clause 3.6:

3.4.1.1 in respect of P2 and P3, allot and issue to the Vendor (or where Clause 3.4.4 applies, procure the issue to the Vendor of):

- (i) such number of Consideration Shares as is equal to one half of the Vendor's Proportion of the relevant Earnout Payment Amount, divided by the Reference Share Price applicable at the date of allotment, rounded down to the nearest whole number of Consideration Shares; and

- (ii) satisfy the remaining half of each such tranche of Further Consideration by the allotment to the Vendor within 10 Business Days after the final determination of P4 in accordance with Clauses 3.4.1.2 and 5.1, of such number of Consideration Shares as is equal to such balance calculated by reference to the Reference Share Price at the date of allotment, subject to Clause 3.6; and

3.4.1.2 in respect of P4, allot and issue to the Vendor (or where Clause 3.4.4 applies procure the issue to the Vendor of) such aggregate number of Consideration Shares as is equal to the Vendor's Proportion of the relevant Earnout Payment Amount divided by the Reference Share Price applicable at the date of allotment, rounded down to the nearest whole number of Consideration Shares,

**PROVIDED ALWAYS that:-**

the Purchaser may elect, by notice in writing to the Vendor not later than the date any Further Consideration or Deferred Amount falls due hereunder, to satisfy all or part of the Consideration due to the Vendor at that time in accordance with Clause 3.4.1 above by issuing Loan Notes having a principal amount equal to the relevant Payment Amount or portion thereof.

3.4.2 One half of the number of any Deferred Shares issued to the Vendor after the final determination of P4 pursuant to Clauses 3.2.3 and/or 3.4.1.1 in relation to P1, P2 and P3 together with one half of any Consideration Shares issued to him in respect of P4, shall be "Restricted Shares" for the period specified and on the terms set out in Clauses 7.6 and 7.7.

3.4.3 If, before payment in full has been made by the Purchaser under this Agreement, the Purchaser shall become a direct or indirect subsidiary of a body corporate whose ordinary shares (or equivalent) are Publicly Traded, whether pursuant to a general offer to holders of CCG Shares or a scheme of arrangement of the Purchaser under Part XIII of the Companies Act or in any other manner (an "Event"), the Purchaser shall be entitled to satisfy any balance of the Initial Consideration specified in Clause 3.2 and the Vendor's Proportion of any Further Consideration which falls due after the date of such Event by procuring that the Vendor shall receive Substitute Shares rather than CCG Shares and in that case the provisions of this Agreement shall be construed accordingly. If the Purchaser is unable to procure the delivery of Substitute Shares, and CCG Shares are no longer Publicly Traded following the Event, then any such Consideration shall be satisfied by the issue of Loan Notes. The provisions of this Clause 3.4.3 are subject to the City Code on Takeovers and Mergers of the United Kingdom and are without prejudice to the right of the Purchaser pursuant to Clause 3.4.1 to elect to satisfy all or any of such Consideration by the issue of Loan Notes. The date of an Event for purposes of this Clause 3.4.3 shall be the date the offer becomes or is declared unconditional in all respects or, as the case may be, the date the scheme of arrangement becomes effective.

3.4.4 The Purchaser shall use all reasonable endeavours to procure that the Initial Consideration Shares to be issued at Completion under Clause 3.2 shall be Listed

as soon as reasonably practicable after Completion. All Consideration Shares to be issued in respect of the balance of the Initial Consideration and any Further Consideration shall be Listed (or, in the case of Substitute Shares, Publicly Traded) at the time their allotment becomes unconditional. For the avoidance of doubt, if and to the extent that, at the date any Consideration falls due hereunder, the Purchaser is not lawfully able to issue or procure the issue of Consideration Shares, or is unable to provide Listed (or as the case may be Publicly Traded) Consideration Shares, in accordance with this Agreement, such Consideration shall be satisfied by the issue of Loan Notes.

