

663377

**ABLE & HOW LIMITED (the "Company")**

**MINUTES** of a Meeting of the Board of Directors held at 11 Felden Street, London SW6 5AE on 20 October 2008 at [ ] am/pm

---

**PRESENT:** Mr David Ferrabee (Chairman)  
Mr Paul Arnold

**IN ATTENDANCE:**

---

**1 QUORUM**

- 1.1 There being a quorum present in accordance with the Company's articles of association ("the Articles"), the Chairman took the chair and declared the meeting duly convened and confirmed that all of the Company's Directors entitled to receive notice of the Meeting had received it.
- 1.2 Pursuant to s182 of the Companies Act 2006 ("the Act") and the Articles each Director declared his interest in the matters to be considered by the Meeting and it was noted that a Director may vote and form part of the quorum in relation to any matter in which he is interested.
- 1.3 Given the above, the meeting could proceed to business.

**2 BACKGROUND AND PURPOSE OF THE MEETING**

- 2.1 It was noted that the Company wished to consider and if thought fit to approve an investment by Cossette UK Limited ("the Investor") in the amount of £150,000 (£135,000 payable in cash and £15,000 in services already provided by the Investor to the Company in accordance with the terms of the SA, as defined by 3.1.2 below) for a total of 200,000 ordinary shares of £0.75 each in the capital of the Company ("the Investment").
- 2.2 It was noted that the purpose of the meeting was to consider and if thought fit to approve the documents required to be put in place to effect the Investment ("the Investment Documents").

**3 DOCUMENTS TABLED**

- 3.1 The following Investment Documents, in draft form, were produced to the Meeting:
- 3.1.1 A new form of Articles of Association to be adopted by written resolution ("the Resolution") to incorporate the matters referred to in the Investment Documents ("the New Articles");
- 3.1.2 The Shareholders' Agreement ("SA") relating to the Company to be entered into between (1) the Company, (2) Mr David Ferrabee, (3) Mr Paul Arnold, (4) the Investor and (5) the Investor's parent company;
- 3.2 Each Director stated that he had duly and carefully considered the terms of the Investment Documents and that in doing so he had considered his duties under the



Companies Act 2006, in particular the factors set out in sub-paragraph (a)-(f) of section 172(1).

#### 4 **RESOLUTIONS**

- 4.1 Having carefully considered the Investment Documents provided at the Meeting **IT WAS CONSIDERED TO BE IN THE BEST INTERESTS OF THE COMPANY TO APPROVE AND/OR ENTER INTO THE INVESTMENT DOCUMENTS** and it was further **RESOLVED** that:

4.1.1 The New Articles;

4.1.2 The form of the SA

Are hereby approved, and;

4.1.3 The 200,000 ordinary shares be allotted, subject to the receipt of the subscription monies.

4.1.4 Any director (or where the document is required to be executed as a deed, any two directors or any one director and the Company secretary) be and hereby authorised to execute the Investment Documents (and any other documents in connection with the Investment) on behalf of the Company.

#### 5 **FILING**

- 5.1 The company secretary was instructed to prepare, have signed and file with the Registrar of Companies Form 88(2).
- 5.2 The company secretary was also instructed to file with the Registrar of Companies the Resolution and the New Articles.

#### 6 **OTHER BUSINESS**

There being no further business the Chairman declared the Meeting closed.



Chairman

## SHAREHOLDERS AGREEMENT

THIS AGREEMENT is made the

2008

### BETWEEN:

- (1) **ABLE AND HOW LIMITED** a company incorporated in England and Wales (registered no. 6633377) and having its registered office at 11 Felden Street, London SW6 5AE (hereinafter referred to as the "**Company**")
- (2) **DAVID FERRABEE** of 11 Felden Street, London SW6 5AE (hereinafter called "**DF**")
- (3) **PAUL MICHAEL ARNOLD** of 35 Egerton Gardens, Ealing, London W13 8HG (hereinafter called "**PA**")
- (4) **COSSETTE U.K. LIMITED** of 45 Notting Hill Gate, London W11 3LQ (hereinafter called "**Investor**")
- (5) **COSSETTE COMMUNICATION GROUP INC.** of 801 Grande Allee Ouest, Suite 200, Quebec City, Quebec, G1S 1C1, Canada (hereinafter called "**Investor Parent**")

### WHEREAS:

- (A) The Company is a private company limited by shares which was incorporated under the Companies Act 2006 on 30 June 2008 and has at the time of execution of this Agreement an authorised share capital of £1,000,000.00 divided into 2,000,000 Ordinary Shares of £0.50 each.
- (B) Each Founding Shareholder is the registered owner of the following Ordinary Shares of £0.50 each in the Company, for which each Founding Shareholder has paid consideration at par value:

SHAREHOLDER	ORDINARY SHARES
DAVID FERRABEE	1,020,000
PAUL MICHAEL ARNOLD	680,000

- (C) The Investor has agreed to subscribe for Shares in the capital of the Company on the terms of this Agreement.
- (D) The Parties have agreed to enter into this Agreement for the purpose of regulating their relationship with each other and certain aspects of the affairs of and their dealings with the Company.
- (E) The Company has agreed with the Shareholders that they will comply with the terms and conditions of this Agreement in so far as they relate to the Company.
- (F) The Company carries on the Business.

### NOW IT IS HEREBY AGREED as follows:

#### 1. Interpretation

- 1.1 In this Agreement except where the context otherwise requires the following expressions shall have the following meanings:

<b>Acting in Concert:</b>	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);
<b>Bad Leaver:</b>	means a Shareholder whose directorship and/or employment with the Company ceases for any reason that is not a Good Leaver Reason;
<b>Board:</b>	the board of directors for the time being of the Company;
<b>Business:</b>	the provision of strategic communications consultancy services;
<b>Business Day:</b>	a day (other than a Saturday or Sunday) when banks in the City of London are open for business;
<b>Competitor:</b>	any business concern which is (or intends to be) in competition with the Company in relation to the Business in the Territory;
<b>Controlling Interest:</b>	more than fifty percent (50%) of the issued Shares;
<b>Director:</b>	means any director for the time being of the Company, as the context so requires, including where applicable any alternate director;
<b>Encumbrance:</b>	means all encumbrances (whether monetary or not) and all other rights exercisable by third parties;
<b>Existing Shareholder Business:</b>	means any business concern in respect of which a Shareholder is involved as a shareholder, agent, director, employee or partner at the date of this Agreement, including without limitation the business concerns specified in Schedule 5;
<b>Financial Year:</b>	means the Company's financial accounting period of twelve (12) calendar months, but in the first year in which the Company is formed, means the period starting with the day the Company is formed and ending on last day of the Company's financial accounting period;
<b>Founding Shareholders:</b>	DF and PA;
<b>Good Leaver Reason:</b>	means one or more of the following: <ul style="list-style-type: none"> <li>(a) death;</li> <li>(b) disability;</li> <li>(c) ill health;</li> </ul>

- (d) any other reason (except dismissal for gross misconduct) where the cessation of a directorship and/or employment occurs after the exercise of the Options (as defined in Schedule 4); and
- (e) any other reason determined by Majority Shareholder Consent (such a vote to exclude any voting rights of the exiting Shareholder) to be a Good Leaver Reason.

