

DATED 22nd October 2014

SUBSCRIPTION AND SHAREHOLDERS' AGREEMENT

relating to Sapphire Financial Solutions Ltd

DATE 22/10/2014

PARTIES

- (1) Trustees of The John Garvey Pension Scheme of Daws House, 33-35 Daws Lane, London. NW7 4SD, (the **"Investor"**);
- (2) Sapphire Financial Solutions Ltd whose registered office is situate at Kingswood, Turncroft Hall, Darwin, Lancashire, BB3 2BT (Company No. 07701022) (the **"Company"**).

INTRODUCTION

- (A) The Company is a company limited by shares, brief particulars of which are set out in schedule 2.
- (B) Details of the legal and beneficial ownership of the share capital of the Company are set out in parts 1 and 2 of schedule 3.
- (C) The Investor wishes to subscribe for shares in the capital of the Company on and subject to the terms of this agreement.

AGREED TERMS

1. Definitions

In this agreement, except where a different interpretation is necessary in the context, the words and expressions set out below shall have the following meanings:

"Accounts" means the audited balance sheet and profit and loss account of the Company or, if the Company has any subsidiaries, a consolidation of the audited balance sheets and profit and loss accounts of the Company and the Subsidiaries for the period ended on the Accounts Date in the agreed form;

"Accounts Date" means 31st July;

"Act" means the Companies Act 2006;

"Board" means the board of directors of the Company as constituted from time to time;

"Business" as more fully described in the Business Plan

"Business Day" means a day on which the English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

"Business Plan" means the business plan for the Company in the agreed form;

"Claim(s)" means any claim(s) for breach of any Warranty;

"Completion" means completion by the parties of their respective obligations in accordance with clause 4 (Completion);

"Completion Conditions" means the conditions set out in Part 1 schedule 4;

"Completion Date" means the date upon which Completion occurs;

"CTA 2010" means the Corporation Tax Act 2010;

"Data Protection Legislation" means the Data Protection Acts of 1984 and 1998, and the EU Data Protection Directive 95/46/EC;

"Data Protection Principles" has the same meaning as the term "Data Protection Principles" under the Data Protection Legislation;

"Disclosed" means fairly disclosed to the Investors in the Disclosure Letter with sufficient explanation and detail to enable the Investors to identify clearly the nature, scope and full implications of the matters disclosed;

"Disclosure Letter" means the letter in the agreed form from the Warrantors to the Investors executed and delivered immediately before Completion;

"Encumbrance" means any mortgage, charge, security interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

"Environment" means air, water, land, buildings structures, enclosures, or other constructions, flora, fauna and humans;

"Environmental Consents" means any permit, licence, authorisation, approval or consent required under or agreement made pursuant to any Environmental Law;

"Environmental Law" means all laws (including common laws, statutes and subordinate legislation), treaties, conventions, regulations, codes of practice or guidance notes concerning the Environment or health and safety which are or were binding upon the Company;

"Preferred Shares" shall have the same meaning as Class B Preference shares

"Financial Year" means a financial year as determined in accordance with section 390 of the Act;

"First Tranche Shares" means the £55,000 shares subscribed by the Investor pursuant to clause 3.1;

"Further Disclosure Letter" means the letter in the agreed form from the Warrantors to the Investors executed and delivered immediately before Second Completion

"HMRC" means HM Revenue & Customs;

"Incidental Amount" means the amount of a Material of Environmental Concern present in the Environment which is insufficient to cause harm or have a deleterious effect on the Environment;

"Intellectual Property" means copyrights, trade and service marks, including the Trade Marks, trade names, rights in logos and get-up, inventions, confidential information, trade secrets and know-how, registered designs, design rights, patents, utility models, semiconductor topographies, all rights of whatsoever nature in computer software and data, all rights of privacy and all intangible rights and privileges of a nature similar or allied to

any of the foregoing, in every case in any part of the world and whether or not registered; and including all granted registrations and all applications for registration in respect of any of the same;

"Investor" means the person, whose names and addresses are set out in part 1 of schedule 1 and any other person to whom any of them transfer their shares and who becomes a party as an "Investor" by signing a Deed of Adherence in accordance with clause 14.2 and is named therein as an "Investor";