- 3.4.5 The Purchaser warrants to the Vendor that the directors of the Purchaser are duly authorised pursuant to Section 80, Companies Act 1985 to allot and issue the Initial Consideration Shares to be issued at Completion and that all requirements to ensure the valid allotment and issue of any Consideration Shares issued hereunder will, prior to their allotment and issue, have been duly complied with.

3.5 **Apportionment of Further Consideration**

Any Consideration Shares or Loan Notes allotted pursuant to this Agreement after Completion shall (subject as provided by Clause 3.6) be allotted to the Vendor as may be without issuing fractional shares and fractional entitlements shall be rounded down to the nearest whole share as nearly.

3.6 **Termination of Employment in Certain Circumstances and Related Matters**

- 3.6.1 Notwithstanding any other provision of this Agreement, in the event that the Vendor ceases to be an employee of the Company, any subsidiary of the Company or any Group Company of the Purchaser (or would have so ceased but remains an employee for the purpose of receipt of permanent health benefits only) in the circumstances set out in Clause 3.6.2, the Deferred Amount which would otherwise be payable in accordance with Clauses 3.2.3 and 3.4.1.1(ii) and any Further Consideration which would otherwise be payable to the Vendor, shall be reduced as set out in Clause 3.6.2. Any part of such Consideration that would, but for the provisions of this Clause 3.6, have been due and payable to such person shall instead not be paid by the Purchaser. For the avoidance of doubt, any such Consideration shall still be treated as having been paid for the purposes of applying the maximum limits in Clause 3.3 and calculating any future Earnout Payment Amounts.

- 3.6.2 Where the Vendor has ceased to be an employee of the Company, any subsidiary of the Company or any Group Company of the Purchaser (or would have so ceased but remains an employee for the purpose of receipt of permanent health benefits only):-

3.6.2.1 in circumstances in which the Vendor is a "Bad Leaver" (as defined in Clause 3.6.3), no Deferred Amount or tranche of Further Consideration shall be due or paid to the Vendor after the date on which the Vendor ceases to be such an employee; and

3.6.2.2 as a result of his death or prolonged illness or incapacity entitling the employing company to terminate his Service Agreement, the Vendor shall be entitled to be paid all Deferred Amounts and the

next tranche of Further Consideration payable under this Agreement but shall not be entitled to any subsequent tranche(s) of Further Consideration otherwise payable under this Agreement;

- 3.6.3 For the avoidance of doubt, following termination of the Vendor's employment in any circumstances other than those in clause 3.6.2 the Vendor shall be entitled to all and any Consideration payable thereafter.
- 3.6.4 The Vendor will be a "Bad Leaver" if he ceases to be an employee of the Company or of any subsidiary of the Company or Group Company of the Purchaser in any of the following circumstances:-
- 3.6.4.1 if the Vendor either commits any serious breach of his or (after warning) repeats or continues any material breach of his obligations under his Service Agreement, or persistently fails or neglects to carry out his duties under his Service Agreement;
  - 3.6.4.2 if the Vendor is guilty of fraud or dishonesty;
  - 3.6.4.3 if the Vendor is convicted of any criminal offence other than a road traffic offence not punishable by imprisonment;
  - 3.6.4.4 if the Vendor becomes prohibited by law from being a director of any company; or
  - 3.6.4.5 if for any reason the Vendor (other than (a) at the request of the Purchaser or (b) as a result of prolonged illness or incapacity which prevents the Vendor from performing his duties or (c) in circumstances amounting to constructive dismissal for a reason other than one of those specified in this Clause 3.6.3, resigns as a director of the Company or gives notice to terminate his Service Agreement.

