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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

Application will be made for the admission of the Cohort Consideration Shares to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

RECOMMENDED OFFER

by

Cohort plc

to acquire the whole of the issued share capital of

SEA (Group) Ltd

**WE HEREBY CERTIFY THIS TO
BE A TRUE AND COMPLETE
COPY OF THE ORIGINAL**

OLSWANG

31/12/2007



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05/01/2008

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COMPANIES HOUSE

SATURDAY

Your attention is drawn to the letter from the Chairman of SEA set out in Part I of this document, which contains a recommendation from all the directors of SEA to accept the Offer. Your attention is also drawn to the letter from the Chairman of Cohort set out in Part II of this document, which sets out further details of the Offer.

To accept the Offer, the enclosed Form of Acceptance should be completed in accordance with the instructions printed thereon and returned by post to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by hand (during normal business hours) to Timothy Marvell at SEA (Group) Ltd, Beckington Castle, 17 Castle Corner, Beckington, Frome, Somerset BA11 6TA so as to arrive as soon as possible and, in any event, so as to be received no later than 1 p.m. on 24 October 2007. The procedure for acceptance of the Offer is set out in paragraph 12 of Part II of this document and in the accompanying Form of Acceptance. This Offer Document should be read in conjunction with the accompanying Form of Acceptance.

A Written Resolution of SEA (Group) Ltd is set out at the end of this document. The enclosed Form of Agreement to the Written Resolution should be completed and returned to Timothy Marvell at SEA (Group) Ltd, Beckington Castle, 17 Castle Corner, Beckington, Frome, BA11 6TA as soon as possible and to be valid must arrive no later than 3 p.m. on 7 November 2007.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Day on which the Offer is made	10 October 2007
Latest time and date for receipt of Forms of Acceptance in relation to the Offer for despatch of Initial Consideration and share certificates (where applicable) by 22 October 2007	1 00 p m on 15 October 2007
Admission of the First Cohort Consideration Shares and the Vendor Placing Shares	17 October 2007
Despatch of Initial Consideration and share certificates (where applicable) in respect of Cohort Consideration Shares for valid acceptances received prior to 1 00 p m on 15 October 2007	by 22 October 2007
Latest time and date for receipt of Forms of Acceptance in relation to the Offer	1 00 p m on 24 October 2007
Despatch of Initial Consideration and share certificates (where applicable) in respect of Cohort Consideration Shares for valid acceptances received after 1 00 p m on 15 October 2007 but before 1 00 p m on 24 October 2007	by 31 October 2007
Latest time for receipt of Forms of Agreement to the Written Resolution	3 00 p m on 7 November 2007
Payment of any Earn Out Consideration	10 business days following the calculation of the 2008 profits becoming final and binding in accordance with Section C of Part III of this document

of the Offer and its benefits

The purpose of this letter is to provide you with details of the Offer and to explain why the SEA Directors unanimously recommend that all SEA Shareholders accept the Offer. Full details of the Offer are set out in Parts II and III of this document, which should be read in conjunction with the accompanying Form of Acceptance.

2. Summary terms of the Offer

The Offer

The Offer, which is contained in the letter from Cohort in Part II of this document and is subject, *inter alia* to the conditions and further terms set out in Part III of this document and the accompanying Form of Acceptance, is being made on the basis set out below.

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PART I

LETTER FROM THE CHAIRMAN OF SEA (GROUP) LTD

SEA (GROUP) LTD

(Registered in England and Wales with No. 02430846)

Directors

Roger Pinnington (*Chairman*)*
Ian Dale-Staples (*Chief Executive*)
Timothy Marvell (*Finance Director*)
Paul Phillips (*Director*)
Sir Robert Hill KBE (*Director*)*
Trevor Truman OBE (*Director*)*

*Non-executive

Registered Office
Beckington Castle
17 Castle Corner
Beckington
Frome
BA11 6TA

10 October 2007

To: *The SEA Shareholders,*

RECOMMENDED OFFER BY COHORT PLC FOR SEA (GROUP) LTD

1. Introduction

On behalf of the SEA Board, I am writing to inform you that agreement has been reached between the SEA Directors and the board of Cohort, a company whose shares are admitted to trading on AIM, on the terms of a recommended offer by Cohort to acquire all the share capital of SEA ("the Offer"). The Offer is unanimously recommended by the Sea Board.

Many of you will be aware that it has been our objective in SEA to find an appropriate route for the future development of the Group and the SEA Board has been looking at numerous possibilities for a number of years. We believe that this Offer provides such a route, that it is better than other possible alternatives and that the time is right to make such a move.

Irrevocable undertakings to accept, or to procure acceptance of, the Offer have been given to Cohort by the SEA Directors and the founder shareholders in respect of all of their SEA Shares, representing approximately 81.9 per cent of the issued equity share capital of SEA. This includes Irrevocable Undertakings given by SEA Directors holding 95,821 SEA Shares comprising in aggregate, approximately 36 per cent of the SEA Shares currently in issue.

The effect of the Irrevocable Undertakings is to make it certain that there is the necessary level of shareholder acceptance so that, subject to the Offer becoming a cash offer, Cohort can acquire all the

The Consideration payable under the Offer consists of an amount to be satisfied following valid acceptance of the Offer by an SEA Shareholder (the 'Initial Consideration') with an additional sum payable if certain SEA performance targets are met by SEA (the "Earn Out Consideration"). The Offer is also structured to allow SEA Shareholders an amount of flexibility as to the level of cash and shares in Cohort that they elect to receive as the Initial Consideration. Any Earn Out Consideration will be paid entirely in cash.

For the purposes of structuring the Offer, SEA Shareholders have been divided into three groups as follows:

Group A Shareholders

The Group A Shareholders are made up of those SEA Shareholders who individually hold less than 2 per cent of SEA's issued share capital and who are not SEA Directors. The Initial Consideration being offered to the Group A Shareholders is £74.50 per SEA Share. Group A Shareholders will be able to choose one of three different ways of receiving their Initial Consideration, being entirely in cash or two choices of a mix of cash and Cohort Consideration Shares. Details of these options are set out in Part II of this document.

The Earn Out Consideration will, if it becomes due and payable, be paid to the Group A Shareholders in cash only, at a rate of up to £16.79 per SEA Share.

Group B Shareholders

The Group B Shareholders are made up of those SEA Shareholders who individually hold more than 5 per cent of SEA's issued share capital (other than Ian Dale-Staples and Paul Phillips) or who are non-executive directors of SEA. The individuals in Group B are Allan Phillips, Gareth Somerset and Ronald Barnes, who are founder shareholders and who each hold more than 5 per cent of SEA's issued share capital, and Sir Robert Hill, Trevor Truman and myself, who are the non-executive directors of SEA. The Initial Consideration being offered to the Group B Shareholders is also £74.50 per SEA Share. Group B Shareholders will receive their Initial Consideration as a mix of cash and Cohort Consideration Shares, details of which are set out in Part II of this document.

The Earn Out Consideration will, if it becomes due and payable, be paid to the Group B Shareholders in cash only, at a rate of up to £16.79 per SEA Share.

Group C Shareholders

The Group C Shareholders comprise Ian Dale-Staples, Paul Phillips and Tim Marvell, being SEA's Executive Directors. As is usual in the acquisition of a private company by a public company, Cohort has required that warranties as to SEA and its business and a tax covenant are provided to it. It was considered both unrealistic and impractical to propose, or even ask all SEA Shareholders to provide these warranties. It was therefore proposed and approved by the SEA non-executive directors, that these warranties should be given by the SEA Executive Directors who form the Group C Shareholders. These warranties and indemnities are contained in an agreement between Cohort and the Group C Shareholders which was entered into immediately before the date of this document. The Group C Shareholders are solely liable up to the maximum amount of the Consideration received or receivable by each of them, in the event that there is a breach of any or all of these warranties and/or covenants. It is emphasised that there will be no such liabilities borne by the Group A Shareholders or the Group B Shareholders. In view of these additional obligations and liabilities, and as a result of the overall negotiation process between your Board and Cohort, it has been agreed that in return the Group C Shareholders will be offered a higher price per share for the SEA Shares owned by them as set out below.

The Initial Consideration being offered to the Group C Shareholders is £87.04 per SEA Share. Group C Shareholders will receive their Initial Consideration as a mix of cash and Cohort Consideration Shares, details of which are set out in Part II of this document.

The Earn Out Consideration will, if it becomes due and payable, be paid to the Group C Shareholders in cash only, at a rate of up to £19.64 per SEA Share.

The SEA Directors have suspended the registration of transfers of SEA Shares until Completion of the Offer, so that there is certainty as to the identity of the SEA Shareholders for the purposes of communicating the making of the Offer and the Written Resolution referred to below

4. Background to and reasons for recommendation of the Offer

The decision to recommend the Offer from Cohort has been based on criteria which the SEA Directors believe combine the best interests of the SEA Shareholders and the on-going requirements of SEA, including not least those of its employees and customers. The SEA Directors believe that the Offer recognises the value of SEA whilst, at the same time, it gives SEA a partner involved in complementary business activities and with the financial strength to support and enhance the future growth of SEA.

Cohort Group is complementary in a number of areas to SEA its existing business divisions being well-established in providing services to land based military forces and air forces, while SEA Group

The Earn Out

Payment of the Earn Out Consideration is dependent on the SEA Group achieving earnings before interest and tax ("**EBIT**") of more than £2,000,000 for the 13 month period ending on 30 April 2008 (the "**Earn Out Period**"). The amount of the Earn Out Consideration is dependent on the amount by which EBIT exceeds £2,000,000. If EBIT for the Earn Out Period is £2,500,000 or more, the Earn Out Consideration will be paid in full. If the EBIT of SEA Group for the Earn Out Period is £2,000,000 or less the Earn Out Consideration will be zero. If EBIT for the Earn Out Period is between £2,000,000 and £2,500,000 a proportion of the Earn Out Consideration will be paid.

Further details of the Earn Out Consideration are set out in Section C of Part III of this document.

Costs

In company share transactions of the nature of this Offer, it is usual that costs incurred for legal, accountancy and other transactional services are borne, *pro rata*, by the selling shareholders.

The Agreed Costs incurred in this transaction will be deducted from the Initial Consideration payable to the SEA Shareholders and will be an amount of £1.75 per SEA Share, further details of which are set out in paragraph 4 of Part II of this document.

Total Consideration

If all of the SEA Shares are acquired pursuant to the Offer, the value of the total Initial Consideration payable by Cohort will amount to approximately £20.73 million.

If all of the SEA Shares are acquired and the Earn Out Consideration is paid in full the total amount of the Earn Out Consideration will be approximately £4.67 million.

Restrictions on Sale of Cohort Shares

All SEA Shareholders who receive Cohort Consideration Shares in exchange for SEA Shares will be deemed to undertake not to sell, transfer or otherwise deal in the Cohort Consideration Shares that they receive until twelve months after the Closing Date, save in certain limited circumstances. Details of this undertaking are contained in paragraph 2.1.2 (d) of Section B Part III of this document.

Summary

As stated earlier the details of the Offer are set out elsewhere in this document and you must make your own decisions about it. The SEA Directors encourage you to read this document carefully before you make your decision.

If you are in any doubt as to the action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

started with an emphasis on naval programmes but has expanded into transport, off-shore and aerospace as well as into other defence markets

The SEA Board believes that these capabilities will jointly provide the Enlarged Cohort Group with excellent business opportunities for extending the range of defence and other services to be offered. Further it will bring SEA Group's good name and products to the attention of a wider audience.

Given the complementary capability the SEA Board believes that there are clear benefits in a transaction resulting in the Enlarged Cohort Group. The SEA Board believes that there will be advantages in having a wider span of expertise to call on across the range of contracts as well as greater opportunities to balance staff resources and skills with the needs of work won.

Finally, the Enlarged Cohort Group will have a critical mass that should enable it to attract even more significant contracts in all of its markets than it might have done as separate companies.

The SEA Directors have been encouraged to note the Cohort view that the subsidiaries within the Cohort Group should retain their identities and continue to trade under their own names. The changes to SEA, especially during the Earn Out Period, will be minimal. I am delighted to advise you that Ian Dale-Staples will be appointed to the main board of Cohort on the Offer becoming unconditional at the same time as continuing his role as Chief Executive of the SEA Board. The SEA non-executive directors have agreed to resign following Completion.

5. Written Resolution

In order to implement the Offer, it is required by Cohort that SEA amend its Articles in two respects. Firstly, it is necessary to provide an exception to the existing pre-emption provisions to allow accepting SEA Shareholders to transfer their SEA Shares to Cohort if the Offer becomes unconditional without such shares first being offered to SEA and to other SEA Shareholders. Secondly, a "drag-along" provision will be introduced at the request of Cohort, to allow Cohort to compulsorily acquire any SEA Shares which have not been acquired voluntarily under the terms of the Offer provided that SEA has received acceptances of the Offer in respect of at least 75 per cent of the issued SEA Shares. Any such compulsory acquisitions shall be satisfied wholly in cash, with an Initial Consideration of £74.50 per SEA share and Earn Out Consideration of up to £16.79 per SEA Share if it becomes due and payable under the terms of the Offer.

The Companies Act 2006 has introduced provisions which allow private companies more flexibility to pass shareholder resolutions in writing. The SEA Directors have decided to use this new procedure to effect the required changes in the Articles as it will reduce the time and expense that would otherwise be involved in convening an extraordinary general meeting. It will also allow the Offer to become unconditional in a shorter timeframe which will mean that the benefits of the Offer can be realised sooner. The non-executive directors of SEA have specifically confirmed that they agreed to the new written resolution procedure being implemented in this case.