"IPO" means the admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be traded or quoted on the Nasdaq National Stock Market of the NASDAQ OMX Group Inc. or on the Official List of the United Kingdom Listing Authority or on the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

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

"Key Employee" means any employee who is or was during the Period employed by any Group Company:

- (a) at management grade; or
- (b) in a senior capacity;

"Listing Rules" means the listing rules made by the United Kingdom Listing Authority as the competent authority pursuant to Part VI of the Financial Services and Markets Act 2000 as amended from time to time and including any guidance or guidance manual issued by the United Kingdom Listing Authority from time to time relating to or connected with the listing rules;

"Management Accounts" means the management accounts of the Company.

"Materials of Environmental Concern" means any substance which may cause harm to or have a deleterious effect on the Environment;

"New Shares" means the shares subscribed by the Investors pursuant to clause 3.1 at a price of £1.00 per share

"Ordinary Shares" means ordinary shares of £1.00 each in the capital of the Company having the rights set out in the New Articles;

"Period" means the period of two years immediately preceding the Termination Date;

"Permitted Transferees" shall have the same meaning as set out in the New Articles

"Personal Data" has the same meaning as the term "personal data" under the Data Protection Legislation;

"Properties" means the properties described in schedule 8;

"Remuneration Committee" means the remuneration committee of the Board appointed in accordance with clause 9.8 and schedule 11;

"Resolutions" means the resolutions in agreed form to be passed by the Company.

"Sale" means a Share Sale or an Asset Sale, both as defined in the New Articles;

"Service Agreements" means the agreements in the agreed form to be entered into between the Company and each of the Managers;

"Shareholders" means each of the Managers and the Investors and the other members of the Company from time to time who are a party to this agreement;

"Shares" means the Ordinary Shares and the Class B Preference Shares;

"Social Obligations" means:

- (a) any common or statutory law, regulation, directive, code of practice or other law in any jurisdiction relating to the relationship between any Group Company and its employees, any potential employee and any trade unions and/or the health and safety of its employees; and
- (b) any agreements or arrangements between any Group Company and its employees and/or any trade union or other organisation which represents some or all of its employees;

"Taxation" means all forms of taxation, duties, rates, levies, contributions, withholdings, deductions, liabilities to account, charges and imposts whether imposed in the United Kingdom or elsewhere in the world;

"Taxing Authority" means HM Revenue & Customs and any other governmental, state, federal, provincial, local governmental or municipal authority, body or official whether of the United Kingdom or elsewhere in the world;

"Termination Date" means the date upon which the Manager concerned ceases to be a director or employee of or a consultant to, the Company whichever is the latest;

"Trade Marks" means the trade and service marks and applications, together with associated logos, owned by the Company, full details of which are set out in the Disclosure Letter;

"VAT" means value added tax chargeable under the VATA or under any legislation replacing it or under any legislation which the VATA replaced and further means value added tax at the rate in force when the relevant supply is made and any tax of a similar nature which is introduced in substitution for such value added tax;

"VATA" means the Value Added Tax Act 1994;

"Warranties" means the warranties given pursuant to clause 6 (references to a particular representation or warranty being to a statement set out in schedule 5); and

"Warrantors" means the Company and each of the Managers.

2. Interpretation

- 2.1 Words and expressions which are defined in the New Articles shall have the meanings attributed to them therein when used in this agreement unless otherwise defined or the context otherwise requires.
- 2.2 Words and expressions which are defined in the Act (to the extent applicable) shall have the meanings attributed to them therein when used in this agreement unless otherwise defined or the context otherwise requires.