**Group** means any parent company or subsidiary from time to time wherever incorporated (parent and subsidiary are to be construed in accordance with the Companies Act 2006)

#### **Intellectual**

**Property Rights:** means all intellectual property rights, including patents, utility models, trade and service marks, trade names, domain names, right in designs, copyrights, moral rights, topography rights, rights in databases, trade secrets and know-how, in all cases whether or not registered or registrable and including registrations and applications for registration of any of these and rights to apply for the same, and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world;

#### **Investor**

**Consent:** means the agreement, as evidenced in writing, of the Investor;

#### **Majority Shareholder**

**Consent:** means the agreement, as evidenced in writing, of the holder(s) of 75% of the Shares in issue at the date that consent is given;

#### **Offeror**

**Shareholder:** means a Shareholder who offers, in writing, in accordance with the terms hereof, to sell some or all of his Shareholding;

**Offered Shares:** means those Shares in which a Shareholder has a beneficial interest in respect of which that Shareholder offers, by notice in writing, to sell;

**Party:** means a party to this Agreement;

**Person:** means an individual or a body corporate or unincorporated or a partnership and Persons shall be construed accordingly;

**Resolutions:** means the resolutions of the Shareholders to:

- (a) waive pre-emption rights in respect of the allotment and issue of the Subscription Shares; and
- (b) grant the directors of the Company authority to allot the Subscription Shares.

**Services:** means the services provided by the Investor in consideration for the Subscription Shares as set out in Schedule 3;

**Shares:** means shares in the share capital of the Company;

**Shareholder:** means, as the context requires an individual or company who has beneficial ownership of one or more Shares;

**Subscription Date:** the [INSERT DATE] or such later date as the parties may agree.

**Subscription Shares:** the 200,000 new ordinary Shares to be subscribed by the Investor pursuant to Clause 2.1.

**Territory:** means the United Kingdom.

- 1.2 Words and phrases the definitions of which are contained or referred to in the Companies Act 2006 shall be construed as having the meaning thereby attributed to them but excluding any statutory modification thereof not in force on the date of this Agreement.
- 1.3 Clause, schedule and paragraph headings shall not affect the interpretation of this agreement.
- 1.4 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.5 The schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement and any reference to this Agreement includes the schedules.
- 1.6 References to clauses and schedules are to the clauses and schedules of this Agreement; references to paragraphs are to paragraphs of the relevant schedule.
- 1.7 A reference to one gender shall include a reference to the other genders.
- 1.8 Words in the singular shall include the plural and vice versa.
- 1.9 A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.10 Writing or written includes faxes but not e-mail.
- 1.11 Where the words include(s), including or in particular are used in this agreement, they are deemed to have the words "without limitation" following them. The words other and otherwise are illustrative and shall not limit the sense of the words preceding them.

- 1.12 Any obligation in this agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.

## **2. Subscription**

- 2.1 The Investor applies for the allotment and issue to it of the Subscription Shares, at a subscription price of £0.75 per Share, payment for which shall be made by the Investor as follows:

2.1.1 £135,000 shall be paid by the Investor to the Company on the Subscription Date in accordance with Clause 2.6.1; and

2.1.2 the Services already provided by the Investor to the Company in accordance with the terms of this Agreement.

- 2.2 Completion of the subscription shall take place on the Subscription Date.

- 2.3 The Company warrants to the Investor that, on the date of this Agreement and on the Subscription Date (if different), the Company shall, subject to passing the Resolutions, be entitled to allot the Subscription Shares to the Investor on the terms of this Agreement, without the consent of any other person.

- 2.4 Each of the Founding Shareholders agrees to vote in favour of the Resolutions and irrevocably waives any pre-emption rights that he or his nominees may have pursuant to this Agreement or the Company's articles of association or otherwise, so as to enable the issue of the Subscription Shares to proceed.

- 2.5 Completion of the subscription by the Investor for the Subscription Shares shall take place at the offices of the Company on the Subscription Date (or at such other time and place as the Company and the Investor shall agree) when the events set out in Clause 2.6 below shall take place.

- 2.6 The following events shall occur on the Subscription Date:

2.6.1 the Investor shall pay the Company £135,000 by electronic transfer to the Company's Solicitors' bank account at Barclays Bank Plc, 20-32-29, account number 30809888;

2.6.2 a meeting of the Board shall be held at which the Company shall:

2.6.2.1 subject to receipt of the payment referred to in Clause 2.6.1, issue and allot the Subscription Shares credited as fully paid to the Investor (or such person as it shall direct) and enter its name in the register of members in respect of them;

2.6.2.2 execute and deliver to the Investor a share certificate for the Subscription Shares;

2.6.2.3 pass any other resolutions required to carry out the Company's obligations under this agreement; and

2.6.2.4 the Company Secretary shall be instructed to file all appropriate resolutions and forms with the Registrar of

Companies within the time limits prescribed for filing each of them.

- 2.7 The Investor shall from the Subscription Date provide the Services with reasonable care and skill in a manner consistent with generally accepted standards for identical or similar services.

2.8 —

### **3. Advisory Board and Accounting and Information Rights**

- 3.1 The Investor shall, for so long as it is a Shareholder, be entitled to be represented on the Company's advisory board, which for the avoidance of doubt is separate and distinct from the Board of Directors.

- 3.2 The Company shall at all times maintain accurate and complete accounting and other financial records in accordance with generally accepted accounting principles applicable in the United Kingdom.

- 3.3 The Company shall prepare management accounts on a monthly basis and send copies to the Investor within ten (10) Business Days of the end of each month.

- 3.4 The Company shall provide annual financial statements to the Investor within ninety (90) days after the end of the Financial Year.

- 3.5 The Company shall procure that its representative approves on each set of monthly management accounts and annual financial statements that:

3.5.1 the representative has reviewed the applicable accounts or statements;

3.5.2 such accounts or statements do not contain any untrue statements (so far as it pertains to historical financial information) of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which the statement was made; and

3.5.3 such accounts or statements fairly present in all material respects the financial condition, results of operations and cash flows of the company.

- 3.6 The Company shall at least ten (10) Business Days after the end of each Financial Year, prepare and send to the Investor a detailed operating and capital budget and cash flow forecast for the next Financial Year.

- 3.7 The Investor and a firm of accountants nominated by the Investor at the Investor's expense will be entitled at any time on reasonable notice to attend the Company's premises to examine the books, records and accounts of the Company and to discuss the Company's affairs, finances and accounts with its directors, officers and senior employees. Each of the Founding Shareholders and the Company separately undertakes to the Investor to co-operate with any accountants or representatives appointed by them pursuant to this Clause 3.8.

### **4. Board of Directors**



- 4.1 The appointment, dismissal and conduct of the Board shall be regulated in accordance with this Agreement and the articles of association.
- 4.2 The minimum number of Directors holding office at any time shall be one (1) and there shall be no maximum, unless otherwise determined by ordinary resolution of the Company.
- 4.3 Board meetings shall be held at least once per year and ten (10) Business Days' notice shall be given to each of the Directors of all meetings of the Board. Each such notice shall contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting and shall be accompanied by any relevant papers for discussion at such meeting. The quorum for a Board meeting shall be two (2) Directors, unless and for so long as there is a sole Director appointed to the Board in which case the quorum for a Board meeting shall be one (1) Director.
- 4.4 In the event that the Directors do not agree on a strategic or operational decision relating to the business of the Company, they will, in good faith, acting reasonably in all the circumstances, try to reach agreement.