Set out at the end of this document is a Written Resolution to amend the Articles for the purposes outlined above. It is a term of the Offer that accepting SEA Shareholders irrevocably undertake to signify their agreement to the Written Resolution. Accordingly, if you wish to accept the Offer, you must also return the enclosed Form of Agreement to the Written Resolution duly completed to signify your agreement to the Written Resolution.

The Written Resolution will become effective as soon as SEA Shareholders holding at least 75 per cent of the issued share capital of SEA have signified their agreement to it. As irrevocable undertakings to signify agreement to the Written Resolution as soon as reasonably practicable following the making of the Offer have been received from SEA Shareholders holding 81.9 per cent of the issued share capital of SEA, the Written Resolution will become effective shortly after the date of this document.

6 Management and employees

Cohort has assured the SEA Directors that it attaches great importance to the skills and experience of the employees of the SEA Group and that, following the Offer becoming or being declared unconditional in all respects, the existing employment rights of all of the employees of the SEA Group will be fully safeguarded.

The SEA Directors believe that, following Completion of the Offer, SEA employees will continue to experience much that derives from the present independence of SEA with additional benefits and opportunities including the potential to look for career progress across the Enlarged Cohort Group

7. Taxation

Your attention is drawn to the paragraph entitled 'United Kingdom taxation' in paragraph 11 of the letter from Cohort in Part II of this document. Your decision as to whether or not to elect for Cohort Consideration Shares will depend on your individual circumstances, including your tax position. **If you are in any doubt as to your own tax position, you should consult an appropriately qualified independent professional adviser immediately.**

8. Action to be taken to accept the Offer

Your attention is drawn to paragraph 12 of the letter from Cohort in Part II of this document, paragraph 2 of Section B of Part III of this document and the Form of Acceptance, which set out the procedure for acceptance of the Offer

To accept the Offer you must complete and return the enclosed Form of Acceptance in accordance with the instructions printed thereon by post to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or (during normal business hours) by hand to Timothy Marvell at Beckington Castle, 17 Castle Corner, Beckington, Frome, Somerset, BA11 6TA as soon as possible and, in any event, so as to be received by 1.00 p.m. on 24 October 2007

You must also complete and return the enclosed Form of Agreement to the Written Resolution in accordance with the instructions printed thereon by post or (during normal business hours) by hand at SEA (Group) Limited, Beckington Castle, 17 Castle Corner, Beckington, Frome, Somerset, BA11 6TA (marked for the attention of Timothy Marvell) as soon as possible and, in any event, so as to be received by 3.00 p.m. on 7 November 2007

9. Recommendation

The SEA Directors, who have been so advised by Target Corporate Finance, consider the terms of the Offer to be fair and reasonable and, accordingly, unanimously recommend you to accept the Offer. The Group B Shareholders and the Group C Shareholders have given Irrevocable Undertakings to accept the Offer in respect of all the SEA Shares in which they are beneficially interested, being 81.9 per cent. of the entire issued share capital of SEA. In providing advice to the SEA Directors, Target Corporate Finance has taken into account the commercial assessments of the SEA Directors

Yours sincerely

PART II

LETTER FROM COHORT PLC

Cohort plc

(Registered in England and Wales with No 05684823)

Directors
Nicholas Prest (*Chairman*)
Stanley Carter (*Chief Executive*)
Simon Walther (*Finance Director*)
Sir Robert Walmsley (*Non-executive Director*)

Registered Office
The Court House
Northfield End
Henley-on-Thames
Oxfordshire
RG9 2JN

10 October 2007

To *The SEA Shareholders,*

RECOMMENDED OFFER BY COHORT PLC FOR SEA (GROUP) LTD

1 Introduction

As explained in the letter from your Chairman in Part I of this document, the Cohort Board is pleased to inform you that agreement has been reached between the SEA Board and the Cohort Board on the terms of a recommended offer by Cohort to acquire the entire issued share capital of SEA. Cohort is a company whose shares have been admitted to trading on the AIM market of the London Stock Exchange and which was established to capitalise on consolidation and organic growth opportunities in the UK defence technical services market. The Directors of Cohort believe that the combination of Cohort and SEA will yield significant benefits to both companies.

The Offer values the entire issued share capital of SEA at up to £25.4 million. Of this, approximately £20.73 million Initial Consideration (less the Agreed Costs) is due on Completion (assuming all SEA Shareholders accept the Offer) and up to £4.67 million Earn Out Consideration is payable following determination of (and depending on the level of) the EBIT of the SEA Group during the 13 month period ending 30 April 2008, in accordance with the provisions of Section C of Part III of this document.

Your attention is drawn to the letter from your Chairman in Part I of this document, which sets out the reasons why the SEA Directors consider the terms of the Offer to be fair and reasonable and, accordingly, why the SEA Directors unanimously recommend you to accept the Offer.

The Offer is conditional, *inter alia*, on valid acceptances being received by no later than 1.00 p.m. on 15 October 2007 in respect of not less than 75 per cent. of the SEA Shares, the passing of the Written Resolution to amend the articles of SEA, the Placing Agreement entered into by Cohort to finance a portion of the Offer becoming unconditional and Admission of the Placing Shares and the First Cohort Consideration Shares taking place by 17 October 2007. Further information on the conditions to which the offer is subject are set out in Section A of Part III of this document.

This letter, Part III of this document and the accompanying Form of Acceptance contain the terms and conditions of the Offer. Completed Forms of Acceptance should be returned to Capita Registrars or by hand to Timothy Marvell at the addresses shown on the Form of Acceptance as soon as possible and, in any event, so as to be received by 1.00 p.m. on 24 October 2007. The procedure for accepting the Offer is set out in paragraph 12 of this letter, Part III of this document and in the Form of Acceptance.

2 Information on Cohort

Cohort was established to capitalise on consolidation and organic growth opportunities in the defence technical services market. Cohort Shares were admitted to trading on AIM on 8 March 2006 with Systems Consultants Services Limited ("SCS") as its wholly owned trading subsidiary. On 1 August 2006 Cohort acquired MASS Consultants Limited ("MASS").

3 Background to and reasons for the Offer

SEA is a successful private company, well known to Cohort and with which there have been various levels of contact over the past few years. SEA operates in complementary market segments to Cohort, having a particular strength in the naval sector whilst SCS and MASS are strongest in the land and air sectors respectively. SEA carries out similar types of work to Cohort and the Cohort Directors believe that Cohort and SEA share a similar ethos.

The Cohort Board believes that the combination of SEA and Cohort will bring significant mutual benefits. These include a larger and more balanced environment in which SEA can continue to grow whilst retaining its identity, increased ability to bid for bigger contracts underpinned by the Enlarged Cohort Group's financial strength and broader capabilities, wider reach and access to new markets, shared market intelligence and coordination where appropriate, wider scope for individuals to advance within the Enlarged Cohort Group, and the opportunity for SEA Shareholders to participate in the

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Nicholas Prest (former Chairman and Chief Executive of Alvis PLC) and Stanley Carter (founder and former Managing Director of SCS), who both have wide experience of the defence industry from different viewpoints, had separately concluded that there was a growing demand, in defence and related markets in the UK, for independent technical advice and related services. Reasons for this include the increasing technical complexity of equipment coupled with capacity constraints in the UK Ministry of Defence's ('MOD') in-house technical expertise, the privatisation of QinetiQ plc, the policy of the MOD of making the provision of scientific and technical expertise increasingly open to competition, and greater concentration amongst the major defence prime contractors, which increases the MOD's need for independent technical advice. Cohort was conceived to provide an environment in which already successful technical services businesses can maximise their potential by retaining their identity whilst sharing information and resources with complementary companies in a group with larger financial mass.

The Cohort Board consists of Nicholas Prest, Chairman, Stanley Carter, Chief Executive, Simon Walther, Finance Director and former Group Financial Controller of Alvis PLC, and Sir Robert Walmsley, Non-executive Director and former Chief of Defence Procurement at the MOD.

Cohort currently has two trading subsidiaries, SCS and MASS. SCS, based in Henley-on-Thames, Oxfordshire, was founded in 1992 to provide independent, practical and technical expertise to clients in the defence and security sectors. Its principal client is the MOD and its agencies. Other clients include other UK government departments, NATO, major defence contractors and non-defence businesses. A high proportion of SCS' employees and those engaged as consultants were formerly in either the British armed forces or the MOD. Many are technically qualified to degree level or above and collectively they have a wide breadth and depth of expertise. SCS has four operating divisions: systems, capability support, information and communications services and interim professionals. SCS currently employs around 115 permanent staff and 190 consultants.

MASS is an independent UK systems house with a strong defence and aerospace market focus. Formed in 1983, MASS is based near St Neots in Cambridgeshire with a second facility in Lincoln. MASS currently employs around 125 permanent staff and 130 consultants, of whom 75 per cent are professional engineers complemented by a small cadre of ex-service personnel.

MASS offers specialist skills in four business areas: electronic warfare, specialist managed services, communications and electronic systems, and information assurance. In addition, MASS offers re-design and support of older in-service military systems, plus technical and operational advisory services across all four business areas. The ability to assemble multi-disciplined teams covering both operational and engineering design disciplines sets MASS apart from many other systems houses. MASS has specific experience in managing and providing services in highly secure areas of government and industry.

In the financial year ended 30 April 2007 the Cohort Group posted sales of £34.6m, including a nine month contribution from MASS of £12.3m. In the same period the Cohort Group made a profit before tax of £2.5m and had a closing order book of £38.3m.

development of the business by electing to receive a portion of the consideration for their SEA Shares in Cohort Consideration Shares (but in this regard you should read the Risk Warnings in paragraph 6 of this Part II of this document)

The Cohort Board believes that SEA is complementary to the existing members of the Cohort Group, that the acquisition is compatible with Cohort's build and grow strategy and that it would represent another considerable step in strengthening the Cohort Group. As part of the arrangements relating to the Offer, it is proposed that Ian Dale-Staples will join the Cohort Board on the Offer becoming unconditional.

4. The Offer

Cohort hereby offers to acquire, on the terms and subject to the conditions set out in this document and in the Form of Acceptance, all of the issued and to be issued SEA Shares on the basis set out below. The consideration under the Offer consists of an amount to be satisfied before or shortly after Completion, (the "**Initial Consideration**"), with an additional sum payable if certain SEA performance targets are met (the "**Earn Out Consideration**") in each case as further set out below, in Part III of this document and in the Form of Acceptance. Any Earn Out Consideration will be paid entirely in cash.

For the purposes of implementing the Offer, SEA Shareholders have been divided into three groups:

Group A Shareholders

The Group A Shareholders are made up of those SEA Shareholders who individually hold less than 2 per cent of SEA's issued share capital and who are not SEA Directors. The Initial Consideration being offered to the Group A Shareholders is £74.50 per SEA Share. Group A Shareholders will be able to choose one of three different ways of receiving their Initial Consideration by ticking the appropriate box in the Form of Acceptance.

Group A Shareholders may elect to receive for each SEA Share:

- (1) £74.50 in cash, representing 100 per cent of their Initial Consideration ("**Group A Option 1**"), or
- (2) £52.15 in cash, representing 70 per cent of their Initial Consideration and 14,900 Cohort Consideration Shares, representing the balance of 30 per cent ("**Group A Option 2**"), or
- (3) £28.79 in cash representing 38.65 per cent of their Initial Consideration and 30,473 Cohort Consideration Shares, representing the balance of 61.35 per cent ("**Group A Option 3**").

If a Group A Shareholder elects to receive 30 per cent or 61.35 per cent of his Initial Consideration in Cohort Consideration Shares (Group A Option 2 or Group A Option 3), he will receive Cohort Consideration Shares on the basis of a price of 150p per Cohort Consideration Share (being the price at which Placing Shares have been placed conditionally pursuant to the Placing as described in paragraph 8 of this Part II below).

The Earn Out Consideration will, if it becomes due and payable, be paid to Group A Shareholders in cash only at a rate of up to £16.79 per SEA Share, whichever option is chosen. Further details of the Earn Out are set out below.

These options are summarised in the table below:

<i>Group A Shareholders</i>	<i>Initial Consideration Per SEA Share</i>		<i>Earn Out Consideration</i>
	<i>Cash</i>	<i>Cohort Consideration Shares</i>	<i>Per SEA Share Cash</i>
Group A Option 1	£74.50 (100%)	0 (0%)	up to £16.79 (100%)
Group A Option 2	£52.15 (70%)	14,900 (30%)	up to £16.79 (100%)
Group A Option 3	£28.79 (38.65%)	30,473 (61.35%)	up to £16.79 (100%)

the Earn Out Consideration will, if it becomes due and payable, be paid to Group C Shareholders in cash only at a rate of up to £19.64 per SEA Share, a price per share reflecting the same negotiated position as outlined above in relation to the Initial Consideration, whichever election is made in respect of the Initial Consideration

The Earn Out

Payment of the Earn Out Consideration is dependent on the SEA Group achieving earnings before interest and taxation ("**EBIT**") of more than £2,000,000 for the 13 month period ending on 30 April 2008 (the "**Earn Out Period**"). The amount of the Earn Out Consideration is dependent on the amount by which EBIT exceeds £2,000,000. If EBIT for the Earn Out Period is £2,500,000 or more, the Earn Out Consideration will be paid in full.

Group B Shareholders

The Group B Shareholders are made up of those SEA Shareholders who individually hold more than 5 per cent of SEA's issued share capital (other than Ian Dale-Staples and Paul Phillips) or who are non-executive directors of SEA. The individuals in Group B are Allan Phillips, Gareth Somerset and Ronald Barnes, who are founder SEA Shareholders and who individually hold more than 5 per cent of SEA's issued share capital and Roger Pinnington, Sir Robert Hill and Trevor Truman, who are non-executive directors of SEA.