- 2.3 The clause and paragraph headings and the table of contents used in this agreement are inserted for ease of reference only and shall not affect construction.
- 2.4 References to an Investor Director shall include any alternate appointed to act in his place from time to time.
- 2.5 References to persons shall include bodies corporate, unincorporated associations and partnerships, in each case whether or not having a separate legal personality.
- 2.6 References to documents "**in the agreed form**" are to documents in terms agreed on behalf of the Company and the Investors and initialled on behalf of each such party for the purposes of identification only.
- 2.7 References to those of the parties that are individuals include their respective legal personal representatives.
- 2.8 References to "**writing**" or "**written**" includes any other non-transitory form of visible reproduction of words.
- 2.9 References to the word "**include**" or "**including**" (or any similar term) are not to be construed as implying any limitation and general words introduced by the word "**other**" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class of acts, matters or things.
- 2.10 Except where the context specifically requires otherwise, words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, words importing the singular shall be treated as importing the plural and vice versa, and words importing the whole shall be treated as including a reference to any part thereof.
- 2.11 References to statutory provisions, enactments or EC Directives shall include references to any amendment, modification, extension, consolidation, replacement or re-enactment of any such provision, enactment or EC Directive (whether before or after the date of this agreement), to any previous enactment which has been replaced or amended and to any regulation, instrument or order or other subordinate legislation made under such provision, enactment or EC Directive unless any such change imposes upon any party any liabilities or obligations which *are more onerous than as at the date of this agreement*.
- 2.12 Section 1122 of the CTA 2010 shall apply to determine whether one person is connected with another for the purposes of this agreement.
- 2.13 References in clauses 6 (Warranties), 9 (The Board and the Investor Directors), 10 (Information rights), 11 (Consent matters), 12 (Business undertakings), 15 (Restrictive covenants), 16 (Confidentiality), schedule 5 (Warranties), schedule 6 (Consent matters) and schedule 7 (Undertakings) to the Company and the Board shall include each of the subsidiaries of the Company and the directors for the time being of those subsidiaries respectively.

3. Subscriptions

- 3.1 Subject to the provisions of clause 4, the Investors apply for the allotment and issue to them at Completion of the following shares as set out in the table below and the Company accepts such applications:

Investor	No. of Shares	Total subscription monies (£)
The Trustees of the John Garvey Pension Scheme	55,000 CLASS B PREFERENCE SHARES	£55,000

- 3.2 Each of the parties (other than the Company) agrees to vote in favour of the Resolutions and hereby irrevocably waives or procures the waiver of all or any pre-emption rights he or his nominees may have pursuant to the Company's articles of association or otherwise so as to enable the issue of any shares in the capital of the Company contemplated by this agreement to proceed free of any such pre-emption rights.

4. Completion

- 4.1 The following events shall occur on the Completion Date:

- (a) each Investor shall pay the sum set out against its name in column 3 of the table in clause 3.1 above by electronic funds transfer to the bank account of the Company and payment made in accordance with this clause 4.1 shall constitute a good discharge for the Investor of its obligations under this clause 4.1:
- (b) a meeting of the Board shall be held at which the Company shall:
 - (i) issue the New Shares credited as fully paid to the Investors and enter their names in the register of members in respect thereof;
 - (ii) execute and deliver to the Investors certificates for the New Shares;
 - (iii) pass any such other resolutions as may be required to carry out the obligations of the Company under this agreement.

- 4.2 The Company shall notify the Investors as soon as it or they becomes aware of any fact or circumstance which has caused or will or is likely to cause any of the conditions listed in part 2 of schedule 4 not to be satisfied.

5. Warranties

- 5.1 The Warrantors acknowledge that the Investor has been induced to enter into this agreement and to subscribe for the New Shares on the basis of and in reliance upon the Warranties amongst other things.
- 5.2 The Warrantors jointly and severally warrant to the Investor that each and every Warranty is true, accurate and not misleading at the date of this agreement subject only to:
- (a) the matters Disclosed in the Disclosure Letter; and
 - (b) any exceptions expressly provided for under this agreement.

