

Completed as a
note and completed
of the original this
1st day of June 1988
Wingfield & Co.

DOCUMENT NAME: JTM1506

DATED 3rd MAY 1988

(1) SIMPLEX (POWER CENTRE) LIMITED
CLANG LIMITED AND OTHERS

- and -

(2) POWER CENTRE HOLDINGS LIMITED

A G R E E M E N T

- for -

Sale and Purchase of the
Installation Products business
of the Simplex Electrical Group

Clifford Chance
Royex House
Aldermanbury Square
London EC2V 7LD

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THIS AGREEMENT is made the 3rd day of May 1988

BETWEEN:-

- (1) SIMPLEX (POWER CENTRE) LIMITED Company Registration No. 237163 whose registered office is at Moulseccomb Way, Brighton BN2 4QE and CLANG LIMITED Company Registration No. 264169 whose registered office is also at Moulseccomb Way aforesaid and each of the other companies named in Schedule 1 (together "the Vendors" which expression shall include their successors and assigns whosoever) and
- (2) POWER CENTRE HOLDINGS LIMITED Company Registration No. 2235556 whose registered office is at P.O. Box 18, Brookside, Wednesbury, West Midlands WS1 0QF ("the Purchaser" which expression shall include its successors and assigns whosoever) and

NOW IT IS HEREBY AGREED as follows:-

1. Definitions

1.1 IN this Agreement and the Schedules the following expressions have the following meanings:-

Expression

Meaning

"Assets"

all the property and assets agreed to be sold and purchased under this Agreement

"Asset Register"

the register of plant and machinery of the Business as at 30th April, 1988 produced to the Purchaser and initialled for the purpose of identification on behalf of the Vendors and the Purchaser annexed hereto as Schedule 8

"Assumed Contracts"

the Customer Contracts, the Supply Contracts and the other agreements

relating to the Business listed in Parts 1 and 2 of Schedule 2

"Assumed Liabilities"

means, exclusively, the Trade Creditors and the Non-trade Creditors

"Business"

the business of designing, manufacturing and selling installation products, the distribution of electricity used for the installation of electrical systems in residential commercial and industrial environments (including without prejudice to the generality of the foregoing the manufacture and sale of cable and busbar trunking systems, weatherproof trunking, switch and socket, Clang plugs and sockets and conduit fittings) carried on by the Vendors at the Transfer Date

"Completion"

the completion of the sale and purchase hereunder as provided in Clause 7

"the Completion Statement"

the statement of the Sales Figure for the Month of April, Debtors, the Gross Debtors Provision and Net Current Assets of the Business as at the Transfer Date as determined by the Purchaser's Accountants and agreed with the Vendors' Accountants in accordance with Clause 4 or as determined in accordance with clause 5 of this Agreement

"Clang"

Clang Limited

"Customer Contracts"

means all of the contracts agreements orders engagements and arrangements (written or oral) of the Business between

the Vendors and customers of the Business for the supply of goods and/or services by the Vendors in the carrying on in the ordinary course of the Business subsisting at the Transfer Date including the contracts and agreements short particulars of which are set out in part 1 of the Second Schedule hereto

"Debtors"

the aggregate amount (before deducting any commission discount or rebate) owed to the Vendors by persons other than the Vendors as at the Transfer Date (whether or not then due and payable) in respect of goods delivered and/or services rendered by the Vendors in respect of the Business prior to Completion and as shown in the Completion Statement

"Determination Date"

the date on which the Completion Statement is determined in accordance with Clause 4 of this Agreement

"Disclosure Letter"

the letter of even date herewith from the Vendors' solicitors to the Purchaser's solicitors in relation to the representations and warranties contained in or referred to in Clause 16 and Schedule 3

"the Fixed Plant"

the fixed plant and machinery and the fixtures and fittings at the Property at the Transfer Date as shown in the Asset Register

"the Gross Debtors Provision"

the liabilities provided for under this description in the Completion Statement in

accordance with a basis consistent with existing accounting policies adopted by the Vendors in respect of the Business and the general provision against bad and doubtful debts of £9,000

"Intellectual Property Rights" means such of the following (if any) as may be owned by or licensed to the Vendors and used exclusively in connection with the Business: patents, trade marks, ^{business} ~~names~~ ^{names}, registered designs, standard plans, prototypes and utility models including those particulars of which are set out in the Sixth Schedule hereto; applications for any of the foregoing and the right to apply therefor in any part of the World; any similar rights in any country; copyrights, inventions, ~~business names~~, knowhow, confidential information and other similar knowledge and experience available to the Vendors; all drawings, blueprints, plans, specifications, data and descriptive matter, technical files and reports, designs and the benefit of all design development work and research but excluding all licences in favour of the Vendors in respect of any of the foregoing the assignment of which is by its terms prohibited and subject in each case to all licences and sub-licences granted by the Vendors in respect of the same