#### **4 Completion**

- 4.1 Completion shall take place on the Completion Date at the offices of the Purchaser's Solicitors or such other place as the Purchaser and the Majority Shareholders may agree, when:-
- 4.1.1 the Vendor shall deliver to the Purchaser, or procure the delivery to the Purchaser of the documents specified in Part 2 of the Schedule;
  - 4.1.2 the Purchaser shall:
    - 4.1.2.1 allot to the Vendor the Initial Consideration Shares to be issued to him at Completion pursuant to Clause 3.2 and shall procure that the name of the Vendor is entered in the register of members of the Purchaser and that a duly sealed certificate in respect of such shares is issued to the Vendor as soon as practicable thereafter; and

- 4.1.2.2 pay the Vendor's Initial Cash Consideration by telegraphic transfer to the account of the Majority Shareholders' solicitors at National Westminster Bank plc, 32 Corn Street, Bristol BS99, for the account of the Vendor;
- 4.1.3 the Purchaser shall complete the purchase of the Majority Shares from the Majority Shareholders in accordance with the Majority Share Purchase Agreement; and
- 4.1.4 the Purchaser shall complete the purchase of the Minority Shares from the Minority Shareholders other than the Vendor in accordance with the relevant Minority Share Purchase Agreement in respect of such Minority Shareholder.
- 4.2 The performance by the Minority Shareholders and the Majority Shareholders of their respective obligations under Clause 4.1 and the corresponding provisions of each Minority Share Purchase Agreement, and the Majority Share Purchase Agreement respectively, shall be a condition precedent to the performance by the Purchaser of its obligations under Clause 4.1 to the intent that, if the Minority Shareholders or the Majority Shareholders or any of them shall fail or shall be unable to perform any of their said obligations, the Purchaser shall at its option (and without prejudice to any other remedies or rights which it may have against the Minority Shareholders or the Majority Shareholders or any of them in respect of such non-performance) cease to be liable to perform its obligations under Clause 4.1.
- 4.3 The receipt of the Majority Shareholders' Solicitors shall be a complete discharge of the Purchaser for any amount payable pursuant to Clause 4.1.2.2 and the Purchaser shall not be responsible for the application thereof.

## **5 Earnout**

### **5.1 Determination of EBITDA and Earnout Payment Amounts**

The Vendor and the Purchaser agree that the computation of the amount of EBITDA for the Financial Period ending 31 May 2001 and each subsequent Financial Period and of the relevant Earnout Payment shall be the amount determined in accordance with the terms of the Majority Share Purchase Agreement.

- 5.2 The Vendor acknowledges and agrees that the Purchaser and Anthony Hayward are subject in the Majority Share Purchase Agreement to obligations and undertakings during the Earnout Period intended to protect the Earnout Payment Amounts and that such obligations and undertakings applicable to the Purchaser may be waived by the consent in writing of Anthony Hayward.

## **6 Warranties**

- 6.1 The Vendor warrants to the Purchaser that the statements set out in Clauses 6.1.1 to 6.1.3 below are true and accurate and not misleading as at the date of this Agreement:-

- 6.1.1 the Vendor has full power to enter into and perform this Agreement and this Agreement constitutes, and when executed will constitute, binding obligations of the Vendor in accordance with its terms;
- 6.1.2 neither the Vendor, nor any person connected with him has any interest, direct or indirect, in any business other than that now carried on by the Company which is or intended to become competitive with any of the Business.
- 6.1.3 The Minority Shares held by the Vendor are legally and beneficially owned by him, as set out in Schedule 1 to this Agreement, free from all liens, charges, equities, encumbrances or interests of any nature whatsoever, or any agreement, arrangement or obligation to create any of the same, in favour of any other person.
- 6.2 The Vendor warrants to the Purchaser that each of the warranties contained in Clause 6.1 is true and accurate and is not misleading at the date of this Agreement and that such warranties shall not in any respect be extinguished or affected by Completion.
- 6.3 The Purchaser acknowledges that the Purchaser has not entered into this Agreement in reliance on any warranty (other than the warranties contained in Clause 6.1) or representation made or given by the Vendor. The Vendor acknowledges that neither the Purchaser, the Company, any Subsidiary or any of their respective directors, employees or shareholders has made any representation or warranty to the Vendor in relation to or as an inducement to the Vendor to enter into this Agreement, save as expressly set out in this Agreement. Accordingly, save as expressly set out in this Agreement, neither the Vendor nor the Purchaser shall have any liability in respect of any representation or warranty made prior to the date of this Agreement unless it was made fraudulently.