- 5.3 Each Warranty is a separate and independent warranty, and, save as otherwise expressly provided, no Warranty shall be limited by reference to any other Warranty or by the other terms of this agreement and the Disclosure Letter.
- 5.4 The rights and remedies of the Investor in respect of any breach of any of the Warranties shall not be affected by Completion, any investigation made by or on behalf of the Investors into the affairs of the Company or any other event or matter whatsoever which otherwise might have affected such rights and remedies except a specific and duly authorised written waiver or release.
- 5.5 The Investor shall have the right to claim in respect of any breach of the Warranties either against the Company or against any of the other Warrantors and/or partly against the Company and partly against any of the other Warrantors and in the case of a Claim against the Company no counterclaim or right of contribution or indemnity shall lie against the other Warrantors and in the case of a Claim against any or all of the other Warrantors no counterclaim or right of contribution or indemnity shall lie by any of them against the Company or any other Warrantor.
- 5.6 Where any Warranty is qualified by the expression "**so far as the Warrantors are aware**" or words having similar effect, such Warranty shall be deemed to include a statement that such awareness means both the actual knowledge of the Managers and also such knowledge which the Managers would have had if they had made reasonable enquiry of all relevant persons.
- 5.7 The Investor agree among themselves that the following provisions shall (unless *they subsequently agree amongst themselves to the contrary acting by way of an Investor Majority*) apply in relation to the enforcement of any of the obligations of the Warrantors owed to the Investors under this agreement (the "**Obligations**"):
- (a) no claim in respect of any breach of the Obligations shall be brought by any of the Investor without the prior written consent of an Investor Majority provided that all Investor have been informed of the breach of the Obligations and consulted prior to an Investor Majority decision being made;
 - (b) the costs incurred by any Investor in bringing a claim in respect of any breach of the Obligations shall be borne by all of the Investors proportionately to their holding of shares in the capital of the Company at that time; and
 - (c) *any damages obtained as a result of any claim in respect of any breach of the Obligations* will, after deduction of all costs and expenses, be divided amongst the Investor in such proportions.

Any Investor shall be entitled to waive the Obligations owed to it at any time prior to the issue of proceedings with the consequence that it shall not be liable to bear its proportion of the costs referred to in (b) above (which costs per Investor shall increase rateably for the remaining Investors) nor entitled to any of the damages referred to in (c) above.

6. Limitations on Warranty Claims

- 6.1 The limitations set out in this clause shall not apply to any Claim which is:
- (a) the consequence of fraud, dishonesty, wilful concealment or wilful misrepresentation by or on behalf of the Warrantors.

Failure to give reasonable details of any Claims shall not prevent the Investors from proceeding with any Claim otherwise made properly under this agreement.

6.2 The aggregate liability of the Warrantors in respect of all and any Claims shall be limited to:

- (a) in the case of the Company, an amount equal to the aggregate amount subscribed by the Investor pursuant to this agreement; and

together with the proper and reasonable costs of recovery in respect of any Claim incurred by or on behalf of the Investors.

6.3 The Warrantors shall not be liable in respect of any Claim unless the aggregate liability for all Claims exceeds £10,000 in which case the Warrantors shall be liable for the entire amount and not merely the excess.

6.4 No liability of the Warrantors in respect of any breach of any Warranty shall arise:

- (a) if such breach occurs by reason of any matter which would not have arisen but for the coming into force of any legislation not in force at the Completion Date or by reason of any change to HM Revenue & Customs' practice occurring after the Completion Date;
- (b) to the extent that specific allowance, provision or reserve has been made in the Accounts or in the Management Accounts specifically in respect of the matter to which such liability relates;
- (c) to the extent that such breach or claim arises as a result of any change in the accounting bases or policies in accordance with which the Company values its assets or calculate its liabilities or any other change in accounting practice from the treatment or application of the same used in preparing the Accounts (save to the extent that such changes are required to correct errors or because relevant generally accepted accounting principles have not been complied with).

6.5 The Investors shall be entitled to make a Claim in respect of liability which is contingent or unascertained provided that written notice of the Claim (giving as far as practical the amount and details of the Claim) is given to the Warrantors before the expiry of the relevant periods specified in clause 7.2.

6.6 The Warrantors shall not be liable for any Claim if the alleged breach which is the subject of the Claim is capable of remedy and is remedied to the reasonable satisfaction of the Investors by the Warrantors within 30 days of the date on which the notice in clause 7.2 above is received by the Warrantors.

6.7 Nothing in this agreement shall prejudice each Investor's duty under common law to mitigate any loss or liability which is the subject of a Claim.