"the Joint Contracts"

those agreements and contracts which cannot be assigned to the Purchaser because they benefit not only the Business but also the other businesses of the

Vendors short particulars of which are set out in part 3 of the Second Schedule

"the Machinery"

the loose plant and machinery including fork lift trucks, as shown in the Asset Register and the tools, moulds, dies, equipment and other like articles owned and used by the Vendors in connection with the Business at the Transfer Date and such other items of a similar nature as are on or about the Property and in the possession of suppliers of the Business at the Transfer Date but excluding such as are included in the Third Party Assets and those assets listed in Schedule 13 hereof

"Management Accounts"

the internal unaudited accounts of the Business for the financial year ended 31st December 1987 attached hereto at Schedule 14

"the Motor Vehicles"

the motor vehicles owned and used by the Vendors in connection with the Business details of which are set out in the Asset Register

"Net Current Assets"

Sundry Non-Trade Debtors, Prepayments and Stocks less Assumed Liabilities as shown in the Completion Statement

"the Non-Trade Creditors"

the aggregate amount owed by SPC and Clang to non-trade creditors for goods or services supplied to SPC and Clang exclusively for the purposes of the Business as at and apportioned to the Transfer Date (whether or not due and payable) and in accordance with the

standard practice of the Vendors shown and/or to be shown in account number 391,000, account number 345100 (accrued holiday pay) and account number 375100 (accrued week in hand wages) in the ledgers for the Business appearing in the books of SPC and shown in the Completion Statement

"the Office Equipment"

the office equipment and furnishings and the articles owned and used by the Vendors in connection with the Business as are on or about the Property at the Transfer Date but excluding such as are included in the Third Party Assets and excluding that equipment set out in Schedule 13 hereof

"Prepayments"

the aggregate amount paid by the Vendors on or before the Transfer Date (to persons other than the Vendors) on account of or in respect of expenses incurred by the Vendors in connection with the Business in so far as they relate to the period after the Transfer Date and goods to be delivered and/or services to be rendered to the Business after the Transfer Date and as shown in the Completion Statement as prepayments

"the Property"

the Freehold and Leasehold property and Leasehold Improvements details of which are set out in Schedule 5

"the Purchaser's Accountants"

Peat Marwick McLintock, of Peat House, 45 Church Street, Birmingham B3 2DL

"the Purchaser's Group"

the Purchaser and any company which at the relevant time is a Holding Company of the Purchaser or a Subsidiary of any such Holding Company

"the Purchaser's Solicitors"

Wragge & Co. of Bank House, 8 Cherry Street, Birmingham B2 5JY

"the Retained Employees"

all persons employed by the Vendors on or at any time or times within the 12 month period prior to the Transfer Date other than the Transferring Employees

"Supply Contracts"

means all of the contracts agreements orders engagements and arrangements (written or oral) of the Business between the Vendors and suppliers of the Business for the supply of goods or services to the Vendors for the purposes of and in the ordinary course of the Business which have not as at the Transfer Date been completed (in the case of goods) by delivery or (in the case of services) by performance by the supplier including the contracts and agreements short particulars of which are set out in part 2 of the Second Schedule hereto including also all contracts agreements orders engagements and arrangements relating to the servicing maintenance and operation after the Transfer Date of the Business and/or the use and/or the operation of the Property or any of the Assets (such as, by way of example only, office and factory cleaning and security contracts and telephone rental agreements) but other than those in respect of the Third Party Assets

"the Sales Figure for the Month of April"

the total (including value added tax) of amounts appearing on invoices rendered or to be rendered in respect of goods despatched to customers of the Business (other than the Vendors) in the month of April less the total (including value added tax) of amounts appearing on credit notes in respect of goods despatched by the Business (other than to the Vendors) on or before 30th April 1988. ~~of the Business in the month of April 1988~~

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"SASO Certificates"

a certificate of conformity of electrical accessories issued by the factory in execution of Saudi Arabian Standards Organisation ("SASO") Board of Directors' decision no. 58 dated 17/9/1405H which is stamped by the manufacturer of goods to be imported into Saudi Arabia on and as a condition of importation presented and approved by SASO. For the purposes only of providing examples of past SASO certificates there appears in Schedule 12 a batch of SASO certificates

"Sundry Non-Trade Debtors"

all monies owed to the Vendors in respect of the Business other than Debtors and Prepayments