## **5. Conduct of the Company's Affairs**

- 5.1 The Company and the Shareholders shall exercise all voting rights and other powers of control available to them in relation to the Company so as to procure (insofar as they are able by the exercise of such rights and powers) that at all times during the term of this Agreement:
  - 5.1.1 the Company shall comply with the provisions of its memorandum and articles of association;
  - 5.1.2 the Board of the Company will determine the general policy of the Company (subject to the express provisions of this Agreement) including the scope of their respective activities and operations and subject to the terms of Clause 7.1 the Board will reserve to itself all matters involving major or unusual decisions excluding any matters for which statute requires the consent of shareholders.

## **6. Articles of Association**

The Shareholders hereby unanimously agree as follows that in respect of the articles of association of the Company, in the event of any conflict between the articles of association and the terms herein, the terms herein shall prevail.

## **7. Matters Requiring Shareholder Consent**

- 7.1 The Company and the Shareholders shall exercise all voting rights and other powers of control available to them in relation to the Company so as to procure (insofar as they are able by the exercise of such rights and powers) that the Company shall not:

7.1.1 without Majority Shareholder Consent and Investor Consent (such consent not to be unreasonably withheld or delayed ) and for the avoidance of doubt approved minutes of any Board or Shareholders meeting reflecting the consent of the Shareholders shall be evidence of such written consent:

7.1.1.1 alter the rights attaching to any class of Shares;

7.1.1.2 enter into any contract or transaction except in the ordinary and proper course of business on arm's length terms;

7.1.1.3 hold any Shareholders meeting without due notice being given to all Shareholders;

7.1.1.4 allow the Company to undertake an initial public offering or listing;

7.1.1.5 make any material change to the nature or scope of the Business of the Company.

## **8. Disposal of, Charging of, and otherwise Dealing with the Shares**

8.1 Save as set out below, the Shareholders shall not create or permit to subsist any pledge, lien or charge over, or grant any option or other rights or dispose of any interest in, all or any of the Shares held by them (otherwise than by a transfer of such Shares in accordance with the provisions of this Agreement and the Company's articles of association) and any Person in whose favour any such pledge, lien, or charge is created or permitted to subsist or such option or rights are granted or such interest is disposed of shall be subject to the provisions of Clause 9 of this Agreement.

8.2 Any new Shareholders shall be subject to the terms and conditions of this Agreement, and shall provide written acknowledgement of their agreement to the terms and conditions herein by entering into a deed of adherence in the form set out in Schedule 2 prior to registration by the Company of any Share transfer.

## **9. Transfer of Shares**

9.1 Except where otherwise stated in this Clause 9, the transfer of Shares shall be regulated in accordance with the provisions set out in Schedule 1.

9.2 A Shareholder is deemed to have served a Transfer Notice (as defined in paragraph 2.1 of Schedule 1) in respect of all Shares held by that Shareholder or by any nominee for him immediately before any of the following events:

9.2.1 employment with the Company ceases for any reason during the period in which the Options are exercisable; or

9.2.2 a bankruptcy order being made against him, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors (or in the case of a corporate Shareholder it

enters into liquidation (except a Shareholders' voluntary liquidation for the purpose of reconstruction or amalgamation) or an administrator, administrative receiver or receiver is appointed over all or any of its assets; or

9.2.3 he commits a material breach of any obligation under this Agreement and fails to remedy such breach within one (1) calendar month of notice to remedy the breach being served by the Company or by all the other Shareholders; or

9.2.4 a change of control of any Shareholder (where the Shareholder is a corporation).

9.3 The deemed Transfer Notice has the same effect as a Transfer Notice, except that:

9.3.1 in the event that the Shareholder is a Bad Leaver, the Agreed Price (as defined in paragraph 2.1 of Schedule 1) of the Offered Shares shall be equal to fifty percent (50%) of the Market Value (as determined in accordance with paragraph 2.7 of Schedule 1) of the Offered Shares;

9.3.2 subject to Clause 9.3.2, the deemed Transfer Notice takes effect on the basis that it does not state a price for the Shares and the parties agree that the Shares shall be offered at Market Value (as determined in accordance with paragraph 2.7 of Schedule 1);

9.3.3 the Offeror Shareholder does not have a right of withdrawal;

9.3.4 on the completion of any sale in accordance with this Clause 9.3, the buyer is not required to procure the discharge of any security given by the Offeror Shareholder or to procure the release of any debts of the Company to him.

9.4 For the purposes of ensuring that a transfer of Shares is duly authorised hereunder, or that no circumstances have arisen whereby a Transfer Notice is deemed to have been given hereunder, the Directors may require any Shareholder or the liquidator, administrator or other officeholder of any corporate Shareholder or any Person named as transferee in any transfer lodged for registration, to furnish to the Company such information and evidence as the Directors acting reasonably may think fit regarding any matter they reasonably deem relevant for such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such request, the Directors shall be entitled to refuse to register the transfer in question or (where no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the Shares concerned, and they may likewise so require if any such information or evidence discloses that a Transfer Notice ought to be given in respect of any Shares. If the Directors do so require and the Transfer Notice is not duly given within one (1) calendar month from the date of it being required to be given then at the expiration of such period the provisions of this paragraph shall take effect accordingly and such Shareholder shall be deemed to have served a Transfer Notice.

9.5 A Shareholder who wishes to transfer Shares ("Transferring Shareholder") shall procure that the Person to whom the Shares are to be transferred ("New

Shareholder”) executes before the transfer is completed a deed substantially in the form set out in Schedule 2 in favour of the other Shareholders by which the New Shareholder agrees to be bound by terms identical, mutatis mutandis, to the terms of this Agreement (including the terms of this clause as regards any subsequent transfer of the Shares).

- 9.6 The completion of all sale and transfers of Offered Shares shall take place in accordance with the provisions of Clause 10.

## **10. Completion of Sale and Purchase of Shares**

- 10.1 This clause applies to transfers pursuant to Clause 9 (Transfer of Shares), Schedule 1 and Schedule 4 (Put and Call Options).

- 10.2 The sale of Shares under this Agreement shall complete at the offices of the Company on the Completion Date as determined pursuant to Schedule 1.

- 10.3 At completion the party selling the Shares shall:

10.3.1 transfer the Shares free from all encumbrances by way of a duly completed share transfer form transferring the legal and beneficial ownership in the Shares to the buyer together with the relevant share certificate and such other documents as the buyer may reasonably require to show good title to the Shares or enable it to be registered as the holder of the Shares;

10.3.2 undertake to do all it can, at its own cost, to give the buyer the full legal and beneficial title to the Shares.

- 10.4 At completion the buying party shall forthwith pay the purchase price.

- 10.5 The Parties shall procure the registration (subject to due stamping by the buyer) of the transfer of Shares pursuant to this clause and each of them consents to such transfer and registration pursuant to this Agreement and the articles of association.

- 10.6 The Party buying the Shares is not obliged to complete the purchase of any of the Shares being sold unless the purchase of all the Shares is completed simultaneously.

- 10.7 If the party selling the Shares fails to complete the transfer of Shares as required under this clause, the Company:

10.7.1 is irrevocably authorised to appoint any Person to transfer the Shares on the selling party's behalf and to do anything else that the party buying the Shares may reasonably require to complete the sale; and

10.7.2 may receive the purchase price in trust for the party selling the Shares, giving a receipt that shall discharge the party buying the Shares.