The Initial Consideration being offered to the Group B Shareholders is also £74.50 per SEA Share. Group B shareholders may elect to receive between a maximum of 70 per cent and a minimum of 38.65 per cent of their Initial Consideration in cash, with the balance being satisfied in Cohort Consideration Shares by completing the Form of Acceptance in the appropriate manner.

In respect of that proportion of the Initial Consideration they receive in Cohort Consideration Shares, Group B Shareholders will receive Cohort Consideration Shares for each SEA Share on the basis of a price of 150p per Cohort Consideration Share (being the price at which Placing Shares have been placed conditionally pursuant to the Placing).

The Earn Out Consideration will, if it becomes due and payable, be paid to Group B Shareholders in cash only at a rate of up to £16.79 per SEA Share, whichever election is made in respect of the Initial Consideration. Further details of the Earn Out are set out below.

Group C Shareholders

The Group C Shareholders comprise Ian Dale-Staples, Timothy Marvell and Paul Phillips, being the SEA Executive Directors.

As is usual in the acquisition of a private company by a public company, Cohort has required that warranties about SEA and its business and a tax covenant are provided. These are given in the Warranty Agreement by the Group C Shareholders alone who will be liable up to the maximum amount of their total Consideration in the event that there is a breach of those warranties and/or covenants. Group A and Group B Shareholders do not have any such liability.

Following negotiations and to reflect the additional liabilities being assumed by the Group C Shareholders (whose shareholding represents 30.7 per cent of the SEA Shares), the Initial Consideration being offered to the Group C Shareholders is £87.04 per SEA Share. Group C Shareholders may elect to receive between a maximum of 70 per cent and a minimum of 38.65 per cent of their Initial Consideration in cash, with the balance being payable in Cohort Consideration Shares by completing the Form of Acceptance in the appropriate manner.

In respect of that proportion of the Initial Consideration which they receive in Cohort Consideration Shares, Group C Shareholders will receive Cohort Consideration Shares for each SEA Share on the basis of a price of 150p per Cohort Consideration Share (being the price at which Placing Shares have

The Earn Out Consideration will, if it becomes due and payable be paid in cash only at a rate of up to £16.79 per SEA Share for Group A Shareholders and Group B Shareholders and at a rate of up to £19.64 per SEA Share for Group C Shareholders

If the EBIT of SEA Group for the Earn Out Period is £2,000,000 or less the Earn Out Consideration will be zero and SEA Shareholders will not be entitled to any of the Earn Out Consideration

If the EBIT of SEA for the Earn Out Period is £2,500,000 or more SEA Shareholders will be entitled to be paid the full amount of the Earn Out Consideration

If the EBIT of SEA for the Earn Out Period is between £2,000,000 and £2,500,000 the amount of the Earn Out Consideration per SEA Share payable under the Offer will be adjusted in proportion so that, by way of example, if the EBIT is £2,100,000, the amount of the Earn Out Consideration per SEA share payable under the Offer will be 20 per cent of the per share amounts set out above. In this example, Group A Shareholders and Group B Shareholders would receive £3.36 per SEA Share and Group C Shareholders would receive £3.93 per SEA share

Further details of the Earn Out are set out in Section C of Part III of this document

Agreed Costs

Professional advisers' fees have been incurred on your behalf the amounts of which have been agreed with Roger Pinnington, Ian Dale-Staples and Timothy Marvell and for which you are liable for a proportion *pro rata* to your shareholding in SEA. By accepting the Offer, each SEA Shareholder irrevocably authorises Cohort to deduct the amount of £1.75 per SEA Share from that SEA Shareholder's Initial Cash Consideration, being their per SEA Share portion of the Agreed Costs, and to forward such amount to the Sellers' Solicitors to be used to discharge such SEA Shareholder's relevant proportion of the Agreed Costs

Total Consideration

If all of the SEA Shares are acquired, the total Initial Consideration due from Cohort on Completion will be approximately £20.73 million (partly provided by the Vendor Placing, debt facilities and other cash resources of Cohort and partly by the issue of Cohort Consideration Shares). The Cohort Consideration Shares are to be issued at a price of £1.50 per Cohort Consideration Share (being the Placing Price)

If all of the SEA Shares are acquired and the Earn Out Consideration is paid in full, the total amount of the Earn Out Consideration would be approximately £4.67 million

The SEA Shares to be acquired by Cohort pursuant to the Offer are required to be fully paid and free from all liens, equitable interests, charges, pre-emption rights, encumbrances and other third party interests of whatever nature and together with all rights now or hereafter attaching thereto, including the right to receive and retain all dividends and other distributions (if any) declared made or paid hereafter

The Offer extends to all SEA Shares. The Offer may only be accepted in respect of an SEA Shareholder's entire shareholding

The Cohort Consideration Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Cohort Shares in issue at the date of this document, including the right to receive and retain in full all dividends and other distributions, made or paid after the date of this document

It is a term of the Offer that SEA Shareholders will not sell, transfer or otherwise deal in the Cohort Consideration Shares that they receive as Initial Consideration (save in certain specified circumstances as set out in paragraph 2.1.2(d) of Section B of Part III of this document) until twelve months after the Closing Date.

No fraction of a Cohort Consideration Share will be allotted or issued to any accepting SEA Shareholder but will be rounded down to the nearest whole number of Cohort Consideration Shares

no acceptance of the Offer or election by any SEA Shareholder under the Form of Acceptance for cash or Cohort Consideration Shares will be valid unless a valid Form of Acceptance completed in all respects and accompanied by all relevant share certificate(s) and/or other documents of title, are received by Capita Registrars, Corporate Actions at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by hand by Timothy Marvell at Beckington Castle, 17 Castle Corner Beckington, Frome, Somerset, BA11 6TA by 1 00 p.m. on 24 October 2007. A reply-paid envelope (valid for posting in the UK only) is enclosed for your convenience.

Further terms and conditions of the Offer are set out in Part III of this document.

6. Risk Warnings

In deciding whether to receive Cohort Consideration Shares as part of the Initial Consideration or what proportion of Cohort Consideration Shares to receive as part of the Initial Consideration, SEA Shareholders should be aware that investment in Cohort Shares, in common with investment in shares of

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Full acceptance of the Offer, with maximum elections for the Cohort Consideration Shares (taking into account undertakings as to acceptances already received from the Group B Shareholders and the Group C Shareholders), would result in the issue of approximately 6.9 million Cohort Consideration Shares (representing approximately 16.7 per cent. of the Enlarged Share Capital). Application will be made to AIM for the admission to trading on AIM of the First Cohort Consideration Shares on 15 October 2007. Application will be made to trading on AIM of all other Cohort Consideration Shares on 25 October 2007.

To accept the Offer you should complete, sign and return the enclosed Form of Acceptance so as to be received by post by Capita Registrars or (during normal business hours) by hand by Timothy Marvell at the addresses shown on the Form of Acceptance as soon as possible and, in any event, so as to be received no later than 1.00 p.m. on 24 October 2007, together with the relevant share certificate(s) and/or other documents of title.

Your attention is drawn to paragraph 12 of this letter, paragraph 2 of Section B of Part III of this document and the Form of Acceptance which set out in detail the procedure for acceptance of the Offer.

Written Resolution

In order to implement the Offer, it is proposed to amend the Articles of SEA for the reasons set out in paragraph 5 of Part I of this document.

Set out at the end of this document is a Written Resolution of SEA to amend the Articles. It is a term of the Offer that accepting SEA Shareholders irrevocably undertake to signify their agreement to the Written Resolution. Accordingly, if you wish to accept the Offer, you must also return the enclosed Form of Agreement to the Written Resolution duly completed to signify your agreement to the Written Resolution.

5. Further terms and conditions of the Offer

The Offer extends to all the SEA Shares and may only be accepted in respect of an SEA Shareholder's entire shareholding.

The Offer is conditional *inter alia* on valid acceptances being received by no later than 1 00 p.m. on 15 October 2007 in respect of not less than 75 per cent. of the SEA Shares. The passing of the Written Resolution, the Placing Agreement entered into by Cohort to finance a portion of the Offer becoming unconditional and Admission of the First Cohort Consideration Shares taking place by 17 October 2007. Further information on the conditions to which the Offer is subject are set out in Section A of Part III of this document.

The Offer shall be deemed to have been duly made if a copy of this document and the documents which accompany it shall have been despatched to a SEA Shareholder or any agent of a SEA Shareholder.

other companies traded on AIM, is suitable only for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment which may include a loss of the entire amount invested in Cohort Shares. Cohort Consideration Shares should be seen as an investment that is long-term in nature and complementary to existing investments in a range of other financial assets and should not form a major part of an investment portfolio.

SEA Shareholders should note that this document does not constitute a prospectus, AIM admission document or a document equivalent to a prospectus and does not contain all of the information in relation to Cohort which would be set out in a prospectus or AIM admission document.

The value of an investment in Cohort Consideration Shares, and any income derived from it, may fluctuate and can go down as well as up. SEA Shareholders should ensure that they are fully advised as to the business and other risks of investing in Cohort Shares, by consulting their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, before electing to receive Cohort Consideration Shares as part of the Initial Consideration under the Offer.

SEA Shareholders should also note that it is a term of the Offer that SEA Shareholders agree that they will not sell, transfer or otherwise deal in the Cohort Consideration Shares that they receive as Initial Consideration (save in certain specified circumstances as set out in paragraph 2.1.2(d) of Section B of Part III of this document) until twelve months after the Closing Date. This factor should be borne in mind by SEA Shareholders.

7 Undertakings from Shareholders

The Group B Shareholders and the Group C Shareholders have irrevocably undertaken to accept, or procure acceptance of, the Offer in respect of all of the SEA Shares held by them, being in aggregate approximately 81.9 per cent of the issued share capital of SEA and to sign the Form of Agreement to the Written Resolution in respect of such shares. This includes irrevocable undertakings given by SEA Directors holding 95,821 SEA Shares comprising, in aggregate, approximately 36 per cent of the issued share capital of SEA.

Roger Pinnington (on behalf of himself and his fellow joint holder of SEA Shares Portcullis Pensions (IOM) Ltd), Chairman of SEA and Ian Dale-Staples, Chief Executive Officer of SEA, have both elected to receive 61.35 per cent of their Initial Consideration in Cohort Consideration Shares and the balance in cash. Timothy Marvell, Finance Director of SEA and Paul Phillips, Executive Director, have elected to receive 30 per cent and 40 per cent, respectively, of their Initial Consideration in Cohort Consideration Shares and the balance in cash. Trevor Truman and Sir Robert Hill, non-executive directors of SEA, have elected to receive 40 per cent and 61.35 per cent, respectively, of their Initial Consideration in Cohort Consideration Shares and the balance in cash.

The appropriate form of consideration may differ between different SEA Shareholders and the elections referred to above by the SEA Directors should not be considered to be a recommendation by such directors as to the form of consideration that SEA Shareholders should elect to receive. SEA Shareholders should ensure that they are fully advised as to the business and other risks of investing in Cohort Shares by consulting their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, before electing to receive Cohort Consideration Shares as part of the Initial Consideration under the Offer.

8. Financing the Offer

Cohort intends to finance the cash element of the Offer out of a combination of its existing cash resources, new debt facilities and by means of a placing by Investec of the Vendor Placing Shares.

As part of the Initial Consideration the Vendor Placing Shares will be allotted to subscribers procured by Investec on terms that the proceeds of the Vendor Placing will belong to and be paid to relevant SEA Shareholders who have accepted the Offer. Investec, as agent for Cohort, has agreed to procure subscribers for 4,000,000 Vendor Placing Shares or, failing which, to subscribe itself for such shares at a price of 150p per Vendor Placing Share on and subject to the terms of the Placing Agreement. The

11 United Kingdom taxation

The following statements are intended as a general guide only and do not constitute tax advice. They are based on and relate to certain aspects of the current tax law and practice in the United Kingdom, both of which are subject to change, possibly with retrospective effect. These statements are not a full description of all the circumstances in which a tax liability may occur.

These statements apply (unless otherwise expressly indicated) to persons who are resident or ordinarily resident in the United Kingdom for tax purposes and who beneficially own shares as investments, who are not share dealers or charities or persons with a special tax status.

These statements do not refer to income tax liabilities that may arise as a result of shares being "employment-related securities" as defined in section 421B of the Income Tax (Earnings and Pensions) Act 2003 or any elections that can be made under Chapter 2 of Part 7 of that act and SEA Shareholders

Vendor Placing will be conditional, *inter alia*, on the Cash Placing Shares referred to below having been issued and Admission of the Cash Placing Shares having occurred not later than the business day prior to the Admission of the Vendor Placing Shares, the Warranty Agreement remaining in full force and effect, the Irrevocable Undertakings remaining in full force and effect, the Placing Agreement not being terminated in accordance with its terms and admission of the Vendor Placing Shares to trading on the AIM and becoming effective in accordance with the AIM Rules by no later than 17 October 2007 (or such later date as may be agreed by Investec being no later than 24 October 2007).

The proceeds of the Vendor Placing of £60 million will be paid to Capita Registrars as agent for Cohort. Such proceeds will be paid by Capita Registrars as agent for Cohort as part of the cash element of the Initial Consideration due to SEA Shareholders who have accepted the Offer.