"Third Party Assets"

means those assets used in connection with or held for the benefit of the Business and in the possession of the Vendors by virtue of leasing, hire, hire purchase, conditional sale agreements, sale and return agreements together with those assets on loan to the Vendors or to which

title does not vest in the Vendors under the provisions of their consignment stock agreement with Tower Steels Limited or any similar agreement and together also with all other assets used in connection with or held for the benefit of the Business and which are not owned by the Vendors and of which short particulars are set out in the Eleventh Schedule hereto

"Stocks"

the stock of raw materials, partly finished and finished goods of the Business at the Transfer Date

"SPC"

Simplex (Power Centre) Limited

"Subsidiary" and "Holding Company"

as defined in Section 736 of the Companies Act 1985

"the Trade Creditors"

the aggregate amount owed by SPC and Clang (for the avoidance of doubt, including value added tax where invoices have been entered into the books of SPC and Clang as at the Transfer Date and excluding value added tax where invoices have not been delivered or entered into the books of SPC and Clang as at the Transfer Date) as at the Transfer Date (whether or not then due or payable) for goods and services supplied to SPC and Clang exclusively for the purposes of and in the ordinary course of the Business and shown in the Completion Statement excluding all monies owed, if any, by either or both of SPC and Clang to any one or more of the Vendors (including SPC and Clang) for goods or

services supplied prior to the Transfer Date

"the Transfer Date"	the date of this Agreement
"the Transferring Employees"	the employees engaged in the Business at the Transfer Date whose names are set out in Schedule 4
"the Vendors' Accountants"	Peat Marwick McLintock, of 1 Puddle Dock, Blackfriars, London EC4V 3PD
"the Vendors' Solicitors"	Clifford Chance of Royex House, Aldermanbury Square, London EC2V 7LD
"the Vendors' Group"	the Vendors and any company which at the relevant time is a Holding Company of any one or more of the Vendors or a Subsidiary of any such Holding Company

1.2 References to Clauses sub-clauses and Schedules are unless otherwise stated to Clauses and sub-clauses of and Schedules to this Agreement; and the Schedules form part of and are deemed to be incorporated in this Agreement

1.3 The headings in this Agreement are for convenience only and shall not affect the construction hereof

1.4 References in this Agreement to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification) and any subordinate legislation made under such provisions.

1.5 The obligations of the Vendors under this Agreement shall be joint and several

2. Assets to be sold

2.1 THE Vendors as beneficial owners shall sell, free from all liens charges and encumbrances, and the Purchaser shall purchase as a going concern as at and with effect from close of business on the Transfer Date the Business and the property and assets thereof comprising:-

2.1.1 the goodwill of the Business together with the right for the Purchaser to use the names "Clang", "Power Centre" and (subject to the limitations set out in clause 15 below) "Simplex" and represent itself as carrying on the Business in continuation of and in succession to the Vendors

2.1.2 the Intellectual Property Rights

2.1.3 the Property

2.1.4 the Motor Vehicles

2.1.5 the Fixed Plant

2.1.6 the Machinery

2.1.7 the Office Equipment

2.1.8 the full benefit of all the Assumed Contracts (other than the Joint Contracts) and the full benefit of the Joint Contracts to the extent that they apply to the Business

2.1.9 all the Stocks and Sundry Non-Trade Debtors and Prepayments

2.1.10 all data, information, lists of customers and suppliers and books of accounts and records relating to the Business

2.1.11 the Debtors

2.2 If any dispute shall arise between the Vendors and the Purchaser or if it shall be unclear or uncertain as to whether an asset of the Vendors

is on the Transfer Date an Asset (or is otherwise excluded from this sale), either party or both parties jointly may request the Purchaser's Accountants and the Vendors' Accountants (acting as experts and not as arbitrators) to certify whether such asset is included or excluded from this sale.

2.3 For the avoidance of doubt the Third Party Assets, all cash at the bank belonging to the Vendors, all other cash belonging to the Vendors wheresoever situate (other than the petty cash amounting to no more than £4,000 at Brookside) is excluded from the sale to the Purchaser

3. Consideration

3.1 The consideration for the said sale shall be £4.35 million less or plus (as the case may be) such sums as are calculated in accordance with the provisions of sub-clause 3.3 below and shall be apportioned as between the property and assets hereby agreed to be sold as follows:-

3.1.1 For the Intellectual Property Rights the sum of £1

3.1.2 For the Property the sum of £900,000

3.1.3 For the Motor Vehicles the sum of £4,114

3.1.4 For Fixed Plant the sum of £116,549

3.1.5 For the Machinery the sum of £318,571

3.1.6 For the Office Equipment the sum of £17,456

3.1.7 For the Assumed Contracts the sum of £1

3.1.8 For the Net Current Assets the sum of £780,000 less or plus (as the case may be) such sums as are calculated in accordance with the provisions of sub-clause 3.3.4 below.