7. Information rights

7.1 The Company shall for each prepare management accounts (in a form approved by an Investor Majority) with comparisons to budgets and containing trading and profit and loss accounts, balance sheets, cash flow statements and forecasts and shall deliver them to the Investors within 21 days after the end of each quarter. The first management accounts shall be delivered to the Investors within 21 days after the end of the month in which Completion takes place.

- 7.2 The Company shall prepare a schedule of the Company's issued share capital and any warrants and/or options to acquire shares and/or convertible securities, broken down by shareholder, option holder, warrant holder and convertible securities holder (as appropriate) and including the percentage of the fully diluted issue share capital held by each holder and shall deliver such share capital schedule to the Investors within 21 days after the end of each quarter in the Company's financial year.
- 7.3 The Company shall provide the Investors promptly with such other information concerning the Company and its business as the Investors may reasonably require from time to time.
- 7.4 [If the Company does not comply with its obligations in clauses the Investors, the Investor Directors and a firm of accountants nominated by the Investors at the Company's expense will be entitled to attend the Company's premises to examine the books and accounts of the Company and to discuss the Company's affairs, finances and accounts with its directors, officers and senior employees.
- 7.5 Each Investor shall be at liberty from time to time to make such disclosure:
- (a) to its partners, trustees, shareholders, unitholders and other participants and/or to any Member of the same Group as an Investor for the purposes of, but not limited to, reviewing existing investments and investment proposals;
 - (b) to any lender to the Company and/or to any shareholder of the Company;
 - (c) *about the Company as shall be required by law and any regulatory authority to which any Investor is subject;*
 - (d) to the Company's auditors and/or any other professional advisers of the Company;

in relation to the business affairs and financial position of the Company as it may in its reasonable discretion think fit.

8. Sale or IPO

- 8.1 It is the parties' intention to effect a Sale or IPO as soon as practicable and in any event within five years of the Completion Date. The parties agree to keep one another informed of all and any developments which might lead to any Sale or IPO.
- 8.2 Each party acknowledges and agrees that upon a Sale or IPO the Investors shall not be obliged to give warranties or indemnities (except a warranty as to title to the shares held by such Investor).
- 8.3 If a Sale or IPO is not achieved by the fifth anniversary of Completion then the Company shall if required by an Investor Majority at the Company's expense appoint a professional adviser (to be agreed with the prior sanction of an Investor Director Consent) to report on exit opportunities and strategy and copies of such reports shall be made available to the Investors (at the Company's cost).
- 8.4 It is hereby agreed by the parties that, on an IPO, the Shareholders shall:
- (a) to the extent required by:
 - (i) the Listing Rules; or

- (ii) any equivalent requirements of any other recognised investment exchange (as defined in the Financial Services and Markets Act 2000),

retain such number of their shares in the Company held at the time of the IPO for such period after IPO as is required by the Listing Rules or the rules and requirements of the relevant recognised investment exchange; and

- (b) have regard to the recommendation of the Company's brokers on a IPO in determining their respective sale of shares upon the Company's IPO and shall make such determination with a view to ensuring the success of the IPO.

9. Further issue and transfer of shares

The Deed of Adherence shall be in favour of the Company, the Investors and any other parties to this agreement and shall be delivered to the Company at its registered office and to the Investors. No share transfer or issue of shares shall be registered unless such Deed of Adherence has been delivered.

10. Confidentiality

Each of the parties agrees to keep secret and confidential and not to use disclose or divulge to any third party or to enable or cause any person to become aware of (except for the purposes of the Company's business) any confidential information relating to the Company including but not limited to Intellectual Property (whether owned or licensed by the Company), lists of customers, reports, notes, memoranda and all other documentary records pertaining to the Company or its business affairs, finances, suppliers, customers or contractual or other arrangements but excluding any information which is in the public domain (otherwise than through the wrongful disclosure of any party) or which they are required to disclose by law or by the rules of any regulatory body to which the Company is subject.