## **11. Exercise of Voting Rights**

- 11.1 The Company and each Shareholder undertakes with the others as follows:

11.1.1 to exercise all voting rights and powers of control available to it in relation to the Company so as to give full effect to the terms and conditions of this

Agreement including, where appropriate, the carrying into effect of such terms as if they were embodied in the Company's memorandum and articles of association;

11.1.2 to procure that the Company will support and implement all reasonable proposals put forward at Board and other meetings of the Company for the proper development and conduct of the Business as contemplated in this Agreement and to procure that all third parties directly or indirectly under their control shall refrain from acting in a manner which will hinder or prevent the Company from carrying on the Business in proper and reasonable manner; and

11.1.3 generally to use its reasonable endeavours to promote the Business and the interests of the Company.

## **12. Issue of further shares**

12.1 If the Company wishes to issue further Shares, the Company shall, and the Shareholders shall procure (so far as is possible in the exercise of their rights and powers) that the Company shall, give notice to each Shareholder stating the number of Shares to be issued and the price of the Shares.

12.2 Each Shareholder shall have the option, but not the obligation, to subscribe for, at the price stated in the notice, that proportion of the shares proposed to be issued which the number of Shares held by him bears to the total number of Shares in issue at the time the Company gives its notice. Each Shareholder may exercise the option by giving notice to the Company, at any time within one (1) calendar month following the Company's notice, accompanied by a banker's draft made payable to the Company in respect of full payment for the Shares to be subscribed for.

12.3 Any Shares referred to in the Company's notice, in respect of which the Shareholders do not exercise their options, may be issued by the Company in accordance with its notice, provided that any such issue is completed within three (3) calendar months after the Company's notice and on no less favourable terms.

12.4 Except where Shares are issued under an employee share option scheme, in the event that the Company issues Shares to any Person who is not a Party to this Agreement ("New Shareholder"), the Company shall procure that before the Shares are issued the New Shareholder executes a deed substantially in the form set out in Schedule 2 by which the Person agrees to be bound by terms identical, mutatis mutandis, to the terms of this Agreement.

## **13. Non-Disclosure of Information**

None of the Shareholders shall divulge or communicate to any Person (other than those advisors and officers of the Company who are required to know the same) or use to exploit for any purpose whatever any of the trade secrets or confidential knowledge or information of any financial or trading information relating to the other Shareholder(s) and/or the Company and/or the terms of this Agreement which the relevant Shareholder may receive or obtain as a result of entering into this Agreement. This restriction shall continue to apply after the expiration or sooner termination of this Agreement without limit in point of time but shall cease to apply to information or knowledge which may properly come into the public domain through no fault of the Shareholders so restricted.

#### **14. Duration**

14.1 This Agreement shall continue in full force and effect until the first to occur of the following dates:-

- 14.1.1 the date of commencement of the Company's winding up; or
- 14.1.2 the date on which the Shareholders agree in writing to terminate this Agreement; or
- 14.1.3 the date of an initial public offering or upon completion of a merger, or an acquisition of all the Shares in the Company by a third party purchaser; or
- 14.1.4 the purchase by one Shareholder of all of the Shares of the other Shareholders;

the terms of this Agreement shall nevertheless continue to bind the Shareholders thereafter to such extent and for so long as may be necessary to give effect to the rights and obligations embodied therein.

#### **15. Restrictive Covenants**

15.1 No Shareholder (nor any member of its Group, where the Shareholder is a corporation) shall, without Majority Shareholder Consent:

15.1.1 at any time whilst he is beneficially interested in any Shares of the Company do or permit any of the following either solely or jointly with or on behalf of any Person directly or indirectly:

15.1.1.1 be involved as agent, consultant, director, employee, owner or partner with a Competitor of the Company;

15.1.1.2 be a shareholder (except where such shareholding is held at the date hereof and is in an investment by way of shares or other securities of not more than 5% of the total issued share capital of the business concern) of a Competitor of the Company or invest in any way in any Competitor of the Company (except in relation to an Existing Shareholder Business);

15.1.2 at any time whilst he is beneficially interested in any Shares of the Company or for the period set out below from the date on which he ceases to be beneficially interested in the Shares, do or permit any of the following either solely or jointly with or on behalf of any Person directly or indirectly in the Territory:

15.1.2.1 for twelve (12) calendar months, solicit the custom of any Person who is or has been a Client (as defined in Clause 15.2) of the Company for the purpose of offering to such Client goods or services competing with those of the Company;

15.1.2.2 for twelve (12) calendar months, solicit or entice away or endeavour to solicit or entice away any Director, supplier or

employee of the Company or any Group company of the Company;

- 15.1.2.3 for twelve (12) calendar months, cause or permit any Person directly or indirectly under its control to do any of the foregoing acts or things.

**15.2 For the purpose of Clause 15.1:**

15.2.1 "Client" shall mean any Person to whom the Company has provided goods or services in the previous twelve (12) calendar months; and

15.2.2 when determining whether or not there is Majority Shareholder Consent, Shares held by a Shareholder who, without Majority Shareholder Consent, would otherwise be in breach of Clause 15.1 shall not be taken into account and shall carry no voting rights.

**15.3** Nothing in this Clause 15 shall prevent a Shareholder or the Investor Parent from being involved as a shareholder, agent, consultant, director, employee, or partner with an Existing Shareholder Business or the Existing Shareholder Business from providing goods and services to current and future clients of an Existing Shareholder Business, notwithstanding that the Existing Shareholder Business is a Competitor and/or that its current and future clients are or may become Clients of the Company, providing that the Shareholder has at the date of this Agreement disclosed his involvement with the Existing Shareholder Business to all the other Shareholders.

**15.4** Each undertaking contained in Clause 15.1 shall be read and construed independently of the other covenants therein contained so that if one or more should be held to be invalid as an unreasonable restraint of trade or for any other reason whatsoever then the remaining covenants shall be valid to the extent that they are not held to be so invalid.

**15.5** While the covenants in Clause 15.1 are considered by the Shareholders to be reasonable in all the circumstances, if one or more should be held invalid as an unreasonable restraint of trade or for any other reason whatsoever but would have been held valid if part of the wording thereof had been deleted or the period thereof reduced or the range of activities or area dealt with thereby reduced in scope, the said covenants shall apply with such modifications as may be necessary to make them valid and effective.

**15.6** Any restriction contained in this Agreement and in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is subject to registration under the Restrictive Trade Practices Act 1976 shall come into effect on the day following the day in which particulars of this Agreement and of any such arrangement have been furnished to the Office of Fair Trading (or on such late date as may be provided for in relation to any such restriction) and the parties hereto agree to furnish such particulars within three (3) calendar months of the date of this Agreement.

**16. Dividend Policy**

Subject to the requirements of the Companies Acts, the Company may from time to time at the discretion of the Board distribute by way of dividend such percentage of the profits of the Company as the Board shall deem fit after making all necessary,

reasonable and prudent provisions and reserves for taxation, for the repayment of borrowings by the Company and for extraordinary items.

**17. Assignment**

The Shareholders shall not assign or transfer or purport to assign or transfer any of their rights or obligations hereunder.

**18. Successors and Assigns**

This Agreement shall be binding on the respective successors in title and permitted assigns of each Shareholder.

**19. Waiver and Variation**

19.1 No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that (or any other) right or remedy, nor preclude or restrict its further exercise. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that (or any other) right or remedy.

19.2 No amendment or variation of the terms of this Agreement shall be effective unless it is made or confirmed in a written document signed by all the Parties.