## **7 Restrictions on the Vendor**

- 7.1 The provisions of this Clause 7 are made with the intention of assuring to the Purchaser and each of its Group Companies following Completion the full benefit and value of the goodwill and connections of the Company and the Subsidiaries and as a constituent part of the agreement for the sale of the Shares. Accordingly the Vendor agrees that the restrictions contained in this Clause 7 are reasonable and necessary for the protection of the legitimate interests of the Purchaser and that the restrictions do not work harshly on him.
- 7.2 The Vendor covenants with the Purchaser and each of its Group Companies following Completion that, save with the prior written consent of the Purchaser:-
- 7.2.1 for the period commencing on the date of this Agreement and ending on 30 June 2004, he will not in the Restricted Territory, in competition with the Company or any of the Subsidiaries, directly or indirectly:-
- 7.2.1.1 carry on; or
- 7.2.1.2 be employed or engaged by or be a director or consultant to; or
- 7.2.1.3 be in any way interested in or connected with

any business carried on within any part of the Restricted Territory which competes with the Business or any part thereof, provided always that this Clause shall not prevent the Vendor from being interested as a holder or beneficial owner solely for investment purposes of less than three per cent. of any securities of any company whose securities are listed or quoted on any recognised investment exchange in the United Kingdom or any equivalent exchange within the Restricted Territory;

7.2.2 for the period ending on 30 June 2004, he will not in the Restricted Territory, directly or indirectly:-

7.2.2.1 either:-

- (i) deal with; or
- (ii) be employed or engaged by; or
- (iii) engage in business with; or
- (iv) work on any account or business of

any person who was a client of the Company or any of the Subsidiaries during the 12 months ended on the Completion Date for the purpose of providing that client with services or goods which are the same as or similar to any services or goods which he was involved in providing to that client on behalf of any member of the Acquired Group at any time in the twelve months preceding the Completion Date;

7.2.2.2 solicit business from any person who was a client of the Company or any of the Subsidiaries during the 12 months ended on the Completion Date for the purpose of providing to that client services or goods which are the same as or similar to those which he has been involved in providing to that client on behalf of any member of the Acquired Group at any time in the twelve months preceding the Completion Date;

7.2.2.3 interfere with or seek to interfere with contractual or other trade relations between the Company or any of the Subsidiaries and any of its or their respective clients;

7.2.2.4 either:-

- (i) solicit the services of; or
- (ii) endeavour to entice away from the Company or any of the Subsidiaries; or
- (iii) knowingly assist in, or procure, the employment by any other person of

any officer, consultant or senior or managerial employee of the Company or any of the Subsidiaries known personally to him (whether or not such person would



commit any breach of his contract of employment or engagement by reason of leaving the service of such company);