Cohort is also placing additional Cohort Shares (the Cash Placing Shares) to raise additional working capital for Cohort. In the Cash Placing, 1,000,000 Cash Placing Shares will be allotted to subscribers procured by Investec, or to Investec as principal to the extent that it does not procure subscribers, at a price of 150p per Cash Placing Share on and subject to the terms of the Placing Agreement. The Cash Placing is conditional, *inter alia*, on the Warranty Agreement being entered into and remaining in full force and effect, the Irrevocable Undertakings being given by the Group B Shareholders and the Group C Shareholders, the Written Resolution having been validly passed, the Offer becoming unconditional in all respects (save as regards Admission) and Cohort not having amended or waived any of the terms or conditions of the Offer without Investec's prior approval, the Placing Agreement not being terminated in accordance with its terms, and admission of the Cash Placing Shares to trading on the AIM and becoming effective in accordance with the AIM Rules by no later than 8.00 a.m. on 16 October 2007 (or such later date as may be agreed by Investec being no later than 23 October 2007).

Investec Investment Banking, a division of Investec, which is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange, is acting exclusively for Cohort in connection with the Placing and is not acting for any other person and will not be responsible to any person other than Cohort for providing the protections afforded to its customers or for providing advice on the transactions or arrangements referred to in this document.

9 Current trading and prospects

Since the commencement of its current financial year on 1 May 2007, Cohort has continued to trade in line with the expectations of the Cohort Board. On 31 August 2007, the Cohort Group order book stood at £44.4 million. Overall, the Cohort Board is positive about the outlook for the continued progress of the Cohort Group.

10. Management and employees

The Cohort Board has given assurances to the SEA Board that the existing employment rights, including pension rights, of the employees of the SEA Group will be fully safeguarded following the

should seek their own advice in this regard. These statements do not set out all the consequences that may be relevant to SEA Shareholders who are collective investment schemes, pension funds or insurance companies

If any SEA Shareholders are in any doubt about their tax position, or is resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, they should consult their own professional advisers.

Taxation of capital gains for SEA Shareholders

To the extent that a SEA Shareholder receives cash pursuant to him accepting the Offer and selling his SEA Shares, this will constitute a disposal or part-disposal of his SEA Shares for capital gains tax ("CGT") purposes. Depending on their circumstances, SEA Shareholders will be subject to CGT in respect of any gain arising on such disposal or part-disposal unless an allowance, a relief or an exemption is available to them.

A SEA Shareholder who, either alone or together with persons connected with him, holds less than five per cent of SEA's issued share capital should not be treated as having made a disposal of his SEA Shares for CGT purposes, to the extent that he receives Cohort Consideration Shares in exchange for his SEA Shares pursuant to him accepting the Offer and selling his SEA Shares.

Any SEA Shareholder who either alone or together with persons connected with him holds five or more per cent of SEA's issued share capital is advised that clearance has been obtained from HM Revenue and Customs ("HMRC") under section 138 of the Taxation of Chargeable Gains Act 1992 that the exchange of SEA Shares for Cohort Consideration Shares pursuant to the Offer is being effected for *bona fide* commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is avoidance of liability to CGT or corporation tax. Such clearance having been given, any such SEA Shareholder will be treated in the same manner as a SEA Shareholder holding not more than five per cent of SEA's issued share capital, as described above.

To the extent that a SEA Shareholder receives as further consideration for his SEA Shares, the contingent right to receive future consideration under the Earn Out (an "Earn Out Right") that SEA Shareholder will be treated as making a disposal or part-disposal of his SEA Shares for CGT purposes in the 2007/08 tax year. The value of this further consideration will be the "market value" of the Earn Out Right at the time of the disposal or part-disposal of the SEA Shares. Depending on their circumstances, SEA Shareholders will be subject to CGT in respect of any gain arising on such disposal or part-disposal unless an allowance, a relief or an exemption is available to them. A further capital gain or capital loss may also arise in the tax year in which the Earn Out Right is itself disposed of (being the time when the Earn Out Consideration becomes due), to the extent that the amount of the Earn Out consideration due to the SEA Shareholder exceeds or falls short of the amount treated as being the "market value" of the Earn Out Right when such right was acquired. On the basis of the CGT reforms proposed in this year's Pre-Budget Report (further details of which are set out below), taper relief may not apply to any further capital gains arising when the Earn Out Right is disposed of.

Taper relief for disposals made before 6 April 2008

Under proposals announced in this year's Pre-Budget Report, taper relief is to be abolished in respect of gains arising on the disposal of shares or other assets after 5 April 2008. These proposals may affect any SEA Shareholder receiving Roman Consideration Shares under the Offer. The full details of the proposed changes have not been announced. However, it is currently proposed that from 6 April 2008, taper relief will cease to apply and CGT will apply to all gains on disposal at the flat rate of 18 per cent, including where the shares or assets disposed of on or after 6 April 2008 were acquired prior to that date. Taper relief, as described below, will therefore only apply to gains arising on assets disposed of prior to 6 April 2008.

Taper relief may apply to reduce the proportion of any chargeable gain which is subject to CGT and therefore reduce the effective rate of CGT. The following references to effective rates of CGT are to the effective rate of CGT for a higher rate taxpayer at current rates and ignoring the annual exempt amount. The comments below constitute a very brief summary only. The operation of the taper relief rules in practice can be complicated and professional advice should be sought as to how these rules apply to a particular SEA Shareholder's circumstances.

To accept the Offer you must complete and return the applicable Form of Acceptance as well as a duly completed Form of Agreement to the Written Resolution. Additional Forms of Acceptance and Forms of Agreement to the Written Resolution are available by contacting Capita Registrars on 0870 162 3121 or Timothy Marvell on 01373 852 154

(a) *Group A Shareholders*

To accept the Offer in respect of all your SEA Shares, Group A Shareholders must complete Box A of the Form of Acceptance by selecting one of the options outlined in paragraph 4 above and writing their full name and address where indicated

You must sign Box C of the Form of Acceptance in the presence of an independent witness who should also sign Box C in accordance with the instructions printed thereon

Non-business asset

Where shares or other assets which are not 'business assets' for taper relief purposes are disposed of more than three years after acquisition, taper relief will apply to reduce the proportion of the gain which is subject to CGT and therefore reduce the effective rate of CGT. The effective rate of CGT is reduced by two per cent per year for each complete year of the holding period up to a maximum of ten years (i.e. by two per cent after three complete years and by a further two per cent for each complete year thereafter). On a disposal more than ten years after acquisition the effective rate of CGT is 24 per cent.

Business assets

Where shares or other assets, which are 'business assets' for taper relief purposes, are disposed of more than one year after acquisition, taper relief will apply to reduce the proportion of the gain which is subject to CGT and therefore reduce the effective rate of CGT. The effective rate of CGT will be 10 per cent in respect of any gain arising on disposal of such shares two or more years after acquisition. The effective rate of CGT will be 20 per cent where such shares are disposed of more than one year but less than two years after acquisition.

Apportionment between periods

Where shares are business assets for only part of a period of ownership, a time apportionment must be effected to calculate the amount of taper relief available. This apportionment formula will give an effective rate of CGT as reduced by a mixture of business asset and non-business asset taper relief.

Allowable losses and the annual exempt amount

A SEA Shareholder's CGT liability in respect of a gain on the disposal of SEA Shares may also be reduced by any available capital losses which that SEA Shareholder has incurred and by that SEA Shareholder's CGT annual exempt amount (£9,200 for the 2007/2008 tax year) to the extent that it has not been utilised in respect of other taxable gains made during the relevant tax year.

Reporting and payment of CGT under Self Assessment

SEA Shareholders will be responsible for reporting to HMRC any capital gains made on the disposal of their SEA Shares in their Self Assessment Tax Return. Where paper returns are to be submitted, the due date for submission is 31 October following the end of the relevant tax year, i.e. 31 October 2008 in respect of the 2007/08 tax year. If returns are delivered electronically to HMRC, the due date is 31 January following the end of the relevant tax year, i.e. by 31 January 2009 in respect of the 2007/08 tax year. Any CGT liability will be due for payment by 31 January following the end of the relevant tax year.

The Form of Acceptance should be returned together with your share certificates(s) or other documents of title as set out below

(b) *Group B Shareholders*

To accept the Offer in respect of all your SEA Shares Group B Shareholders must complete Box A specifying the percentage of Initial Consideration to be received in cash (being a maximum of 70 per cent and a minimum of 38.65 per cent with the balance being payable in Cohort Consideration Shares) and writing their name and address in full where indicated

You must sign Box C of the Form of Acceptance in the presence of an independent witness who should also sign Box C in accordance with the instructions printed thereon

The Form of Acceptance should be returned together with your share certificates(s) or other documents of title as set out below

(c) *Group C Shareholders*

To accept the Offer in respect of all your SEA Shares Group C Shareholders must complete Box A specifying the percentage of Initial Consideration to be received in cash (being a maximum of 70 per cent and a minimum of 38.65 per cent with the balance being payable in Cohort Consideration Shares) and writing their name and address in full where indicated

You must sign Box C of the Form of Acceptance in the presence of an independent witness who should also sign Box C in accordance with the instructions printed thereon

The Form of Acceptance should be returned together with your share certificates(s) or other documents of title as set out below

IF YOU HAVE ANY QUESTIONS AS TO HOW TO COMPLETE THE FORM OF ACCEPTANCE, PLEASE TELEPHONE CAPITA REGISTRARS ON 0870 162 3121 OR TIMOTHY MARVELL ON 01373 852 154 DURING NORMAL BUSINESS HOURS. ALL CALLS TO CAPITA REGISTRARS WILL BE RECORDED

IN ALL CASES, INDIVIDUAL SEA SHAREHOLDERS SHOULD SIGN BOX C ON THE FORM OF ACCEPTANCE IN THE PRESENCE OF A WITNESS, WHO SHOULD ALSO SIGN IN ACCORDANCE WITH THE INSTRUCTIONS PRINTED THEREON.

THE INSTRUCTIONS PRINTED ON THE FORM OF ACCEPTANCE FORM PART OF THE TERMS OF THE OFFER.

(d) *Return of Form of Acceptance*

To accept the Offer, a duly completed and signed Form of Acceptance must be returned by post to Capita Registrars at the address on its face or (during normal business hours) by hand to Timothy Marvell at the address also on the Form of Acceptance together (subject to paragraph (f) below) with the relevant share certificate(s) and/or other document(s) of title as soon as possible and in any event so as to arrive no later than 1.00 p.m. on 24 October 2007. A reply-paid envelope (valid for posting in the UK only) is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

Subject to paragraph (f) below, your completed and signed Form of Acceptance should be accompanied by the relevant share certificate(s) for your SEA Shares and/or any other document(s) of title and returned in accordance with instructions in the above paragraph. No payment will be made under the terms of the Offer unless share certificate(s) and/or any other document(s) of title, or an acceptable indemnity in lieu thereof are received by Capita Registrars in accordance with the terms of the Offer

13 Settlement

Subject to the Offer becoming or being declared unconditional in all respects and to the terms of the Offer, settlement of the Initial Consideration to which any SEA Shareholder is entitled under the Offer (net of Agreed Costs) will be effected as soon as reasonably practicable and, in any event, for valid acceptances received by 1 00 p m on 15 October 2007, the Initial Consideration shall be satisfied, by means of despatch of cheques for the Initial Cash Consideration and certificates for Cohort Consideration Shares by first-class post by 22 October 2007 and for valid acceptances received after 1 00 p m on 15 October 2007 but before 1 00 p m on 24 October 2007, the Initial Consideration shall be satisfied by means of despatch of cheques for the Initial Cash Consideration and certificates for Cohort Consideration Shares by 31 October 2007. All cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank. All documents and remittances sent by to or from SEA Shareholders or their appointed agents will be sent at the SEA Shareholders' own risk.

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(e) *Return of Form of Agreement to the Written Resolution*

To accept the Offer, Sea Shareholders must signify their agreement to the Written Resolution by duly completing and returning the Form of Agreement to the Written Resolution by post or by hand (during normal business hours) to the address on its face. No acknowledgement of receipt of documents will be given.

(f) *SEA share certificates not readily available or lost*

If your share certificate(s) and/or any other document(s) of title is/are not readily available or is/are lost or stolen, the Form of Acceptance should nevertheless be completed, signed and returned as stated above so as to arrive no later than 1 00 p m on 24 October 2007 together with any share certificate(s) and/or any other document(s) of title that you have available, accompanied by a letter stating that the remaining documents will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or such other document(s) of title. You should then arrange for such share certificate(s) and/or such other document(s) of title to be forwarded to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible thereafter.

In the case of lost or stolen share certificates and/or other documents of title, you should then write as soon as possible to Capita Registrars as agent for Cohort requesting a letter of indemnity for lost share certificates and/or any other documents of title which, when completed in accordance with the instructions given, should be returned to Capita Registrars as agent for Cohort as soon as possible. If the share certificate(s) and/or other document(s) of title becomes available, it/they should be forwarded to Capita Registrars as soon as possible thereafter.

(g) *Validity of acceptances*

Without prejudice to paragraphs 5, 12(d) and 12(f) and subject to the other terms of the Offer, Cohort reserves the right to treat as valid in whole or in part, any Form of Acceptance which is not entirely in order or which is not accompanied by (as applicable) the relevant share certificate(s) and/or other document(s) of title or satisfactory indemnities in lieu thereof or which is received in a form or at a place other than as set out in this document or the Form of Acceptance. No payment of Cash Consideration or issue of Cohort Consideration Shares under the Offer will be made to the relevant SEA Shareholders until after the relevant share certificate(s) and/or other documents(s) of title or satisfactory indemnities in lieu thereof have been received by Cohort or its agents.

(h) *General*

If you are in any doubt as to the procedure for acceptance, please contact Capita Registrars by telephone on 0870 162 3121 between 9 00 a m and 5 00 p m Monday to Friday (excluding public holidays) or Timothy Marvell by telephone on 01373 852 154.