**20. Severability**

If any of the provisions of this Agreement (or any part of any provision) is found by a court or other competent authority to be void or unenforceable, such provision (or part of a provision) shall be deemed to be deleted from this Agreement and the remaining provisions of this Agreement shall continue in full force and effect. Notwithstanding the foregoing the Shareholders shall thereupon negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted for the provision so found to be void or unenforceable.

**21. Entire Agreement**

21.1 This Agreement constitutes the entire agreement and understanding of the Parties and supersedes all prior agreements, understandings or arrangements (both oral and written) relating to the subject matter of this Agreement.

21.2 Each Party warrants to the other parties that, in entering into this Agreement, it does not rely on any statement, representation, assurance or warranty of any person (whether a party to this Agreement or not) other than as expressly set out in this Agreement.

**22. Notices**

22.1 Any notice to be given under this Agreement shall either be delivered personally or sent by first class recorded delivery post (airmail if overseas). The address for service of each Shareholder shall (in the case of a company) be its registered office for the time being and (in case of an individual) shall be his address stated above or any other address for service previously notified to the other Shareholder or (in the absence of any such notification) his last known place of residence. A notice shall be deemed to have been served as follows:-



- 22.1.1 if personally delivered, at the time of delivery;
- 22.1.2 if posted, at the expiration of forty-eight (48) hours or (in the case of airmail) seven days after the envelope containing the same was delivered into the custody of the postal authorities.

In proving such service, it shall be sufficient to prove that personal delivery was made, or that the envelope containing such notice was properly addressed and delivered into the custody office of the postal authority as a prepaid first class recorded delivery or airmail letter (as appropriate).

**23. Counterparts**

This Agreement may be executed in any number of counterparts each of which when executed and delivered shall be an original, but all the counterparts together constitute the same document.

**24. Third Party Rights**

No third party shall acquire any rights against a Party to this Agreement by virtue of the Contract (Rights of Third Parties) Act 1999 or similar laws in any jurisdiction.

**25. Governing Law**

The construction, validity and performance of this Agreement shall be governed in all respects by English law and the Parties hereby submit to the exclusive jurisdiction of the English Courts.

**IN WITNESS** whereof the Parties hereto have duly executed this Agreement as a deed the day and year first before written.

**Shareholders:**

**DAVID FERRABEE**

Signature: .....

Address: 11 Felden Street,  
London SW6 5AE

Witness to the above Signature

Signature: .....

Name: .....

Address: .....

.....

.....

**PAUL MICHAEL ARNOLD**

Signature: .....

Address: 35 Egerton Gardens,  
Ealing,  
London W13 8HG

Witness to the above Signature

Signature: .....

Name: .....

Address: .....

.....

.....

**Signed as a deed by COSSETTE U.K. LIMITED  
acting by:**

Signature: .....

Name: .....

Title: Director

Signature: .....

Name: .....

Title: Director/Secretary

**Company:**

**Signed as a deed by the COMPANY  
acting by:**

Signature: .....

Name: .....

Title: Director

Signature: .....

Name: .....

Title: Director/Secretary

**Signed as a deed by COSSETTE COMMUNICATION GROUP INC.  
acting by:**

Signature: .....

Name: .....

Title: Director

Signature: .....

Name: .....

Title: Director/Secretary

## **SCHEDULE 1**

### **TRANSFER OF SHARES**

#### **1. Permitted Transfers**

Any Share may be transferred at any time by a Shareholder to any other Person with the consent in writing of all the Shareholders for the time being of the Company.

#### **2. Transfer by Shareholders**

2.1 Except where otherwise stated in this Agreement, any Offeror Shareholder shall first give notice in writing (a "Transfer Notice") to the Company specifying the number of Offered Shares and the proposed price for each of the Offered Shares, and shall have annexed thereto the share certificate in respect of the Offered Shares. The Company shall consider the Transfer Notice and confirm in writing within ten (10) Business Days of receiving the Transfer Notice to the Offeror Shareholder whether or not it agrees with the price proposed by the Offeror Shareholder for the Offered Shares. In the event that the Company does not agree with the price proposed by the Offeror Shareholder, the Market Value of the Offered Shares shall be determined in accordance with paragraph 2.7. On notification by the Company to the Offeror Shareholder of the Market Value of the Offered Shares as determined in accordance with paragraph 2.7, the Offeror Shareholder shall confirm to the Company in writing whether it wishes to withdraw the Transfer Notice or proceed to sell the Offered Shares at their Market Value. The price proposed by the Offeror Shareholder and agreed by the Company or the Market Value of the Offered Shares as determined in accordance with paragraph 2.7, as appropriate, shall hereinafter be referred to as "the Agreed Price". The Transfer Notice shall constitute the Company the agent of the Offeror Shareholder for the sale of the Offered Shares. Other than as set out above, a Transfer Notice shall not be revocable except with the unanimous consent of the Shareholders.

2.2 The Company shall by notice in writing offer the Offered Shares at the Agreed Price to the Founding Shareholders. Such notice shall state the number and price of those Offered Shares and shall invite each of the Founding Shareholders to state in writing within one (1) calendar month of receipt of the notice (the "Acceptance Period") whether he is willing to purchase any and if so what maximum number of the Offered Shares. If within the Acceptance Period Founding Shareholders to whom notice has been given express their willingness to purchase all the Offered Shares the Board shall allocate the Offered Shares among the relevant Founding Shareholders so far as may be possible (without involving fractions) pro rata to their existing shareholdings, subject to the limitation that no Founding Shareholder shall be under any obligation to purchase more than the maximum number of Shares which he himself has notified the Company as being willing to purchase. Any surplus of Offered Shares not taken up pursuant to the pro rata allocation shall be re-offered in the first instance to those Founding Shareholders who applied for more than their pro rata allocation and the provisions of this Schedule shall apply mutatis mutandis to such re-offer.

2.3 If the Company shall not have found purchasing Founding Shareholders in respect of all the Offered Shares pursuant to paragraph 2.2 then the Company shall by notice in writing offer any remaining Offered Shares at the Agreed Price to all the Shareholders (other than the Offeror Shareholder). Such notice shall state the number and price of those Offered Shares and shall invite each of them to state in

writing within one (1) calendar month of receipt of the notice (the "Acceptance Period") whether he is willing to purchase any and if so what maximum number of the Offered Shares. If within the Acceptance Period Shareholders to whom notice has been given express their willingness to purchase all the Offered Shares the Board shall allocate the Offered Shares among the relevant Shareholders so far as may be possible (without involving fractions) pro rata to their existing shareholdings, subject to the limitation that no Shareholder shall be under any obligation to purchase more than the maximum number of Shares which he himself has notified the Company as being willing to purchase. Any surplus of Offered Shares not taken up pursuant to the pro rata allocation shall be re-offered in the first instance to those Shareholders who applied for more than their pro rata allocation and the provisions of this Schedule shall apply mutatis mutandis to such re-offer.