- 7.2.3 he will not following the Completion Date, for so long as it is used or registered in the name of the Company or any of its Group Companies, use or apply to register on any public register any trade or business name used by the Company or any of the Subsidiaries during the period of two years preceding the Completion Date or during the Earnout Period (including in particular (but without limitation) the name or names "Bulletin" or "Business Communications International" or the initials "BCI" (whether alone or in conjunction with other initials and/or names)) or any name similar to any of those names or likely to be confused with them.
- 7.3 If any provision of this Clause 7 is found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modification(s) as may be necessary to make it valid.
- 7.4 The restrictions contained in the sub-clauses of Clause 7.1 and in the definition of Restricted Territory shall be construed as separate and individual restrictions and shall each be capable of being severed without prejudice to the other restrictions or to the remaining provisions of this Agreement. The Purchaser may, at any time by written notice to the Vendor, elect that any part of Clause 7.1 and/or 7.2, or of the definition of the Restricted Territory shall not apply to the Vendor (in which case any such election shall be irrevocable).
- 7.5 The restrictions contained in Clause 7.2 will cease to apply to the Vendor if his/her employment is actually (as opposed to constructively) terminated by the Company in breach of the terms of his Service Agreement.
- 7.6 Subject to Clause 7.6, the Vendor undertakes to the Purchaser that:-
- 7.6.1 for the period commencing on the date of allotment of the Restricted Shares and ending on the first anniversary of such allotment, the Vendor will not, without the prior written consent of the Purchaser, sell, transfer or otherwise dispose of (or of any interest in) or agree to sell, transfer or otherwise dispose of (or of any interest in) any Restricted Shares;
- 7.6.2 in respect of any Consideration Shares issued to him, he will (i) unless otherwise agreed by the Purchaser, not sell or transfer any such shares or any interest therein unless such sale or transfer is effected through UBS Warburg (or such other brokers for the time being as may reasonably be designated by the Purchaser) in order to preserve an orderly market in CCG Shares and (ii) comply with any applicable laws and with such procedures and (if he is and for so long as he remains such a director or employee) such policies as may generally be imposed by the Purchaser from time to time concerning dealings in its shares by directors and employees of its Group Companies.
- 7.7 The restrictions contained in Clause 7.6, other than sub-paragraph (ii) of Clause 7.6.2, shall not apply to or restrict:-
- 7.7.1 a transfer of Consideration Shares by way of gift to the Vendor's spouse or child or the trustees of a trust for the benefit of any such person(s);

- 7.7.2 a transfer of Consideration Shares to the personal representatives (or beneficiaries under the will) of the Vendor following the death of the Vendor;
- 7.7.3 an acceptance of an offer made for the equity share capital of the Purchaser in accordance with the City Code on Takeovers and Mergers if such offer either is recommended by the directors of the Purchaser or has become or been declared unconditional as to acceptances; or
- 7.7.4 any compromise or arrangement proposed by the Purchaser under Section 425 of the Companies Act 1985 of the United Kingdom providing for the acquisition by any person (or group of persons acting in concert (as such expression is defined in the City Code on Takeovers and Mergers)) of fifty per cent. or more of the issued equity share capital of the Purchaser.

PROVIDED ALWAYS THAT prior to any transfer of Restricted Shares pursuant to Clause 7.7.1 or 7.7.2 the transferor shall give notice to the Purchaser thereof and the transferee shall agree with the Purchaser to be bound by the restrictions of Clause 7.6 as regards any such Restricted Shares or interests therein to the same extent as the Vendor by execution and delivery of a deed of adherence in a form reasonably acceptable to the Purchaser. For the avoidance of doubt, the provisions of Clause 7.6 shall continue to apply following any Event to any Substitute Shares received by the Vendor in exchange for or in lieu of CCG Shares issued or issuable pursuant to this Agreement.

## **8 Release by the Vendor**

- 8.1 The Vendor confirms that as at Completion he has no claim (whether in respect of any breach of contract, compensation for loss of office or dividends, fees or other monies, other than remuneration and benefits for the current month payable under the terms of his Service Agreement, on any account whatsoever due to him) outstanding against the Company or any Subsidiary or against any of the shareholders, directors, officers, employees or agents of the Company or any Subsidiary and that save as expressly provided by this Agreement and the Agreed Form documents in respect of the Vendor (if any) referred to herein, no agreement or arrangement (including any contract of employment) is or will be outstanding under which the Company or any Subsidiary or any of such persons has or could have any obligation of any kind to him.
- 8.2 Notwithstanding the provisions of Clause 8.1, the Vendor acknowledges and agrees that any share options held by him under the Bulletin International Unapproved Share Option Plan ("the Scheme") in respect of shares in the capital of the Company have lapsed or shall lapse on Completion and that at Completion, the Vendor has no claim whatsoever outstanding against the Company, any of the Subsidiaries or the Purchaser, or any of their respective shareholders, directors, officers or employees, under or in respect of the Scheme or options granted thereunder.
- 8.3 To the extent that any such claim or obligation referred to in Clauses 8.1 and/or 8.2 exists or may exist, the Vendor irrevocably and unconditionally waives such claim or obligation and releases the Company and each Subsidiary and any such other persons from any liability whatsoever in respect of such claim or obligation.