Please note that for legal reasons, neither Capita Registrars nor Timothy Marvell will be able to

If the Offer does not become or is not declared unconditional in all respects and lapses, share certificate(s) and/or other document(s) of title will be returned by post within 14 days of the Offer lapsing to the person or agent whose name and address is set out in Box A of the Form of Acceptance or, if none is set out to the holder at his address set out in the register of members of SEA

New Cohort Shareholders who subsequently wish to convert their holding of Cohort Consideration Shares from certificated form to uncertificated form may apply to do so in respect of part or all of their holding in accordance with the appropriate CREST procedures

The Earn Out Consideration will be paid to SEA Shareholders entirely in cash in accordance with the terms set out in Section C of Part III of this document following agreement or determination of the 2008 Profits

14. Admission

Application will be made to AIM for the Cohort Consideration Shares and the Placing Shares to be admitted to AIM. It is expected that Admission will become effective for the First Cohort Consideration Shares and the Vendor Placing Shares on 17 October 2007 and in respect of all other Cohort Consideration Shares on 26 October 2007

Any SEA Shareholder accepting the Offer will be required not to sell, transfer or otherwise deal in any Cohort Consideration Shares that he receives as consideration (save in certain specified circumstances) until twelve months after the Closing Date.

15. Additional information

Your attention is drawn to the conditions and further terms of the Offer set out in Part III of this document and to the accompanying Form of Acceptance

Further information on Cohort, including detailed financial information for the year ended 30 April 2007, is included in the Annual Report and Accounts 2007 of Cohort which accompanies this document

16 Action to be taken

To accept the Offer, you must complete and return the enclosed Form of Acceptance in accordance with the instructions printed thereon and return it by post to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by hand (during normal business hours) to Timothy Marvell, Beckington Castle, 17 Castle Corner, Beckington, Frome, Somerset, BA11 6TA so as to arrive as soon as possible and in any event so as to be received no later than 1.00 p.m. on 24 October 2007. A reply paid envelope is enclosed. You must also signify your agreement to the Written Resolution by duly completing and returning the Form of Agreement to the Written Resolution in accordance with the instructions printed thereon

Yours faithfully

Nicholas Prest CBE
Chairman of Cohort Plc

2 Form of Acceptance

For the purposes of this paragraph 2, the phrase "SEA Shares comprised or deemed to be comprised in the acceptance" shall mean the relevant SEA Shareholder's entire holding of SEA Shares and "relevant jurisdiction" shall have the meaning described thereto in paragraph 2.1.3(a) of this Section B

- 2.1 Without prejudice to the terms of the Form of Acceptance and the other provisions of this Part III, each SEA Shareholder by whom, or on whose behalf, a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with Cohort (so as to bind him, his personal representatives, heirs, successors and assignees)

2.1.1 that the execution of a Form of Acceptance shall constitute

- (a) an acceptance of the Offer in respect of the shareholder's entire holding of SEA Shares,

PART III

CONDITIONS AND FURTHER TERMS OF THE OFFER

Section A — Conditions

The Offer is conditional upon

- 1 valid acceptances being received by not later than 1.00 p.m. on 15 October 2007 (or such later time or date as Cohort may with the agreement of the SEA Directors agree) in respect of not less than 75 per cent. of the SEA Shares
- 2 Cohort not becoming aware, prior to the satisfaction of condition 6 below, of any Warranty Claim or Tax Claim (in each case as defined in the Warranty Agreement) which Cohort in its opinion acting reasonably and having consulted with its legal and financial advisers considers would be likely to or would materially reduce the value of SEA to Cohort and electing not to complete the transactions contemplated hereby by giving notice in writing to the Sellers' Representative at SEA's registered office address,
- 3 the passing of the Written Resolution
- 4 no material breach of any of the Irrevocable Undertakings, including (without limitation) those relating to the operation of the business of SEA during the period following the making of the Offer having occurred,
- 5 the Placing Agreement becoming unconditional (save as regards the Offer becoming unconditional) and not being terminated in accordance with its terms,
- 6 Admission in respect of the First Cohort Consideration Shares taking place by 17 October 2007 or such later time or date as Investec may agree

The Offer will lapse unless all the above conditions have been fulfilled or waived where appropriate by 1.00 p.m. London time on 24 October 2007 or such later time or date as the SEA Directors and Cohort may agree

Section B — Further Terms of the Offer

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

1 Acceptance period

The Offer will remain open for acceptance until 1.00 p.m. on 24 October 2007, following which (subject to satisfaction or waiver of the conditions set out in Section A of this Part III) the Offer will close save

- (b) an undertaking to execute any further documents and give any further assurances which may be required to enable Cohort to obtain the full benefit of this paragraph 2 and/or to perfect any of the authorities expressed to be given hereunder or otherwise in connection with such SEA Shareholder's acceptance of the Offer,
- (c) an undertaking to sign and return the Form of Agreement to the Written Resolution to SEA's registered office by no later than 3 00 p m 7 November 2007,

in each case on and subject to the terms and conditions set out or referred to in this document and the Form of Acceptance and that each such acceptance, election or undertaking (as the case may be) shall be irrevocable,

2.1.2 that execution of the Form of Acceptance constitutes an irrevocable and unconditional

- (a) consent by such SEA Shareholder to any and all proposed transfers of SEA Shares to Cohort in connection with the Offer,
- (b) waiver by such SEA Shareholder of all rights of pre-emption or similar rights over any SEA Shares conferred on him under the Articles, under any agreement between the shareholders of SEA, under statute and in any other way
- (c) confirmation by such SEA Shareholder that any and all proposed transfers of SEA Shares to Cohort in connection with the Offer may proceed without any requirement that all or any such SEA Shares first be offered to him and
- (d) covenant by such SEA Shareholder that he will not, without the consent of Cohort, dispose of or agree to dispose of (directly or indirectly) any Cohort Consideration Shares or any interest in any Cohort Consideration Shares or rights arising from or attached to such Cohort Consideration Shares or any shares in Cohort into which any Cohort Consideration Shares are sub-divided or converted at any time prior to the date which is twelve months after the Closing Date, save that this covenant shall not prevent, within twelve months of Admission
 - (i) such SEA Shareholder from accepting a general offer made for all the issued share capital of Cohort (other than any issued share capital held by or committed to the offeror and/or persons acting in concert with the offeror) or
 - (ii) such SEA Shareholder from executing an irrevocable commitment to accept a general offer for the whole of the issued share capital of Cohort (other than in any share capital held by or committed to the offeror and/or persons acting in concert with the offeror), or
 - (iii) a disposal or sale of Cohort Consideration Shares by such SEA Shareholder pursuant to a compromise or arrangement between Cohort and its members or any class of them which is agreed to by the members and sanctioned by the court under Sections 425-427A of the Act or
 - (iv) such SEA Shareholder from disposing of or agreeing to dispose of Cohort Consideration Shares to Cohort pursuant to an offer by Cohort to purchase its own shares which is made on identical terms to all holders of such shares and otherwise complies with the Act and the AIM Rules, or
 - (v) a disposal of Cohort Consideration Shares by such SEA Shareholder pursuant to a court order, or
 - (vi) a disposal after the death of such SEA Shareholder, or
 - (vii) such SEA Shareholder renouncing a right to subscribe for shares where such right is derived from the Cohort Consideration Shares or, for the avoidance of doubt, a failure to take up such right, or
 - (viii) a transfer of shares to the spouse or children of such SEA Shareholder (or trustees on behalf of some or all of such SEA Shareholder, his spouse or children) provided that the transferee shall execute a deed of adherence in a form required by Cohort, or

discretion of the agent and/or attorney by any certificate or other document(s), or the for/registration relating to such SEA Shares within six months of the Offer becoming unconditional in all respects,

- (c) take any other action as the agent and/or attorney may think necessary desirable or expedient in connection with the SEA Shareholder's acceptance of the Offer and election under the Form of Acceptance and to vest in Cohort (or as it may direct) the full legal and beneficial ownership of the SEA Shares comprised or deemed to be comprised in such acceptance, and
- (d) to instruct Cohort or Capita Registrars (as the case may be) to deduct the Agreed Costs from the Initial Consideration and to distribute such Agreed Costs to SEA or as instructed by SEA

(ix) a disposal or sale of Cohort Consideration Shares to meet a liability arising as a result of a Warranty Claim or a Tax Claim (in each case as defined in the Warranty Agreement), or

(x) a disposal or sale of Cohort Consideration Shares to an offeror during an offer period (as defined in the City Code on Takeovers and Mergers),

PROVIDED ALWAYS THAT Cohort shall be given notice in writing by such SEA Shareholder prior to effecting any disposal or transfer pursuant to paragraphs 2.1.2(d)(v), 2.1.2(d)(vi), 2.1.2(d)(viii) or 2.1.2(d)(ix) above.

2.1.3 that, unless "No" is inserted in Box B of the Form of Acceptance

- (a) such SEA Shareholder has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from any jurisdiction outside of the United Kingdom (a "relevant jurisdiction")
- (b) such SEA Shareholder has not used in connection with the Offer or the execution or delivery of the Form of Acceptance directly or indirectly, the mails of or any means or instrumentality (including, without limitation, facsimile or electronic transmission, telex, telephone or the internet) or interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any relevant jurisdiction,
- (c) such SEA Shareholder was in the United Kingdom at the time of accepting the Offer
- (d) such SEA Shareholder is not an agent or fiduciary acting on a non-discretionary basis for a principal unless such agent or fiduciary is an authorised employee of such principal and such principal has given instructions with respect to the Offer (and the acceptance thereof) from outside the United Kingdom
- (e) such SEA Shareholder is not a person in, or resident in, a jurisdiction outside of the United Kingdom and he is not acquiring and will not be holding Cohort Consideration Shares for the account or benefit of a person or resident of any jurisdiction outside of the United Kingdom and that he is not accepting the Offer with a view to the offer sale, resale, delivery or distribution, directly or indirectly, of any Cohort Consideration Shares in or into any relevant jurisdiction and will not hold or acquire any Cohort Consideration Shares for any other person whom he has reason to believe is purchasing for the purpose of such offer, sale, resale, delivery or distribution,

2.1.4 that the execution of the Form of Acceptance and its delivery to Capita Registrars constitutes the irrevocable appointment of any director of, or any person authorised by, Cohort as his agent and/or attorney (subject to the Offer becoming unconditional in all respects) with an irrevocable instruction and authorisation to

- (a) complete and execute all or any form(s) of transfer, waiver, lock-in, renunciation and/or other document at the discretion of the agent and/or attorney in relation to the SEA Shares comprised or deemed to be comprised in such acceptance in favour of Cohort or as it may direct

215 that the execution of the Form of Acceptance and its delivery to Capita Registrars or Timothy Marvell constitutes (subject to the Offer becoming unconditional in all respects in accordance with its terms) an irrevocable authority and request

- (a) to SEA or its agents to procure the registration of the transfer of the SEA Shares comprised or deemed to be comprised in the acceptance and the delivery of the share certificate(s) and other document(s) of title in respect of the SEA Shares to Capita Registrars or Timothy Marvell,
- (b) to Cohort to procure the despatch by post of a cheque in respect of any Cash Consideration to which the SEA Shareholder is entitled together with documents of title for the Cohort Consideration Shares (if any) to which he is entitled under the Offer at such SEA Shareholder's risk to the person or agent whose name and address is set out in Box A of the Form of Acceptance or, if no person or agent's name and address is set out, to the holder at his address set out in the register of members of SEA, and
- (c) to Capita Registrars to procure that the SEA Shareholder's name is entered on the register of members of Cohort in respect of any Cohort Consideration Shares to which he is entitled under the Offer

216 that execution of a Form of Acceptance shall constitute

- (a) an acknowledgement that Investec is acting exclusively for Cohort in connection with the Offer and the Placing and is not acting for any other person and will not be responsible to any person other than Cohort for providing the protections afforded to its customers or for providing advice on the transactions or arrangements referred to in this document and
- (b) without prejudice to the obligations of Cohort to make payment to SEA Shareholders, an agreement that payment by Investec of the proceeds of the Placing to Capita Registrars as agent for Cohort in accordance with the terms of the Placing Agreement shall constitute an absolute discharge of any obligation of Investec to make payment to the SEA Shareholder in respect of the Placing Shares and Investec shall not be responsible for the payment by Capita Registrars as agent for Cohort of such amounts to SEA Shareholders or required to investigate the application of such amounts,

217 subject to the Offer becoming unconditional in all respects, in respect of SEA Shares in respect of which the Offer has been accepted or deemed to have been accepted and which have not been registered in the name of Cohort or as it may direct

- (a) that Cohort and its agents shall be entitled to direct the exercise of any votes and any other rights and privileges (including the right to requisition the convening of a general or separate class meeting of SEA) attaching to the SEA Shares comprised or deemed to be comprised in such acceptance,
- (b) that the execution of a Form of Acceptance by a SEA Shareholder shall constitute, with regard to such SEA Shares comprised or deemed to be comprised in such acceptance
 - (i) authority to SEA and/or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to the SEA Shareholder as a member of SEA (including without limitation any share certificate(s) or other document(s) of title issued as a result of a conversion of SEA Shares) to Cohort at its registered office,
 - (ii) an irrevocable authority to Cohort or its agents to sign any document and do such things as is necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the SEA Shares held by such SEA Shareholder (including, without limitation, signing any consent to short notice of a general or separate class meeting and executing a form of proxy appointing any person nominated by Cohort to attend general and separate class meetings of SEA and attending any such meeting and exercising the votes attaching to the SEA Shares comprised or deemed to be comprised in such acceptance on behalf of such SEA Shareholder), and

A reference in this paragraph 2 to a SEA Shareholder includes a reference to the person or persons executing a Form of Acceptance and, in the event of more than one person executing a Form of Acceptance, the provisions of this paragraph will apply to them jointly and to each of them severally