11. Announcements

- 11.1 The parties shall not make any public announcement or issue a press release or respond to any enquiry from the press or other media concerning or relating to this agreement or its subject matter (including but not limited to the Investors' investment in the Company) or any ancillary matter, save for that reported to HMRC in respect of matters concerning pension business

12. Costs and expenses

- 12.1 The Company shall pay at Completion all legal, accounting and due diligence fees and disbursements of the Investors in relation to the negotiation, preparation, execution, performance and implementation of this agreement and each document referred to in it and other agreements forming part of the transaction.
- 12.2 The Company shall bear their own costs and disbursements incurred in the negotiations leading up to and in the preparation of this agreement and of matters incidental to this agreement.

13. Effect of ceasing to hold shares

A party shall cease to be a party to this agreement for the purpose of receiving benefits and enforcing his rights with effect from the date he ceases to hold or beneficially own any shares in the capital of the Company (but without prejudice to any benefits and rights enjoyed prior to such cessation).

14. Cumulative remedies

The rights, powers, privileges and remedies conferred upon the Investor in this agreement are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law.

15. Waiver

The express or implied waiver by any party to this agreement of any of its rights or remedies arising under this agreement or by law shall not constitute a continuing waiver of the right or remedy waived or a waiver of any other right or remedy.

16. Entire agreement

- 16.1 This agreement and the documents referred to or incorporated in it constitute the entire agreement between the parties relating to the subject matter of this agreement and supersedes and extinguishes any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature *whatsoever, whether or not in writing, between the parties in relation to the subject matter of this agreement.*
- 16.2 Each of the parties acknowledges and agrees that it has not entered into this agreement in reliance on any statement or representation of any person (whether a party to this agreement or not) other than as expressly incorporated in this agreement and the documents referred to or incorporated in this agreement.
- 16.3 Without limiting the generality of the foregoing, each of the parties irrevocably and unconditionally waives any right or remedy it may have to claim damages and/or to rescind this agreement by reason of any misrepresentation (other than a fraudulent misrepresentation) having been made to it by any person (whether party to this agreement or not) and upon which it has relied in entering into this agreement.
- 16.4 Each of the parties acknowledges and agrees that the only cause of action available to it under the terms of this agreement and the documents referred to or incorporated in this agreement shall be for breach of contract.
- 16.5 Nothing contained in this agreement or in any other document referred to or incorporated in it shall be read or construed as excluding any liability or remedy as a result of fraud.

17. Variation

Any variation of this agreement is valid only if it is in writing and signed by the Company and by shareholders of the Company holding between them at least 90 per cent of the issued share capital of the Company, in which event such change shall be binding against all of the parties hereto provided that if such change would impose any new

obligations on a party or increase any existing obligation, the consent of the affected party to such change shall be specifically required.

18. No partnership

Nothing in this agreement is intended to or shall be construed as establishing or implying any partnership of any kind between the parties.

19. Assignment and transfer

19.1 This agreement is personal to the parties and no party shall:

- (a) assign any of its rights under this agreement;
- (b) transfer any of its obligations under this agreement;
- (c) sub-contract or delegate any of its obligations under this agreement; or
- (d) charge or deal in any other manner with this agreement or any of its rights or obligations.

but an Investor may assign the whole or part of any of its rights in this agreement to any person who has received a transfer of shares in the capital of the Company from such Investor and has executed a Deed of Adherence.

20. Rights of third parties

20.1 This agreement does not confer any rights on any person or party (other than the parties to this agreement) pursuant to the Contracts (Rights of Third Parties) Act 1999.

20.2 The general partner or a trustee of an Investor or the management company authorised from time to time to act on behalf of an Investor or another person or persons nominated by an Investor, shall be entitled to enforce all of the rights and benefits under this agreement at all times as if party to this agreement.

21. Conflict between agreements

Subject to any applicable law, in the event of any ambiguity or conflict between this agreement, the terms of this agreement shall prevail as between the Shareholders and in such event the Shareholders shall procure such modification to the New Articles as shall be necessary.

22. Counterparts

This agreement may be executed in any number of counterparts, each of which shall constitute an original, and all the counterparts shall together constitute one and the same agreement.

23. Notices

23.1 Any communication and/or information to be given in connection with this agreement shall be in writing in English and shall either be delivered by hand or sent by first class post or fax email or in electronic form if so required by the Investors:

- (a) to any company which is a party at its registered office (or such other address as it may notify to the other parties to this agreement for such purpose);
- (b) to any individual who is a party at the address of that individual shown in schedule 1; or
- (c) *to the Investor at the principal place of business of the Investor,*

(or in each such case such other address as the recipient may notify to the other parties for such purpose).