8.4 The Company and the Subsidiaries may enforce the terms of Clauses 8.1, 8.2 and 8.3 in accordance with the Contracts (Rights of Third Parties) Act 1999, provided always that, as a condition thereto, they shall:-

8.4.1 obtain the prior written consent of the Purchaser; and

8.4.2 not be entitled to assign its rights under this Clause 8.

## 9 **Confidentiality**

9.1 Subject to the provisions of Clause 9.3, the Vendor shall not issue any press release or publish any circular to shareholders or any other public document or make any statement or disclosure to any person who is not a Party, a Minority Shareholder or a Majority Shareholder (including any document, statement or disclosure published, issued or made by the Vendor to any supplier to or client of the Company or any of the Subsidiaries) in each case relating to this Agreement or the matters contained in it, without obtaining the prior written approval of the Purchaser and Anthony Hayward to its contents and the manner and extent of its presentation and publication or disclosure (such approval not to be unreasonably withheld or delayed).

9.2 Subject to Clause 9.3, the Vendor undertakes to and agrees with the Purchaser that he will not at any time following the Completion Date disclose to any person, or otherwise make, use or permit the use of any Confidential Information, other than in the course of his employment for the proper purposes of the Company or any Subsidiary.

9.3 The provisions of Clauses 9.1 or 9.2 do not apply to:-

9.3.1 any disclosure or announcement relating to or connected with or arising out of this Agreement required to be made:-

9.3.1.1 by any court or governmental or administrative authority competent to require the same; or

9.3.1.2 by any applicable law or regulation; or

9.3.2 any document, statement or disclosure published, issued or made by the Company or the Subsidiaries after Completion to any client of the Company or of any of the Subsidiaries; or

9.3.3 any information which comes into the public domain other than as a result of a breach of this Agreement.

## 10 **Assignment**

10.1 Subject to this Clause 10, this Agreement shall be binding upon and enure for the benefit of the successors and assignees of the Parties including, in the case of individuals, their respective estates after their deaths and, subject to any succession or assignment permitted by this Agreement, any such successor or assignee of the Parties shall in its own right be able to enforce any term of this Agreement.

10.2 The Vendor, his successors and assignees shall not be entitled to assign their respective rights or obligations under this Agreement without the prior written consent of the Purchaser.

10.3 The Purchaser shall be entitled:-

10.3.1 to assign or transfer the benefit of all or any of its rights under, or rights of action for breaches of, this Agreement to a Group Company of the Purchaser to which the Minority Shares are transferred to the intent that such Group Company shall have the benefit of and be entitled to enforce directly the rights of the Purchaser under this Agreement, including the Warranties and the covenants contained in Clauses 6.1 and 7.1 respectively, provided that, for the avoidance of doubt, as between the Purchaser and the Vendor, no such assignment shall relieve the Purchaser of its obligations hereunder (provided that in the event that such a Transferee Group Company shall cease to be a Group Company of the Purchaser, such Group Company shall immediately cease to have the benefit of or be able to enforce the rights of transfer to it pursuant to this Clause, but without prejudice to the rights of any other Group Company to which such former Group Company may assign its rights hereunder);

10.3.2 to grant security over or assign by way of security all or any of its rights under this Agreement; and

10.3.3 to sell or transfer all or some of the Minority Shares after the end of the Earnout Period on terms the same as, or similar to (in whole or in part) those set out in this Agreement in reliance, inter alia, upon the covenants, indemnities, agreements and undertakings set out in this Agreement.

## 11 General

11.1.1 The Vendor shall do or procure to be done all such further acts and things and execute or procure the execution of all such other documents as the Purchaser may from time to time reasonably require from the Vendor for the purpose of giving the Purchaser the full benefit of the provisions of this Agreement.