3. Extension of Offer

Cohort may, with the agreement of the SEA Directors, extend the Offer or the period for acceptance of the Offer

- (iii) the agreement of such SEA Shareholder not to exercise any such rights without the consent of Cohort and an irrevocable undertaking not to appoint a proxy for or to attend any general or separate class meetings of SEA,
- (c) that such SEA Shareholder will deliver to Capita Registrars or Timothy Marvell or procure the delivery to Capita Registrars as agent for Cohort or Timothy Marvell at the relevant addresses set out in paragraph 16 of Part II of this document, his certificate or other document(s) of title in respect of those SEA Shares comprised or deemed to be comprised in such acceptance or an indemnity acceptable to Cohort in lieu thereof as soon as possible and in any event within 10 business days of the Offer becoming or being declared unconditional in all respects,
- (d) that such SEA Shareholder will not take any step to impede, prevent, delay or prejudice the Offer becoming or being declared unconditional in all respects and that he will do every act or thing as shall, in the opinion of Cohort, be necessary desirable or expedient to vest in Cohort or its nominees the SEA Shares comprised or deemed to be comprised in such acceptance and to enable Capita Registrars to perform its functions as Cohort's agent for the purposes of the Offer,
- (e) that he agrees to ratify each and every act or thing which may be done or effected by Cohort or Capita Registrars or any of their respective directors, employees, agents or persons authorised by them in the exercise of any of the powers and/or authorities conferred under or by Section B of this Part III,
- (f) that, if any provision of Section B of this Part III is unenforceable or invalid or will not operate so as to afford Cohort or Capita Registrars or any of their respective directors, employees, agents or persons authorised by them, the benefit of any of the powers and/or authorities expressed to be given or conferred by or under Section B of this Part III, he will, with all practicable speed, do everything that may be required or desirable to enable Cohort and Capita Registrars and any of their respective directors, employees, agents or persons authorised by them to secure the full benefit of the provisions of Section B of this Part III including the powers and authorities expressed to be given or confirmed hereunder,
- (g) that he is irrevocably and unconditionally entitled to transfer the SEA Shares comprised or deemed to be comprised in such acceptance and that such SEA Shares are sold free from all liens, equities, charges, encumbrances, rights of pre-emption and other third party interests of any nature whatsoever and together with all rights attaching to them on or after the Closing Date including, without limitation, voting rights and the right to receive and retain all dividends and other distributions (if any) declared, paid or made on or after that date),
- (h) that the terms and conditions of the Offer are deemed to be incorporated in, and form part of, the Form of Acceptance, which shall be read and construed accordingly,
- (i) that, upon execution and delivery the Form of Acceptance takes effect as a deed, and

4. General

- 4.1 If the Offer does not become unconditional in all respects on or before 1 00 p.m. London time on 24 October 2007 or such later time or date as Cohort and the SEA Directors may agree, it will lapse. The Offer will also lapse unless all the conditions relating to the Offer have been fulfilled or, where appropriate, have been determined by Cohort to be and continue to be satisfied or (if capable of waiver) have been waived by 1 00 p.m. London time on 24 October 2007 or such later time or date as Cohort and the SEA Directors may agree. If the Offer lapses for any reason
- (a) it will not be capable of further acceptance,
 - (b) accepting SEA Shareholders and Cohort will cease to be bound by Forms of Acceptance submitted before the time the Offer lapses, and
 - (c) Forms of Acceptance, share certificates and other documents of title delivered to Capita Registrars or to Timothy Marvell will be returned by post, within 10 business days of the Offer lapsing, to the person or agent whose name and address is set out in Box A on the relevant Form of Acceptance or if none is set out to the holder at his address set out in the register of members of SEA. No such document will be sent to an address outside the United Kingdom.
- 4.2 Settlement of the consideration to which any SEA Shareholder is entitled under the Offer will be implemented in accordance with the terms of the Offer and in the manner prescribed in paragraph 13 of Part II of this document. No consideration will be sent to an address outside the United Kingdom.
- 4.3 The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. A word or expression defined in this document has the same meaning when used in the Form of Acceptance unless the context requires otherwise. The provisions of this Part III shall be deemed to be incorporated in and form part of the Form of Acceptance.
- 4.4 If the period for acceptance of the Offer is extended, a reference in this document and in the Form of Acceptance to 24 October 2007 will (except in paragraph 1 of Section B of this Part III and except where the context requires otherwise) be deemed to refer to the period for acceptance of the Offer as so extended.
- 4.5 Any omission or failure to despatch this document, the Form of Acceptance or any other document relating to the Offer and/or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is or should be made will not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to the provisions of paragraph 4.7 below, the Offer is made to any SEA Shareholder not resident in the United Kingdom to whom this document and the Form of Acceptance, or any related document may not be despatched or by whom any such documents may not be received and such persons may collect the relevant documents from Capita Registrars or Timothy Marvell at the respective address set out in paragraph 4.7 below. Cohort reserves the right to notify any matter, including the making of the Offer and any revised or new offer, to all or any SEA Shareholders with a registered address outside the United Kingdom or whom Cohort knows to be a custodian, trustee or nominee holding SEA Shares for such persons, by announcement or by paid advertisement in a newspaper published and circulated in the United Kingdom. In that event, such notice shall be deemed sufficiently given notwithstanding any failure by any SEA Shareholder to receive or see such notice. No such notice shall be sent to an address in a relevant jurisdiction.
- 4.6 No acknowledgement of receipt of any Form of Acceptance, communication, notice share certificate(s) or other document(s) of title will be given by Capita Registrars or otherwise on behalf of Cohort. All communications, notices, share certificates, documents of title and remittances to be delivered by, or sent to or from, SEA Shareholders (or their designated agent(s)) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.
- 4.7 Subject to paragraph 4.5 above, the Offer is made on the date hereof and is capable of acceptance from and after that date. The Offer is made by means of this document, and the Form of

Section C – The Earn Out

1 Preparation and finalisation of Profits Statement

- 1.1 The Sellers' Representative shall use his reasonable endeavours to ensure that the 2008 P&L Account is drawn up as soon as possible and delivered to Cohort on or before the date falling 30 business days following the date on which the SEA 2008 Accounts are approved by the SEA Board, together with a form of Profits Statement for the Earn Out Period signed by the Sellers' Representative
- 1.2 The 2008 P&L Account and the calculation of the 2008 Profits set out in the Profits Statement shall be deemed agreed by Cohort on the date falling 30 business days after the date on which that Profits Statement is first received by Cohort and shall be final and binding on the parties for all

Acceptance Forms of Acceptance copies of this document and related documents may be collected during normal business hours from Capita Registrars of The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or from Timothy Marvell at Beckington Castle, 17 Castle Corner, Beckington, Frome, Somerset BA11 6TA

- 4.8 Subject to the terms of the Offer, Cohort reserves the right to treat as valid, in whole or in part, any Form of Acceptance which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title or satisfactory indemnities in lieu thereof or which is received by Capita Registrars or otherwise on behalf of Cohort in a form or at a place other than as set out in this document or the Form of Acceptance. In that event, no payment of cash or issue of Cohort Consideration Shares under the Offer will be made to the relevant SEA Shareholder until after the relevant share certificate(s), and/or other document(s) of title or indemnities satisfactory to Cohort have been received
- 4.9 SEA Shares to be acquired by Cohort under the Offer are required to be fully paid and free from all liens, equities, charges, encumbrances rights of pre-emption and other third party interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including voting rights and the right to receive and retain all dividends and other distributions (if any) declared, made or paid on or after the date of this document 2007
- 4.10 Fractions of Cohort Consideration Shares will not be allotted or issued to SEA Shareholders accepting the Offer and fractional entitlements to Cohort Consideration Shares under the Offer will be rounded down to the nearest whole number of Cohort Consideration Shares
- 4.11 All powers of attorney appointments of agents and authorities conferred by or referred to in this Part III or in the Form of Acceptance are given by way of security for the performance of the obligations of the SEA Shareholder concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 (or any other applicable requirements)
- 4.12 The Offer, this document, the Form of Acceptance and all acceptances and elections in respect thereof are governed by and construed in accordance with English law. The execution by or on behalf of a SEA Shareholder of a Form of Acceptance will constitute his irrevocable submission, in relation to all matters arising out of or in connection with the Offer and/or the Form of Acceptance to the exclusive jurisdiction of the Courts of England and his agreement that nothing shall limit the right of Cohort to bring any action, suit or proceeding arising out of or in connection with the Offer in any manner permitted by law in any court of competent jurisdiction
- 4.13 Reference in this Part III to a SEA Shareholder shall include references to the person or persons executing a Form of Acceptance and in the event of more than one person executing a Form of Acceptance, the provisions of this paragraph shall apply to them jointly and to each of them severally. References to the masculine gender shall include the feminine. All references in this Part III to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof)

purposes (and shall constitute the calculation of the 2008 Profits (as the case may be) for the purposes of this document), unless during that period Cohort gives notice to the Sellers' Representative that it disagrees with the relevant calculation included in the Profits Statement. Any notice so given shall include reasonable details of the reasons for any disagreement and any suggested adjustment.

- 1.3 If any notice is so served by Cohort during that 30 business day period, Cohort and the Sellers' Representative shall attempt in good faith to resolve any matters in dispute and agree the calculation of the 2008 Profits on or before the date falling 20 business days after the date on which the Sellers' Representative received Cohort's notice. The calculation of the 2008 Profits so agreed by them shall be final and binding on the parties for all purposes. In the absence of agreement between Cohort and the Sellers' Representative within that time period, the matters in dispute shall be determined by the Independent Accountants and the Independent Accountants shall be instructed to deliver a calculation of the 2008 Profits and a revised Profits Statement adjusted only to take account of the matters determined by them. That revised Profits Statement shall then constitute the final Profits Statement.
- 1.4 Cohort and the Sellers' Representative shall promptly provide to the other or the other's accountants or professional advisers all such documents and information as may reasonably be requested for the purpose of preparing or reviewing each Profits Statement. The obligations under this paragraph shall, without limitation, extend to providing access to or copies of all working papers in their possession or under their control created in the course of the preparation and/or review of the relevant Profits Statement.

2 Calculation and payment of additional consideration

- 2.1 In the event that the 2008 Profits exceed £2,000,000, the Earn Out Consideration for the Group A Shareholders and the Group B Shareholders shall be calculated in accordance with the following formula:

$$(A \times B) - C$$

Where

$$A = £16.79 \times \frac{D}{500,000}$$

B = the number of SEA Shares sold by the relevant SEA Shareholder to Cohort pursuant to the Offer

C = the costs of any Independent Accountant, which are to be borne by the SEA Shareholders pursuant to paragraph 3.3 below pro-rata between each SEA Shareholder by reference to the number of SEA Shares sold to Cohort pursuant to the Offer

D = the amount by which the 2008 Profits exceed £2,000,000, the excess being up to a maximum of £500,000

- 2.2 In the event that the 2008 Profits exceed £2,000,000, the Earn Out Consideration for the Group C Shareholders shall be calculated in accordance with the following formula:

$$(E \times B) - C$$

Where

B = as paragraph 2.1 above

C = as paragraph 2.1 above

D = as paragraph 2.1 above

$$E = £19.64 \times \frac{D}{500,000}$$

representations as they may reasonably require), and
3 2 3 shall be required only to determine those matters that this Offer Document provides should be determined by them and deliver such determination and any calculation statement or account required to be provided by them by this Offer Document in writing to the parties on or before the date falling 20 business days after the date of the appointment of the Independent Accountants

- 3 3 In the absence of fraud or manifest error, the decision of the Independent Accountants and any calculation, statement or accounts required to be provided by them by this Offer Document shall be final and binding on the parties for all purposes. The costs of the Independent Accountants shall be paid by such party or parties as the Independent Accountants shall determine in their sole discretion. In default of a determination by the Independent Accountants on costs they shall be borne as to 50 per cent by Cohort and 50 per cent by the SEA Shareholders

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- 2 3 The Earn Out Consideration shall become payable on the date falling 10 business days after the date on which the calculation of the 2008 Profits becomes final and binding on the parties in accordance with paragraph 1 above

- 2 4 Cohort shall satisfy its obligation to pay the Earn Out Consideration by paying to each of the SEA Shareholders who accept the Offer, or whose shares in SEA are purchased by Cohort by virtue of the provisions contained in the articles of association of SEA (as amended from time to time), an aggregate cash amount in the form of a cheque equal to that part of the Earn Out Consideration to which they are entitled pursuant to the terms of the Offer. Any fractional entitlement to an amount of pence shall be rounded down

- 2 5 By way of an example, if the agreed or finally determined 2008 Profits are £2,300,000, a Group A Shareholder who sold 1,000 SEA Shares to Cohort under the offer would receive Earn Out Consideration of

$$\begin{aligned} & \pounds 16.79 \times \frac{300,000}{500,000} = \pounds 10.074 \text{ per SEA Share} \\ & \pounds 10.074 \times 1,000 \text{ SEA Shares} = \pounds 10,074 \end{aligned}$$

- 2 6 If the 2008 Profits were determined only after an Independent Accountant had finalised the 2008 P&L Account, the fees of Independent Accountant which the Independent Accountant states are attributable to the SEA Shareholders shall be split between, and deducted from entitlements of the SEA Shareholders who have sold their shares to Cohort pursuant to the Offer (or under the compulsory acquisition provisions of the articles of association of SEA, as the case may be). If, by way of example, the Independent Accountants fees were £10,000 in total and 1,000 SEA Shares represents 0.5 per cent of the SEA Shares sold to Cohort, the £10,074 Earn Out Consideration referred to in the example above would be reduced by £50 (£10,000 x 0.5 per cent = £50)