- 2.4 If the Company shall not have found purchasing Shareholders in respect of all the Offered Shares pursuant to paragraphs 2.2 and 2.3 then any remaining Offered Shares shall, for a period of one (1) calendar month after the expiry of the time limits specified in paragraphs 2.2 and 2.3, be at the disposal of the Board who may exercise the Company's powers under the Act to purchase the remaining Offered Shares from the Company's distributable profits (as defined by the Companies Act 1985 and 2006) at the Agreed Price.
- 2.5 If the Shareholders accept all of the Offered Shares in accordance with paragraphs 2.2 and 2.3 at the Agreed Price or the Company buys all of the Offered Shares the Board shall forthwith give notice in writing ('the Acceptance Notice') to the Offeror Shareholder of such acceptance specifying the place and time (being not earlier than five (5) Business Days nor more than one (1) calendar month after the date of the Acceptance Notice) at which the sale of the Offered Shares or such of them as are applied for is to be completed (the "Completion Date").
- 2.6 If the Company does not find purchasing Shareholders pursuant to paragraphs 2.2 and 2.3, and the Company does not or is not lawfully permitted to purchase all or some of the Offered Shares pursuant to clause 2.4 or if through no default of the Offeror Shareholder the purchase of any of the Offered Shares is not completed by the Completion Date the Offeror Shareholder shall be at liberty at any time within one (1) calendar month after the Completion Date to transfer such of the Offered Shares as were not transferred pursuant to paragraph 2.5 or in respect of which the sale was not completed in accordance with paragraph 2.5 transfer all of the Offered Shares to any Person at the Agreed Price or any higher or lower price provided that the Board may require to be satisfied that the Shares are being transferred pursuant to a bona fide sale on arm's-length terms for the consideration stated, and provided that the purchaser of said shares enters into a deed of adherence in the form set out in Schedule 2 hereto, and if not so satisfied may refuse to register the transfer and provided further that no Offered Shares shall be sold at a lower price than the Agreed Price without first serving a further Transfer Notice upon the Company specifying such lower price as the price at which such Offered Shares are offered and the provisions of this paragraph 2 shall apply to such further Transfer Notice save that the Agreed Price shall be deemed to be such lower price.
- 2.7 For the purposes of this Agreement, the Market Value of the Offered Shares shall be calculated on the basis of:
  - 2.7.1 a sale as between a willing and able seller and a willing and able purchaser contracting on arm's-length terms in an open and unrestricted market when neither party is under compulsion to buy or sell and when

both parties have knowledge of all relevant facts, without any discount for minority interest or lack of marketability;

2.7.2 having regard to the fair market value of the business of the Company as a going concern;

2.7.3 as at the date of receipt by the Company of the Transfer Notice;

2.7.4 and shall be certified by an independent Chartered Accountant with business valuation accreditation of not less than five (5) years standing to be agreed between the Offeror Shareholder and the Board within ten (10) Business Days of receipt of notice by either party from the other party that they wish to appoint an independent Chartered Accountant or in default of agreement to be appointed at the request of either the Offeror Shareholder or the Board at any time by the President for the time being of the Institute of Chartered Accountants in England and Wales ('the Valuer'). In so certifying the Valuer shall act as an expert and not as an arbitrator and save for any manifest error his decision shall be final and binding upon the parties. The Parties shall use reasonable endeavours to procure that the Valuer provides his decision within twenty (20) Business Days after his appointment pursuant to this paragraph 2.7.4.

2.8 The cost of obtaining the Valuer's certificate shall be borne equally by the Offeror Shareholder and the Company.

### **3. Drag Along Rights**

3.1 Except in the case of transfers pursuant to Clause 9.2, the provisions of this paragraph 3 shall apply.

3.2 In the event that the holders of at least sixty percent (60%) of the Shares in issue for the time being ("Selling Shareholders") wish to transfer all of their interest in the Shares ("Selling Shareholders' Shares") to a bona fide arm's length purchaser ("Proposed Buyer"), the Selling Shareholders may subject to paragraph 3.3 require all other Shareholders ("Called Shareholders") to sell and transfer all their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this paragraph 3 ("Drag Along Option").

3.3 The Selling Shareholders shall first give notice in writing (a "Proposed Drag Along Notice") to the Company specifying the Selling Shareholders' Shares and the price per share offered by the Proposed Buyer ("Sale Price"), and shall have annexed thereto the share certificate in respect of the Selling Shareholders Shares. The Proposed Drag Along Notice shall constitute the Company the agent of the Selling Shareholders for the sale (if any) of the Selling Shareholders' Shares to the Investor pursuant to this paragraph 3.3. On receipt of the Proposed Drag Along Notice, the Company shall by notice in writing offer the Selling Shareholders' Shares at the Sale Price to the Investor. Such notice shall state the number and price of the Selling Shareholders' Shares and shall invite the Investor to state in writing within ten (10) Business Days of receipt of the notice (the "Acceptance Period") whether it is willing to purchase all of the Selling Shareholders' Shares. If within the Acceptance Period the Investor notifies the Company in writing that it is willing to purchase all the Selling Shareholders' Shares at the Sale Price ("Acceptance Notice") the Company shall forthwith give notice in writing to the Selling Shareholders of such acceptance specifying the place and time (being not earlier than ten (10) Business Days nor

more than one (1) calendar month after the date of the Acceptance Notice) at which the sale of the Selling Shareholders Shares is to be completed ("Completion Date"). An Acceptance Notice shall not be revocable except with the unanimous consent of the Selling Shareholders.

- 3.4 If the Investor: (i) notifies the Company that it is not willing to purchase all the Selling Shareholders' Shares at the Sale Price; or (ii) has not notified the Company in writing within the Acceptance Period that it is willing to purchase all the Selling Shareholders' Shares at the Sale Price, the Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect ("Drag Along Notice") at any time before the transfer of their Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 3.4.1 that the Called Shareholders are required pursuant to this paragraph to transfer all of their Shares ("Called Shares");
  - 3.4.2 the Person to whom the Called Shares are to be transferred;
  - 3.4.3 the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Selling Shareholders' Shares; and
  - 3.4.4 the proposed date of the transfer.
- 3.5 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold their Shares to the Proposed Buyer within three (3) calendar months of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 3.6 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this paragraph.
- 3.7 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Selling Shareholders' Shares unless:
- 3.7.1 all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
  - 3.7.2 that date is less than one (1) calendar month after the date on which the Drag Along Notice is served, in which case the Completion Date shall be one (1) calendar month after service of the Drag Along Notice.
- 3.8 Within one (1) calendar month of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their Shares pursuant to paragraph 3.4.3 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called

Shareholders pursuant to paragraph 3.4.3 in trust for the Called Shareholders without any obligation to pay interest.

- 3.9 The rights of pre-emption set out in this Agreement and the articles of association of the Company shall not apply to any transfer of Shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 3.10 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to paragraph 3.4.3, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this paragraph 3 in respect of their Shares.
- 3.11 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any Person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such Person. Failure to produce a share certificate shall not impede the registration of shares under this paragraph 3.