11.1.2 The Purchaser shall, at the cost of the Purchaser, do or procure to be done all such further acts and things and execute or procure the execution of all such other documents as the Vendor may from time to time reasonably require for the purpose of giving the Vendor the full benefit of the provisions of this Agreement.

11.2 This Agreement together with documents referred to in it constitutes the entire agreement between, and understanding of, the Parties with respect to the subject matter of this Agreement and supersedes any prior written or oral agreement(s) or arrangement(s) between the Parties in relation thereto.

11.3 The Vendor waives any rights of pre-emption over any of the Shares conferred on him or held by him either by virtue of the Company's Articles of Association or by express agreement or otherwise.

11.4 Save as otherwise stated in this Agreement, each Party shall pay his or its own costs and expenses of and incidental to the negotiation, preparation, execution and

implementation by it of this Agreement, of each document referred to in it and the sale and purchase of the Minority Shares. For the avoidance of doubt, the Purchaser shall be responsible for payment of all stamp duties in respect of the transfer of Minority Shares pursuant to this Agreement.

- 11.5 This Agreement shall, as to any of its provisions remaining to be performed or capable of having or taking effect following Completion, remain in full force and effect notwithstanding Completion.
- 11.6.1 The failure or delay of any Party at any time or times to require performance of any provision of this Agreement shall not affect its right to enforce such provision at a later time.
- 11.6.2 No waiver by any Party of any condition or of the breach of any term, covenant, representation, warranty or undertaking contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or of the breach of any other term, covenant, representation, warranty or undertaking in this Agreement.
- 11.6.3 Any liability to the Purchaser under this Agreement may in whole or in part be released, compounded or compromised and time or indulgence may be given by the Purchaser in its absolute discretion as regards any Party under such liability without in any way prejudicing or affecting its rights against any other Party under the same or a like liability, whether joint and several or otherwise.
- 11.7 This Agreement may be amended, modified, superseded or cancelled and any of its terms, covenants, representations, warranties, undertakings or conditions may be waived only by an instrument in writing signed by (or by some person duly authorised by) each of the Parties or, in the case of a waiver, by the Party waiving compliance.
- 11.8 If any provision of this Agreement shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Agreement which shall remain in full force and effect.
- 11.9 If the Purchaser defaults in the issue of any Consideration Shares (or, as the case may be, Loan Notes) when due under Clause 3, the liability of the Purchaser in respect of the relevant Earnout Payment Amount shall be increased to include an amount equal to interest on that Earnout Payment Amount from the date when payment was due until the date of actual issue of such consideration, at the rate of 2% above LIBOR. Such interest shall accrue from day to day and shall be compounded annually.

## 12 Notices

- 12.1 Any notice given under this Agreement shall be in writing and signed by or on behalf of the Party giving it and shall be served by delivering it personally or sending it by pre-paid recorded delivery or registered post or fax to the address and for the attention of the relevant Party set out in sub-Clause 12.2 (or as otherwise

notified by that Party under this Agreement). Any such notice shall be deemed to have been received:-

- 12.1.1 if delivered personally, at the time of delivery;
- 12.1.2 in the case of pre-paid recorded delivery or registered post, on the second Business Day after the date of posting;
- 12.1.3 in the case of fax, at the time of transmission

provided that if deemed receipt (but for this proviso) would have occurred before 9 a.m. on a Business Day the notice shall be deemed to have been received at 9 a.m. on that day, and if deemed receipt (but for this proviso) would have occurred after 5 p.m. on a Business Day, or on a day which is not a Business Day, the notice shall be deemed to have been received at 9 a.m. on the next Business Day. For the purpose of this Clause, "Business Day" means any day which is not a Saturday, a Sunday or a public holiday in the place at or to which the notice is left or sent.

- 12.2 The address of the Vendor for the purposes of sub-Clause 12.1 is as set out in Part 1 of Schedule 1 and in respect of the Purchaser the address and fax number are:-

Cordiant Communications Group plc  
Address: 121-141 Westbourne Terrace,  
London W2 6JR

For the attention of: Denise Williams  
Fax number: +44 207 706 3820

or such other address or fax number in the United Kingdom as may be notified in writing from time to time by the relevant Party to the other Parties for the purposes of this Clause.