3. Independent Accountants

- 3 1 Any matters which this Offer Document provides are to be determined by the Independent Accountants shall be referred for determination by either the Sellers' Representative or Cohort to

3 1 1 an independent firm of chartered accountants agreed between the Sellers' Representative and Cohort or

3 1 2 if no such firm is agreed on or before the date falling five business days after the date on which a firm is first proposed by either party to the other for the purpose, such independent firm of chartered accountants as shall be chosen on the application of either party by the President for the time being of the Institute of Chartered Accountants in England and Wales

- 3 2 The Independent Accountants

3 2 1 shall act as experts and not as arbitrators,

- 3 4 Any amount of costs or expenses to be borne by the SEA Shareholders who are entitled to the Earn Out Consideration shall be deducted from the amount of Earn Out Consideration to be paid to them (pro rata to their SEA Shareholding)
- 3 5 The Sellers' Representative and Cohort shall each use all reasonable endeavours to co-operate with the Independent Accountants and to enable them to reach their determination within the time period set by this Offer Document including by co-operating with any procedure set by the Independent Accountants. In particular, Sellers' Representative and Cohort shall each provide each other and the Independent Accountants with or with access to all such documents and information as may be requested by the Independent Accountants in their absolute discretion. In the event that either the Sellers' Representative and Cohort does not co-operate with or grant access to or supply any document or information requested within any time specified by the Independent Accountants, the Independent Accountants shall in their absolute discretion, be entitled to make such assumptions for the purposes of making their determination as a result of such failure to grant access or supply information as the Independent Accountants shall in their absolute discretion determine

4. Earn out Protection

- 4 1 Cohort shall not without the prior consent of the Sellers' Representative (provided that such consent is not to be unreasonably withheld or delayed), until 30 April 2008, require any member of the SEA Group to do any of the following
- (a) cease to carry on or dispose of the whole or any material part of its assets or business whether to a third party or to Cohort or a company which is a subsidiary of Cohort (and whether by one transaction or a series of transactions),
 - (b) make a substantial change to the nature or scope of its business or trading activities,
 - (c) present a petition for its liquidation or passing of any resolution for its winding up unless in the reasonable opinion of the directors of the relevant SEA Group Company, the company is insolvent and such action is necessary to ensure that all directors of such Company comply with their obligations under the Insolvency Act 1986,
 - (d) appoint a receiver or receiver and manager or administrator over the whole or any part of its assets or undertakings, but subject to the requirements and duties of any director under the provisions of the Insolvency Act 1986,
 - (e) cease to maintain the business of the Group at the date of this agreement as a separate operating entity or
 - (f) acquire any other business or acquire or subscribe for shares in any other company
- 4 2 Cohort shall procure that until 30 April 2008
- (a) each member of the SEA Group will have available sufficient working capital in accordance with the projections in the budgets on normal arms length terms which will enable the SEA Group to operate its businesses in the usual normal manner and with the view to achieving the budgets,
 - (b) no member of the SEA Group shall be required or prevented from trading or dealing with any particular person firm or company and Cohort shall not impose a requirement on any of the members of the SEA Group to buy or sell goods or to provide or receive services at any particular price other than to ensure that all trade and related transactions of the SEA Group (including transactions between members of Cohort's Group) will be freely negotiated at arms length
 - (c) the SEA Group shall continue to trade under its existing trading name and style
 - (d) Cohort shall not seek to impose upon the SEA Group the adoption of policies in relation to the running of their respective businesses which are likely to have an adverse effect on the profitability of the SEA Group, and
 - (e) the Group C Shareholders will have day-to-day management of the SEA Group


- 4.3 Notwithstanding the provisions of this Agreement Cohort undertakes not to do or omit to do anything the primary intention of which is to reduce the amount of the Earn Out
- 4.4 In the event of Cohort committing a breach of its obligations contained in sub-paragraphs 4.1 – 4.3, the Sellers' Representative may serve a notice on Cohort requiring it to cease or remedy such breach. If following a period of 14 days following service of any such notice Cohort shall not have ceased or remedied such breach in all material respects then Cohort and the Sellers' Representative shall have a further period of 14 days in which to agree on any adjustments required to the 2008 Profits as a result of such breach (or such longer period as may be agreed by them in writing)
- 4.5 If the Sellers' Representative gives consent or deemed consent to any of the matters referred to in paragraph 4.1 (because such matter is one where consent cannot reasonably be withheld or delayed) but reasonably feels that such event will be materially prejudicial to the Earn Out, the Sellers' Representative may serve a notice on Cohort giving reasons for such notice in reasonable detail. Following receipt of a valid notice Cohort and the Seller's Representative shall have a period of 14 days in which to agree on any adjustment required to the 2008 Profits as a result of such event (or such longer period as may be agreed by them in writing)
- 4.6 In the event that Cohort and the Sellers' Representative are unable to agree the adjustment(s) (if any) required to the 2008 Profits in accordance with paragraphs 4.4 or 4.5 above, the matters in dispute shall be determined by the Independent Accountants and the Independent Accountants shall be instructed to deliver a calculation (so far as they are able to do so) of the adjustment(s) required to the 2008 Profits (as and when they are determined), adjusted only to take account of the matters determined by them. If the Independent Accountants are unable to deliver a specific calculation of the adjustment to the 2008 Profits, they shall be instructed by Cohort and the Sellers' Representative to provide a range within which the 2008 Profits should be adjusted, for Cohort and the Sellers' Representative to agree within a period of 7 days from delivery by the Independent Accountant of that range. In the absence of agreement between Cohort and the Sellers' Representative the adjustment to the 2008 Profits shall be the mid-point in the range provided by the Independent Accountants
- 4.7 In the event that the Independent Accountants report that they are unable to deliver (by reason of the matters concerned not being susceptible to valuation by them) any calculation of the adjustment(s) required to the calculation of the 2008 Profits in accordance with the provisions of paragraph 4.6 above, Cohort and the Seller's Representative shall have a further period of 7 days in which to agree on any adjustment required to the 2008 Profits. In the absence of any agreement at the end of that 7 day period, the Earn Out shall thereupon become due and payable in the maximum amount capable of being payable under the terms of the Offer. Any such Earn Out shall become due and payable within 30 days following the date on which the Independent Accountants have notified their inability to deliver such a calculation

APPENDIX 1

2008 P&L ACCOUNT POLICIES

The 2008 P&L Account shall be drawn up using the EBIT figure set out in the SEA 2008 Accounts as a starting point and subject to adjustment in accordance with the provisions of this paragraph

- (i) the 2008 P&L Account shall be drawn up in accordance with generally accepted accounting principles and practices in the United Kingdom which are applicable at the time of preparation of the 2008 P&L Account
- (ii) subject to sub-paragraph (i) above, the 2008 P&L Account shall be drawn up adopting the same accounting policies consistently applied as those used in the preparation of the SEA accounts for the year ended 31 March 2007,
- (iii) subject to sub-paragraphs (i) and (ii) above, any changes to the SEA accounting policies specifically required to produce the SEA 2008 Accounts so that they could form part of the consolidated group accounts for Cohort shall be reversed,
- (iv) subject to such paragraphs (i) (ii) and (iii) above
 - (a) the 2008 P&L Account shall be adjusted in order to eliminate the cost of any payment to be made to Timothy Marvell and Paul Phillips in accordance with the bonus letters dated on or around the date of this document in connection with the sale of SEA, including any associated employer's National Insurance Contributions (being the sum of £676,800) and any additional pension contributions or other salary sacrifice type arrangements made in relation to such payments,
 - (b) development costs to be capitalised in the Earn Out Period must be analysed according to the format shown in attachment 17 of the August management accounts of the SEA Group (i.e. by project with the basis according to SSAP 13 for capitalisations provided in each case)
 - (c) with respect to development costs capitalised at 31 March 2007, amortisation in the Earn Out Period will be based on the units sold in that period in line with SEA's historic amortisation policy. Amortisation of development costs capitalised in the Earn Out Period will be based on units sold in that period, in a manner consistent with SEA's historic amortisation policy. In each case development costs to be amortised in the Earn Out Period must be analysed by project/product with an appropriate explanation for each amortisation basis given as well as the reason for any un-amortised balance being left in the balance sheet as at 30 April 2008,
 - (d) consolidated goodwill to be amortised in the Earn Out Period is expected to be £44,000,
 - (e) EN Transfer amounts shall be included in turnover on a basis consistent with SEA's historic policy analysed on a contract by contract basis and shall only be included in the 2008 P&L Account if fully justified in terms of the reasonableness of that EN Transfer in the context of the overall profitability of that contract (and that justification shall involve provision of the details of the contract value, turnover, estimated overall profitability (including the proposed EN Transfer) and the anticipated amount of the overhead recovery on the contract),
 - (f) any costs or provisions (including in the nature of professional fees or similar) due to any element of the payments to shareholders being classed as income and any employer's NICs or associated tax costs thereon shall be added back,
 - (g) any costs, provisions or other adjustments incurred in connection with the Offer and as a result of FRS20 (share based payments) shall be added back,
 - (h) any costs or provisions relating to management charges or non-executive directors' fees charged by Cohort shall be added back

- 
- (i) any one-off costs or provisions incurred by SEA which the boards of Cohort and SEA agree in advance should be expensed in the Earn Out Period but which they also agree should not impact on the 2008 Profits due to deferred benefits to the business shall be added back,
- (j) any increased costs or provisions resulting from the acquisition of SEA shall be added back. These include (but are not limited to)
- annual audit/tax fees,
 - any professional fees incurred in connection with the Offer, or
 - insurance

APPENDIX 2

PRO FORMA P&L ACCOUNT

	<i>Statutory accounts for the 13 months ended 30 April 2008 SEA Group £ 000</i>	<i>Adjustments to reverse the impact of accounting policy changes implemented by Cohort plc SEA Group £'000</i>	<i>Exclusion of fair value adjustments not part of 2008 Profit SEA Group £'000</i>	<i>Agreed adjustments listed in Appendix I of Section C, Part III SEA Group £ 000</i>	<i>2008 P&L Account SEA Group £'000</i>
Profit before tax					
Interest payable/receivable					
Profit before tax and interest					
Analysis of 2008 Profit [include lines for adjustments to reflect individual items as described in Appendix I]					
Profit before tax and interest					

APPENDIX 3
PRO FORMA PROFITS STATEMENT

To The Directors
Cohort plc
The Court House
Northfield End
Henley-on-Thames
Oxfordshire RG9 2JN
For the attention of Mr Nicholas Prest

[Date]

Dear Sirs

We refer to the circular ("**Offer Document**") sent by Cohort plc to the shareholders of SEA (Group) Ltd dated 10 October 2007 relating to the offer by Cohort plc to acquire the entire issued share capital of SEA (Group) Ltd

We enclose a copy of the 2008 P&L Account (as defined in the Offer Document)

On the basis of the 2008 P&L Account, the 2008 Profits (as defined in the Offer Document and calculated, in our opinion, in accordance the Offer Document), are equal to the sum of £●

for and on behalf of the Sellers' Representative

PART IV

FURTHER INFORMATION

1. Responsibility

- 1.1 The directors of Cohort, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document, other than information relating to SEA and its subsidiaries, the directors of SEA and their connected persons and the opinions attributable to the directors of SEA. To the best of the knowledge and belief of the directors of Cohort (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The directors of SEA, whose names are set out in paragraph 2.3 below, accept responsibility for the information contained in this document relating to SEA and its subsidiaries, themselves and their connected persons and the opinions attributable to the directors of SEA. To the best of the knowledge and belief of the directors of SEA (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- 2.1 The directors of Cohort are

Nicholas Prest	<i>(Chairman)</i>
Stanley Carter	<i>(Chief Executive)</i>
Simon Walther	<i>(Finance Director)</i>
Sir Robert Walmsley	<i>(Non Executive Director)</i>

- 2.2 Cohort is a company incorporated in England and Wales (No. 05684823) whose registered office is at The Court House, Northfield End, Henley-on-Thames, Oxfordshire RG9 2JN.

- 2.3 The directors of SEA are

Roger Pinnington	<i>(Non-Executive Chairman)</i>
Ian Dale-Staples	<i>(Chief Executive)</i>
Timothy Marvell	<i>(Finance Director)</i>
Paul Phillips	<i>(Executive Director)</i>
Sir Robert Hill KBE	<i>(Non-Executive)</i>
Trevor Truman OBE	<i>(Non-Executive)</i>

- 2.4 SEA is a company incorporated in England and Wales (No. 02430846) whose registered office is at Beckington Castle, 17 Castle Corner, Beckington, Frome BA11 6TA.