#### **4. Tag Along Rights**

- 4.1 Except in the case of transfers pursuant to Clause 9.2, and after going through the pre-emption procedure set out in paragraph 2 of Schedule 1, the provisions of this paragraph 4 shall apply if, in one or a series of related transactions, one or more Offeror Shareholders propose to transfer any of their Shares ("Proposed Transfer") which would, if carried out, result in any Person ("Buyer"), and any Person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 4.2 Before making a Proposed Transfer, the Offeror Shareholders shall procure that the Buyer makes an offer ("Offer") to the other Shareholders to purchase all of the Shares held by them for a consideration per Share (and the Offeror Shareholders shall use their reasonable endeavours to ensure that such an offer to the other Shareholders is for a consideration of cash per share) that is at least equal to the highest price per Share offered or paid by the Buyer, or any Person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the twelve (12) months preceding the date of the Proposed Transfer ("Specified Price").
- 4.3 The Offer shall be given by written notice ("Offer Notice"), at least one (1) calendar month ("Offer Period") before the proposed sale date ("Sale Date"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
  - 4.3.1 the identity of the Buyer;
  - 4.3.2 the purchase price and other terms and conditions of payment;
  - 4.3.3 the Sale Date; and



- 4.3.4 the number of Shares proposed to be purchased by the Buyer ("Offer Shares").
- 4.4 If the Buyer fails to make the Offer to all holders of Shares in the Company in accordance with paragraphs 4.2 and 4.3, the Offeror Shareholders shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 4.5 If the Offer is accepted by any Shareholder ("Accepting Shareholder") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 4.6 The Proposed Transfer is subject to the pre-emption provisions of Schedule 1, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

## SCHEDULE 2

### FORM OF DEED OF ADHERENCE

**THIS DEED** is made as of the [INSERT DATE] by [INSERT NAME OF NEW SHAREHOLDER]

#### BACKGROUND:

- A. By a transfer of even date herewith, [INSERT NAME OF TRANSFEROR] (the "**Transferor**") transferred to [INSERT NAME OF TRANSFEREE] (the "**Transferee**"), conditional on the Transferee entering into this Deed, [INSERT NUMBER AND CLASS OF SHARES] in the capital of [INSERT COMPANY NAME] (the "**Company**").
- B. This Agreement is entered into in compliance with the terms of [INSERT CLAUSE NUMBER] of an agreement dated [INSERT DATE] made between (1) [INSERT COMPANY NAME] (the "**Company**") and (2) certain persons (therein referred to as the "**Shareholders**") (which agreement is herein referred to as the "**Shareholders Agreement**").

#### IT IS AGREED THAT:

1. The Transferee hereby agrees to observe and be bound by the Shareholders Agreement in all respects as if the Transferee were a party to the Shareholders Agreement and was named in it and included therein as a Shareholder and to perform all the obligations expressed to be imposed on such a party to the Shareholders Agreement in the capacity which are to be performed on or after the date hereof.
2. This Agreement is made for the benefit of:
  - 2.1 the parties to the Shareholders Agreement;
  - 2.2 any other person or persons who may after the date of the Shareholders Agreement (and whether or not prior to or after the date hereof) assume or acquire any rights or obligations under the Shareholders Agreement and adhere thereto and this Agreement shall be irrevocable without the consent of each such party; and
3. Words and expressions defined in the Shareholders Agreement shall bear the same meanings herein.
4. This Agreement shall be governed by and construed in accordance with the laws of England and Wales.

**IN WITNESS WHEREOF** this Deed of Adherence is executed as a deed on the date and year first above written

SIGNED AND DELIVERED as a Deed )  
by [INSERT NAME OF TRANSFEREE])  
in the presence of:

Witness's signature:

### **SCHEDULE 3**

#### **SERVICES**

1. The Investor shall provide to the Company pre-launch visual identity and web development services to the value of £9,000.
2. The Investor shall during the three month period commencing on the Subscription Date pay £6,000 towards the rental by the Company of furnished premises on the 2nd Floor at 247 Tottenham Court Road.

## **SCHEDULE 4**

### **PUT AND CALL OPTIONS**

#### **1. Interpretation**

- 1.1 The rules of interpretation and, except where otherwise defined or in this Paragraph 1, the definitions in Clause 1 apply in this Schedule 4.

**Buyer:** the Founding Shareholders or the Company as determined in accordance with paragraph 4 or 5.

**Call Option:** the option granted to the Founding Shareholders by paragraph 2.2.

**Call Option Shares:** the 200,000 ordinary Shares of £0.75 each in the capital of the Company legally and beneficially owned by the Investor and any other shares, stock or securities referred to in paragraph 8.

**Completion:** the completion of the exercise of the Option as described in paragraph 7.

**Consideration:** the purchase price for the Option Shares payable by the Buyer on Completion calculated in accordance with paragraph 6.

**Exercise Notice:** the written notice given in accordance with paragraphs 4.1 or 5.1.

**Lapse:** the lapse of the Option in accordance with paragraph 3.4.

**Option Period:** the time during which the Options are capable of exercise, as set out in paragraphs 3.1 and 3.2 respectively.

**Option Shares:** the Put Option Shares and the Call Option Shares or any of them.

**Option(s):** the Put Option and the Call Option or either of them.

**Put Option:** the option granted to the Investor by paragraph 2.1.

**Put Option Shares:** the 200,000 ordinary shares of £0.75 each in the capital of the Company legally and beneficially owned by the Investor and any other shares, stock or securities referred to in paragraph 8.

**Reorganisation:** in relation to the Company, any issue by way of capitalisation of profits or reserves or by way of rights and any consolidation or sub-division or reduction of capital or capital dividend or other reconstruction or adjustment relating to the equity share capital (or any shares, stock or securities derived therefrom) and any other amalgamation, arrangement, reconstruction or compromise affecting the share capital (or any shares, stock or securities derived therefrom).

## **2. Grant of the options**

2.1 The Founding Shareholders and the Company grant to the Investor an option to require:

the Founding Shareholders

to purchase all of the Put Option Shares on the terms of the Put Option set out in this Schedule 4.

2.1 The Investor grants to Founding Shareholders an option for the Founding Shareholders to purchase all of the Call Option Shares on the terms of the Call Option set out in this Schedule 4.

2.2 The Option Shares shall be sold with full title guarantee free from all liens, charges and encumbrances and with all rights attached to them at the date of Completion.

## **3. Option period**

3.1 The Put Option may only be exercised during the period of two (2) calendar months:

3.1.1 after the date forty-eight (48) calendar months after the date of this Agreement ("First Exercise Date"); and

3.1.2 after the date of each anniversary of the First Exercise Date.

3.2 The Call Option may only be exercised during the period of two (2) calendar months:

3.2.1 after the date forty-eight (48) calendar months after the date of this Agreement ("First Exercise Date"); or

3.2.2 after the date of each anniversary of the First Exercise Date.

3.3 For the purposes of paragraphs 3.1 and 3.2, the date of exercise of the Option is the date on which the Exercise Notice is served and not the date on which the Exercise Notice is deemed to be received in accordance with Clause 22.

- 3.4 The Put Option shall lapse immediately in the event that the Call Option is exercised and the Call Option shall lapse immediately in the event that the Put Option is exercised.

| 3.6

#### **4. Exercise of Put Option**

- 4.1 The Put Option shall be exercised only by the Investor giving the Founding Shareholders and the Company ("**Buyer**") an Exercise Notice in accordance with Clause 22 which shall include:

- 4.1.1 the date on which the Exercise Notice is given;
- 4.1.2 a statement to the effect that the Investor is exercising the Put Option;
- 4.1.3 a date, which is no less than five (5) and no more than fifteen (15) Business Days after the date of the Exercise Notice, on which Completion is to take place; and
- 4.1.4 a signature by or on behalf of the Investor.

- 4.2 The Put Option may be exercised only in respect of all of the Put Option Shares.

- 4.3 Once given, an Exercise Notice may not be revoked without the written consent of the Buyer.

- 4.4 All dividends and other distributions resolved or declared to be paid or made by the Company in respect of the Put Option Shares by reference to a record date which falls on or before Completion shall belong to, and be payable to, the Investor.