- 12.3 In proving such service it shall be sufficient to prove that the envelope containing such notice was addressed to the address of the relevant Party set out in sub-Clause 12.2 (or as otherwise notified by that Party under this Agreement) and delivered either to that address or into the custody of the postal authorities as a pre-paid recorded delivery or registered post letter, or that the notice was transmitted by fax to the fax number of the relevant Party set out in sub-Clause 12.2 (or as otherwise notified by that Party under this Agreement) .
- 12.4 For the avoidance of doubt, notice given under this Agreement shall not be validly served if sent by e-mail.

### 13 **Power of Attorney**

- 13.1 Pending stamping and registration of the transfer of the Minority Shares, the Vendor hereby appoints the Purchaser with effect from Completion to be his attorney in his name and on his behalf in his capacity as a shareholder of the Company to exercise all or any of the voting and other rights (including the right to nominate proxies on his behalf) attached to the Minority Shares registered in his name.

## **SCHEDULE**

### **Part 1 The Vendor**

<b>1 Name and Address</b>	<b>2 Holding</b>	<b>3 Vendor's Proportion</b>
Lucy Tilbury 9a Arundel Gardens London W11 2LN	421,052 A Ordinary Shares	2%

### **Part 2**

#### **Documents to be provided by the Vendor on Completion**

- 1 a duly executed transfer in favour of the Purchaser or its nominee(s) in respect of the Minority Shares held by the Vendor, together with the certificate(s) for such Minority Shares, or in the case of any lost share certificate, an indemnity in terms satisfactory to the Purchaser;
- 2 a copy of any power of attorney under which this Agreement, or the transfer or other documents referred to in paragraph 1 above is executed by the Vendor; and
- 2.1 engrossments in duplicate of the addendum to the Vendor's supplement to Service Agreement duly executed by the Vendor and the Company.

### **Part 3**

#### **Restricted Territory**

**United Kingdom**

13.2 This Power of Attorney is executed to secure the interest of the Purchaser in the shares so registered and shall accordingly be irrevocable.

13.3 The Vendor undertakes to ratify everything done by the Purchaser in pursuance of this Power of Attorney.

14 **Governing law and jurisdiction**

14.1 This Agreement shall be governed by and construed in accordance with the laws of England.

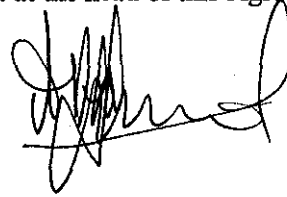
14.2 The Parties submit to the exclusive (save as regards any proceedings to enforce any of the provisions of Clauses 7.1 and 7.2 in any jurisdiction in the Restricted Territory applicable to the Vendor, which may be brought in the relevant jurisdiction) jurisdiction of the courts of England and Wales as regards any claim, dispute or matter arising out of or relating to this Agreement or any of the documents to be executed pursuant to this Agreement.

14.3 Each Party irrevocably consents to any process in any legal action or proceedings arising out of or in connection with this Agreement being served on it in accordance with the provisions of this Agreement relating to service of notices. Nothing contained in this Agreement shall affect the right to serve process in any other manner permitted by law.

**Executed as a deed and delivered on the date set out at the head of this Agreement.**

SIGNED as a deed by  
LUCY TILBURY  
in the presence of:-

)  
)  
)



as Attorney for  
L. Tilbury-

Witness:

Signature:



Name:

Mary Geth

Address:

10 Norwich Street London EC4

Occupation:

Scholar

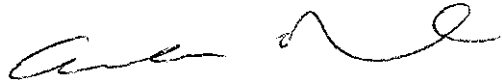


EXECUTED as a deed by  
CORDIANT COMMUNICATIONS  
GROUP PLC acting by  
and

)  
)  
)  
)

Director

Acting as ATTORNEY



Director/Secretary

WITNESS