23.2 A communication sent shall be deemed to have been received:

- (a) if delivered by hand, at the time of delivery;
- (b) if sent by pre-paid first class post, on the second day after posting; or
- (c) if sent by fax, email or other electronic communication, at the time of completion of transmission by the sender;

except that if a communication is received between 5.30 pm on a Business Day and 9.30 am on the next Business Day, it shall be deemed to have been received at 9:30am on the second of such Business Days.

24. Severance

24.1 If any provision of this agreement is held to be invalid or unenforceable by any judicial or other competent authority, all other provisions of this agreement will remain in full force and effect and will not in any way be impaired.

24.2 If any provision of this agreement is held to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question will apply with the minimum modifications necessary to make it valid and enforceable.

25. Governing law

This agreement (and any dispute or claim relating to it or its subject matter [(including non-contractual claims)]) is governed by and is to be construed in accordance with English law.

26. Jurisdiction

The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any claim, dispute or issue which may arise out of or in connection with this agreement.

SCHEDULE 1

Part 1

The Investors

Name	Address
Trustees of The John Garvey Pension Scheme	Daws House, 33-35 Daws Lane, London, NW7 4SD

SCHEDULE 2

Part 1

Particulars of the Company

Registered number: **07701022**

Registered office: Kingswood,
Turncroft Hall, Darwen,
Lancashire, BB3 2BT

Directors: John Ronald Garvey

Accounting reference date: 31/07

Charges: NONE

Auditors:

Limit on the number of shares
that may be allotted (if any):
NONE

Issued share capital:1
ORDINARY SHARE

SCHEDULE 3

Part 1

Members of the Company - pre-Completion

Member	Number of Ordinary Shares held
John Ronald Garvey	1

Part 2

Members of the Company - post-Completion

Member	Number of Shares held	Class of Shares held
The Trustees of the John Garvey Pension Scheme	55,000	CLASS B PREFERENCE SHARES

Part 3

Members of the Company - Stage 3

Member	Number of Shares held	Class of Shares held
John Ronald Garvey	1	ORDINARY
The Trustees of the John Garvey Pension Scheme	55,000	CLASS B PREFERENCE SHARES

SCHEDULE 4

Part 1:

Conditions to Completion

1. The passing of directors' and shareholders' resolutions in the agreed form at a duly convened Board meeting and a general meeting or by shareholders' written resolution to:
 - (a) increase the limit on the number of shares that may be allotted by the Company
 - (b) authorise the allotment of the New Shares;
 - (c) waive pre-emption rights in respect of the allotment and issue of the New Shares;
and
 - Business plan
 - Intellectual property
 - No outstanding liabilities to executives
 - No litigation pending or threatened
 - No breaches of existing or recent contracts
 - Register of members correct.
 - Insurance policies up to date
 - Loans/guarantees
 - Taxation
 - Creditors statement

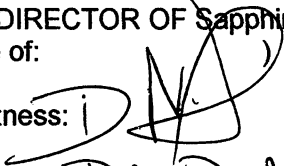
This agreement has been executed and delivered as a deed on the date shown on the first page.

SIGNED by



ACTING BY A DIRECTOR OF Sapphire Financial Solutions Ltd
in the presence of:

Signature of witness:



Name of witness:

DAVID NICKLIN

Address of witness:

20 CROWLER RD CHEAMLE SK82AX

SIGNED by

JOHN GARVEY, 

ACTING FOR THE TRUSTEES
Of The John Garvey Pension Scheme
in the presence of:

Signature of witness:



Name of witness:

DAVID NICKLIN

Address of witness:

20 CROWLER ROAD CHEAMLE SK82AX

SIGNED by

JOHN GARVEY, 

ACTING FOR THE TRUSTEES
Of The John Garvey Pension Scheme
in the presence of:

Signature of witness:



Name of witness:

DAVID NICKLIN

Address of witness:

20 CROWLER ROAD CHEAMLE SK82AX