3. Disclosure of Interests and Dealings

- 3.1 References in this paragraph 3 to

- (a) "disclosure period" shall mean the period commencing on 10 October 2006 (being the date 12 months prior to the commencement of the Offer Period) and ending on 9 October 2007 (being the latest practicable date prior to the posting of this document),
- (b) a person having an "interest in securities" or "an interest in relevant securities" or "an interest in shares" includes a person who has long economic exposure whether absolute or conditional, to changes in the price of securities, but not a person who only has a short position in securities. In particular, a person will be treated as having an interest in securities, relevant securities or shares if

Trevor Truman*	4,200	1.6
Gareth Somerset	47,774	18.1
Ron Barnes	24,585	9.3
Allan Phillips	48,537	18.3

*SEA Directors

- (i) he owns them,
- (ii) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them,
- (iii) by virtue of any agreement to purchase, option or derivative he has the right or option to acquire them or call for their delivery, or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise, or
- (iv) he is party to any derivative whose value is determined by reference to their price, and which results, or may result, in his having a long position in them

3.2 *Interests in relevant securities of SEA*

As at the close of business on the last day of the disclosure period, Cohort and the directors of Cohort had no interests, rights to subscribe, and short positions in relevant securities of SEA

3.3 *Interests in relevant securities of Cohort*

As at the close of business on the last day of the disclosure period, SEA and the directors of SEA had no interests, rights to subscribe, and short positions in relevant securities of Cohort

3.4 *Dealings in relevant securities of Cohort by Cohort Directors*

Simon Walther, Finance Director of Cohort, subscribed for 10,000 Cohort Shares at a price of 135p on 1 August 2006

Save as disclosed above, since the admission of Cohort Shares to trading on AIM, there have been no dealings in Cohort Shares by the Cohort Directors and the interests of the Cohort Directors in Cohort Shares are as detailed on page 11 of the Cohort Annual Report and Accounts accompanying this document

4. *Irrevocable undertakings*

Irrevocable undertakings to accept, or procure acceptance of, the Offer have been given by the following persons in respect of the number of SEA Shares set opposite their respective names (of which they are the beneficial owners)

	<i>Number of SEA Shares</i>	<i>Percentage of SEA Shares (%)</i>
Roger Pinnington*	6,200	2.3
Ian Dale-Staples*	57,953	21.9
Tony Marshall*	11,774	4.5

5. Market Quotations

The following table shows the closing middle market prices for Cohort Shares on the first dealing day in each of the 12 months prior to the date of this document, and on 9 October 2007 (being the latest practicable date prior to announcement of the Offer and the publication of this document)

<i>Date</i>	<i>Cohort Share price (pence)</i>
9 October 2007	162 5
1 October 2007	162 5
3 September 2007	160 5
1 August 2007	172 5
2 July 2007	178 0
1 June 2007	169 5
1 May 2007	158 0
2 April 2007	167 5
1 March 2007	175 0
1 February 2007	177 5
1 January 2007	185 0
1 December 2006	167 5
1 November 2006	170 0

Source Datastream

6 General

- 6.1 Systems Engineering & Assessment Ltd (‘SEAL’) has entered into agreements with Timothy Marvell and Paul Phillips pursuant to which, in consideration of their assistance and additional work in relation to the sale of SEA, in the event that a sale completes on or before 31 December 2007, SEAL will make a bonus payment of £170,000 to Timothy Marvell and £130,000 to Paul Phillips. SEAL has additionally agreed to pay a performance bonus of up to £170,000 to Timothy Marvell and £130,000 to Paul Phillips based upon achievement of the targets that underlie the Earn Out Consideration. If these payments prove to be impossible to make for certain reasons of English company law, Cohort has undertaken to make these payments within a certain period of it being registered as owner of all the SEA Shares.
- 6.2 SEAL has entered into agreements with Ian Dale-Staples, Timothy Marvell and Paul Phillips pursuant to which during the year following completion of the acquisitions of their SEA Shares (the ‘Initial Period’), their employment will be for a fixed period of one year unless and until terminated by either party giving not less than six months notice expiring on or after the Initial Period.
- 6.3 Save as disclosed in this document no agreement, arrangement or understanding (including any compensation arrangement) exists between Cohort or any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of SEA or any person interested or recently interested in shares of SEA having any connection with or dependence upon or which is conditional on the outcome of, the Offer.
- 6.4 Save as disclosed in this document, no proposal exists in connection with the Offer that any payment or other benefit be made or given to any director of SEA as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- 6.5 There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the SEA Shares to be acquired by Cohort pursuant to the Offer will be transferred to any person, save that Cohort reserves the right to transfer any such shares to any other member of the Cohort Group or any nominee.
- 6.6 Investec and Target Corporate Finance have given and not withdrawn their written consent to the issue of this document with the inclusion in it of the references to their names in the form and context in which they appear.

- 6 7 The closing middle market prices of Cohort Shares set out in paragraph 5 of this Part IV are based on the middle market price of a Cohort Share derived from the Daily Official List of the London Stock Exchange for the relevant dates
- 6 8 Unless otherwise stated, the value placed by the Offer on the entire issued and to be issued share capital of SEA is based on 264,556 SEA Shares in issue on the date of this document
- 6 9 Settlement of the consideration to which any SEA Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, set-off, counterclaim or other analogous right to which Cohort may otherwise be or claim to be, entitled against such SEA Shareholder save as expressly set out in the Warranty Agreement
- 6 10 Save as set out in its Report and Accounts for the year ended 30 April 2007 and as previously announced on 30 August 2007 as regards the award to MASS by a customer of a contract valued at approximately £7 million and the resulting order book of the Cohort Group, each in accordance with the applicable AIM Rules and save as regards the announcement in respect of the Offer, Cohort has been under no obligation under the AIM Rules to make an announcement of developments concerning a change in its financial condition, its sphere of activity, the performance of its business, or its expectation of performance, since 30 April 2007

7 Documents available for inspection

Copies of the following documents will be available for inspection at the offices of SEA at Beckington Castle 17 Castle Corner, Beckington, Frome BA11 6TA during usual business hours on any weekday (Saturdays and public holidays excepted) until 1 00 p m on 24 October 2007

- 7 1 1 the memorandum and articles of association of Cohort and SEA,
- 7 1 2 the published audited consolidated accounts of Cohort for the last two financial years ended 30 April 2007,
- 7 1 3 the published audited consolidated accounts of SEA for the last two financial years ended 31 March 2007, and
- 7 1 4 this document and the Form of Acceptance

10 October 2007

DEFINITIONS

In this document, unless the contrary intention appears, the following definitions apply

"2008 Profits"	the amount of the consolidated EBIT of the Group Companies for the Earn Out Period as derived from the 2008 P&L Account excluding the amount of any profit or loss attributable to shares in subsidiary undertakings included in the consolidation held by or on behalf of persons other than a Group Company as at the date of this document,
"2008 P&L Account"	the consolidated profit and loss account of SEA for the Earn Out Period, drawn up in accordance with the accounting policies, bases and practices referred to in Appendix 1 of Section C, Part III of this document as exemplified in the Pro Forma P&L Account set out in Appendix 2 of Part III,
"Act"	the Companies Act 1985 including any statutory modification or restatement thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force,
"Admission"	the admission to trading on AIM of the Cohort Consideration Shares and the Vendor Placing Shares becoming effective in accordance with the AIM Rules,
"Agreed Costs"	£463 550 (including VAT) of costs incurred by the SEA Shareholders with the Shareholders' Solicitors, Target and other professional advisors in connection with the Offer, such aggregate amount having been approved by Roger Pinnington, Ian Dale-Staples and Timothy Marvell,
"AIM"	the market of that name operated by the London Stock Exchange,
"AIM Rules"	the AIM Rules for companies published by the London Stock Exchange, as amended from time to time,
"Articles"	the articles of association of SEA (as at the date hereof),
"business day"	any day (other than a Saturday or Sunday) on which banks are open for business in the City of London,
"Capita Registrars"	Capita Registrars (a trading name of Capita Registrars Limited) of 34 Beckenham Road, Beckenham, Kent, BR3 4TU,
"Cash Placing"	the placing of the Cash Placing Shares by Investec prior to the Vendor Placing, and any subscription for the Cash Placing Shares, on the terms contained in the Placing Agreement (such Cash Placing not being for the purposes of financing the Offer),
"Cash Placing Shares"	1,000,000 ordinary shares of 10p nominal value each in Cohort to be issued pursuant to the Cash Placing in accordance with the terms of the Placing Agreement,
"Closing Date"	24 October 2007,
"Cohort"	Cohort plc,
"Cohort Board" or 'Cohort Directors'"	the directors of Cohort for the time being which (where the context requires) comprises such persons as at the date of this

“Form of Acceptance”	the form of acceptance, election and authority relating to the Offer which accompanies this document
“Form of Agreement to the Written Resolution”	the form of agreement signifying agreement to the Written Resolution,
“Group A Shareholders”	means all SEA Shareholders other than the Group B Shareholders and the Group C Shareholders,
“Group B Shareholders”	means Roger Pinnington, Sir Robert Hill, Trevor Truman, Allan Phillips, Gareth Somerset and Ronald Barnes
“Group C Shareholders”	means Ian Dale-Staples, Timothy Marvell and Paul Phillips

	document, whose names appear on paragraph 2.1 of Part IV of this document,
“Cohort Consideration Shares”	the ordinary shares of 10p nominal value each in capital of Cohort proposed to be issued pursuant to the Offer,
“Cohort Group”	Cohort plc and its existing subsidiary undertakings,
“Cohort Shares”	the ordinary shares of 10p nominal value each in the capital of Cohort
“Company”	SEA (Group) Ltd,
“Completion”	completion of the acquisition of the entire issued and to be issued share capital of SEA by Cohort pursuant to the terms of the Offer and the Warranty Agreement.
“Consideration”	the consideration being provided by Cohort in return for acceptance of the Offer, as detailed in Parts II and III of this document
“Earn Out” or “Earn Out Consideration”	the earn out described in paragraph 4 of the letter from the Cohort Chairman in Part II of this document and as further described in Section C of Part III of this document,
“Earn Out Period”	the 13 month period starting on 1 April 2007 and ending on 30 April 2008.
“EBIT”	profit or loss on ordinary activities before interest payable and receivable and taxation,
“EN Transfer”	any amount of bid costs previously written off but then written back into the SEA 2008 Accounts during the Earn Out Period as a result of, or in connection with, the award of a contract by a customer,
“Enlarged Cohort Group”	the Cohort Group as enlarged following Completion,
“Enlarged Share Capital”	the existing issued ordinary share capital of Cohort as enlarged by the Offer and the Placing assuming (i) full acceptance of the Offer and (ii) full election for the Cohort Consideration Shares (within the terms of the Offer) and taking into account acceptances already received from the majority shareholders,

"Independent Accountants"	the independent firm of chartered accountants appointed under paragraph 3 of Section C of Part III of this document,
"Initial Cash Consideration"	the cash consideration payable under the terms of the Offer (excluding the Earn Out Consideration)
"Initial Consideration"	the sum of approximately £20.73 million comprised as detailed in this document (as adjusted, in respect of consideration payable to the Group C Shareholders, in accordance with the Warranty Agreement, if applicable),
"Investec"	Investec Bank (UK) Limited,
"Irrevocable Undertakings"	the irrevocable undertakings given by the Group B Shareholders and the Group C Shareholders to Cohort,
"London Stock Exchange"	London Stock Exchange PLC or its successor
"MASS"	MASS Consultants Limited (company number 01705804),
"New Cohort Shareholders"	the holders of Cohort Consideration Shares,
"Offer"	the recommended offer being made by Cohort to acquire the entire issued share capital of SEA, on the terms and subject to the conditions set out in this document and the Form of Acceptance,
"Offer Document"	this offer document addressed to SEA Shareholders in connection with the Offer,
"Placing"	the Cash Placing and the Vendor Placing,
"Placing Agreement"	the agreement dated 10 October 2007 made between Cohort and Investec by which Investec has agreed, subject to terms and conditions to procure subscribers for the Placing Shares and itself as principal to subscribe for any of the Placing Shares to the extent that it does not procure subscribers,
"Placing Price"	the issue price of the Cohort Shares fixed for the purposes of the Placing at £1.50,
"Placing Shares"	together the Cash Placing Shares and the Vendor Placing Shares,
"Pro Forma P&L Account"	the annotated template profit and loss account of SEA set out in Appendix 2 of Section C of Part III of this document
"Profits Statement"	the statement of the 2008 Profits, in the format set out in Appendix 3 of Section C of Part III of this document,
"SEA"	SEA (Group) Ltd,
"SEA Board" or "SEA Directors"	the directors of SEA for the time being which (where the context requires) comprises such persons as at the date of this document whose names appear in paragraph 2.3 of Part IV of this document,
"SEA 2008 Accounts"	audited consolidated accounts of the SEA Group prepared for the 13 months ended 30 April 2008 in accordance with the accounting policies of the SEA Group as at 30 April 2008 and on which the auditor has given an unqualified opinion of the balance

	sheet and the trading for the period from 1 April 2007 to 30 April 2008,
"SEA Executive Directors"	Ian Dale-Staples, Timothy Marvell and Paul Phillips,
"SEA Group"	SEA (Group) Ltd and its existing subsidiary undertakings,
"SEA Shares"	the Ordinary Shares of £0.25 nominal value each in the capital of SEA in issue on the date of this document,
"SEA Shareholders"	the holders of the Ordinary Shares,
"SCS"	Systems Consultants Services Limited (company number 02707469),
"Sellers' Representative"	Timothy Marvell, acting on behalf of each of the SEA Shareholders who sell their SEA Shares to Cohort
"Shareholders' Solicitors"	CMS Cameron McKenna LLP of Mitre House, 160 Aldersgate Street, London EC1A 4DD,
"subsidiary" and "subsidiary undertaking"	shall be construed in accordance with the Act,
"UK GAAP"	generally accepted accounting principles and practices in the United Kingdom,
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland,
"Vendor Placing"	the placing of the Vendor Placing Shares by Investec, and any subscription for the Vendor Placing Shares, on the terms contained in the Placing Agreement,
"Vendor Placing Shares"	4,000,000 ordinary shares of 10p nominal value each in Cohort to be issued as part of the consideration for the acquisition of SEA which are to be placed pursuant to the Vendor Placing in accordance with the terms of the Placing Agreement,
"Warranty Agreement"	the agreement between the Group C Shareholders and Cohort, dated 10 October 2007, under which <i>inter alia</i> , the Group C Shareholders agreed to give irrevocable undertakings to Cohort to accept the Offer and gave certain warranties and indemnities to Cohort with regard to the SEA Group, and