- 4.5 In the event that the Investor serves an Exercise Notice in accordance with this paragraph 4 requiring the Founding Shareholders to purchase all of the Put Option Shares, the Founding Shareholders shall agree between themselves as soon as reasonably practicable after receiving the Exercise Notice whether or not they are willing and able to purchase the Put Option Shares and, if so, the proportions in which they shall purchase the Put Option Shares. In the absence of any agreement, each Founding Shareholder shall purchase that proportion of the Put Option Shares that is proportionate to his existing shareholding.

#### **5. Exercise of Call Option**

- 5.1 The Call Option shall be exercised only by the Founding Shareholders acting together ("**Buyer**") giving the Investor an Exercise Notice in accordance with Clause 22 which shall include:

- 5.1.1 the date on which the Exercise Notice is given;
- 5.1.2 a statement to the effect that the Buyer is exercising the Call Option;
- 5.1.3 a date, which is no less than five (5) and no more than fifteen (15) Business Days after the date of the Exercise Notice, on which Completion is to take place; and
- 5.1.4 a signature by or on behalf of the Buyer.

- 5.2 The Call Option may be exercised only in respect of all of the Call Option Shares.
- 5.3 Once given, an Exercise Notice may not be revoked without the written consent of the Investor.
- 5.4 All dividends and other distributions resolved or declared to be paid or made by the Company in respect of the Call Option Shares by reference to a record date which falls on or before Completion shall belong to and be payable to the Investor.
- 5.5 In the event that the Founding Shareholders serve an Exercise Notice in accordance with this paragraph 5 requiring the Investor to sell all of the Call Option Shares, the Founding Shareholders shall agree between themselves as soon as reasonably practicable thereafter the proportions in which they shall purchase the Call Option Shares. In the absence of any agreement, each Founding Shareholder shall purchase that proportion of the Call Option Shares that is proportionate to his existing shareholding.

## **6. Consideration**

- 6.1 The Consideration payable by the Buyer on exercise of the Option shall be satisfied in cash at Completion, and shall be calculated in accordance with paragraph 6.2.
- 6.2 The Consideration payable by the Buyer shall be the market value of the Option Shares calculated in accordance with paragraph 2.7 of Schedule 1.
- 6.3 The parties shall use their respective reasonable endeavours to procure that the Consideration shall be finally determined as quickly as possible and, in any event, no later than the date for Completion specified by the Buyer in the Exercise Notice failing which, the matter shall be referred to an expert for determination in accordance with paragraph 2.7 of Schedule 1.

## **7. Completion**

Completion shall take place in accordance with Clause 10 and on the date specified in the Exercise Notice or such later date as the parties may agree.

## **8. Reorganisation**

- 8.1 If any Reorganisation takes place after the date of this Agreement but prior to Completion, all shares, stock and other securities (if any) to which the Investor has become legally or beneficially entitled as a result of each such Reorganisation, and which derive (whether directly or indirectly) from the Option Shares, shall be deemed to be subject to the Option and shall be transferred to the Buyer (or as the Buyer may direct) in accordance with paragraph 7, provided that:
  - 8.1.1 nothing in this paragraph 8 shall be construed as imposing any obligations on the Investor either to exercise or to refrain from exercising any rights or powers conferred on it by or deriving from the Option Shares; and
  - 8.1.2 the Consideration shall be adjusted appropriately to take account of any increase or decrease in the number of Option Shares following a Reorganisation and any sum paid or received by the Investor in

consequence of a Reorganisation or the exercise or non-exercise of a right or power thereunder.

- 8.2 References in this Schedule 4 to the Option Shares and the Consideration shall be construed so as to give full effect to paragraph 8.1.

**9. Warranties**

- 9.1 The Investor represents and warrants to the Founding Shareholders and the Company that:

- 9.1.1 it has full power and authority to enter into the Options on the terms of this Agreement;
- 9.1.2 it is, and will remain during the Option Period, the legal and beneficial owner of the Option Shares, subject only to the Option;
- 9.1.3 as at the date of this Agreement the Option Shares represent 15% of the ordinary Shares of the Company issued or agreed to be issued and there is no option or right outstanding in favour of any third party to subscribe for any share or loan capital of the Company.

**10. Buyer's protection**

Until Completion, the Investor shall not, without the prior written consent of the Founding Shareholders and the Company sell, transfer or otherwise dispose of, or mortgage, charge, pledge or otherwise encumber its legal or beneficial interest in any of the Option Shares (or any interest in any of them).

**11. Waiver of pre-emption rights**

The parties hereby agree to waive any pre-emption rights they have pursuant to this Agreement and the articles of association of the Company in relation to the transfer to the Buyer of the Option Shares in accordance with the terms of this Agreement.



## **SCHEDULE 5**

### **EXISTING SHAREHOLDER BUSINESS**

The following are Existing Shareholder Businesses of the Investor:

1. Cossette UK Limited  
[www.cossette.co.uk](http://www.cossette.co.uk)
2. Miles Calcraft Briginshaw Duffy Limited  
[www.mcbsd.co.uk](http://www.mcbsd.co.uk)
3. Elvis Communications Limited  
[www.elviscommunications.com](http://www.elviscommunications.com)
4. Identica Limited  
[www.identica.com](http://www.identica.com)
5. Band & Brown Communications Limited  
[www.bbpr.com](http://www.bbpr.com)
6. Brando Communications Limited  
[www.brando-world.com](http://www.brando-world.com)
7. iJack Limited
8. Dare Digital Limited  
[www.daredigital.com](http://www.daredigital.com)
9. Columbus Media International  
[www.columbusmedia.com](http://www.columbusmedia.com)

DAVID FERRABEE

Signature:



Address:

11 Felden Street,  
London SW6 5AE

Witness to the above Signature

Signature:



Name:

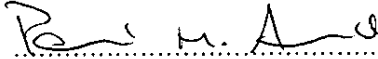
CHARLOTTE AYME

Address:

101 MOORE PARK RD  
LONDON SW6 2DA

PAUL MICHAEL ARNOLD

Signature:

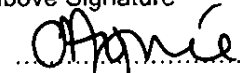


Address:

35 Egerton Gardens,  
Ealing,  
London W13 8HG

Witness to the above Signature

Signature:



Name:

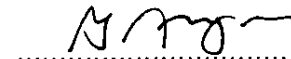
CHARLOTTE AYME

Address:

101 MOORE PARK RD  
LONDON SW6 2DA

Signed as a deed by COSSETTE U.K. LIMITED  
acting by:

Signature:



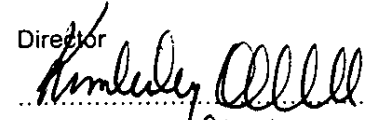
Name:

GREGOR ANGUS

Title:

Director

Signature:



Name:

Kimberly O'kell  
Secretary

Title: ~~Director~~/Secretary

Company:

Signed as a deed by the COMPANY  
acting by:

Signature: Paul M. Arnold

Name: PAUL M. ARNOLD

Title: Director

Signature: David Ferrabee

Name: DAVID FERRABEE

Title: Director/Secretary

Signed as a deed by COSSETTE COMMUNICATION GROUP INC.  
acting by:

Signature: Claude Lessard

Name: Claude Lessard

Title: Director

Signature: Kimberley O'Keefe

Name: Kimberley O'Keefe

Title: ~~Director~~/Secretary