3.1.9 For the items mentioned in clause 2.1.10 hereof the sum of £1

3.1.10 For the goodwill the balance

3.1.11 For the Debtors the sum of £1.5 million less or plus (as the case may be) such sums as are calculated in accordance with the provisions of sub-clause 3.3 below

3.2 On Completion the Vendors and the Purchaser shall agree a provisional adjustment to the consideration as follows:-

3.2.1 Whereas the consideration for the Debtors of £1.5 million referred to in clause 3.1.11 ("the Estimated Debtors Figure") is based on the sales forecast of £557,000 (inclusive of value added tax) for the month of April 1988, then if the Sales Figure for the Month of April as provisionally agreed between the parties on Completion shall be more or less than £557,000 (inclusive of value added tax) the Estimated Debtors Figure shall be adjusted on a pound for pound basis and the resulting Debtors figure shall be "the Provisional Debtor's Figure"

3.2.2 If the Provisional Debtors Figure shall be more than the aggregate of the amount of Debtors shown to be outstanding as at the Transfer Date on the debtors schedule agreed between the parties on completion ("the Completion Debtors Figure") by a sum in excess of £15,000 then the consideration shall be provisionally reduced on a pound for pound basis to the extent of such excess and the Vendors shall repay to the Purchaser the amount of such excess whereas if the Provisional Debtors Figure shall be less than the Completion Debtors Figure by a sum in excess of £15,000 then the consideration shall be provisionally increased on a pound for pound basis to the extent of such excess and the Purchaser shall pay the Vendors the amount of such excess

3.3 Following preparation of the Completion Statement in accordance with the provisions of clause 4 below, the consideration shall be subject to final adjustment as follows:-

3.3.1 if in the Completion Statement the Sales Figure for the Month of April shall be more or less than £557,000 (inclusive of value added tax) the Estimated Debtors Figure shall be adjusted on a pound for pound basis and the resulting Debtors figure shall be the "Adjusted Provisional Debtors Figure"

3.3.2 if the figure for Debtors shown in the Completion Statement ("the Final Debtors Figure") shall differ from the Adjusted Provisional Debtors Figure by a sum in excess of £15,000 then the consideration shall be increased (if the Final Debtors Figure is greater than the Adjusted Provisional Debtors Figure) and shall be reduced (if the Final Debtors Figure is less than the Adjusted Provisional Debtor Figure) on a pound for pound basis to the extent of such excess and

3.3.2.1 if the consideration ^{for Debtors} as so adjusted is less than that calculated and paid on Completion the Vendors shall pay the difference to the Purchaser; or

3.3.2.2 if the consideration for Debtors as so adjusted is more than that calculated and paid at Completion the Purchaser shall pay the difference to the Vendors

3.3.3 if the Gross Debtors Provision in the Completion Statement shall be greater than the sum of £121,000 by a sum in excess of £5,000, then the consideration shall be reduced on a pound for pound basis to the extent of such excess and the Vendors shall repay to the Purchaser the amount of such excess within 5 days of the Determination Date; whereas if the Gross Debtors Provision in the Completion Statement shall be less than the sum of £121,000 by a sum in excess of £5,000 then the consideration shall be increased on a pound for pound basis to the extent of such shortfall and the Purchaser shall pay the Vendors the amount of such shortfall within 5 days of the Determination Date; and

3.3.4 if the amount of Net Current Assets shown in the Completion Statement shall be greater than the sum of £780,000 by a sum in

excess of £50,000 then the consideration shall be increased on a pound for pound basis to the extent of such excess and the Purchaser shall pay the Vendors the amount of such excess within 5 days of the Determination Date whereas if the amount of the Net Current Assets shown in the Completion Statement shall be less than the sum of £780,000 by a sum in excess of £50,000 then the consideration shall be reduced on a pound for pound basis to the extent of such shortfall and the Vendors shall repay the amount of such shortfall to the Purchaser within 5 days of the Determination Date

3.4 For the avoidance of doubt, if either of the parties become liable to pay to the other an amount pursuant to sub-clauses 3.2 and/or 3.3 above then the excess only over the de minimis levels of £15,000 (in the case of sub-clause 3.2.2 and 3.3.2); £5000 (in the case of sub-clause 3.3.3); and £50,000 (in the case of sub-clause 3.3.4) shall be payable

Completion Statement

4.1 THE Purchaser shall procure that within 90 days after the date hereof the Purchaser's Accountants shall prepare the Completion Statement in draft form and submit it to the Vendors' Accountants, subject to sub-clause 4.2 below the Completion Statement having been prepared and Stocks valued on a basis consistent with the accounting policies of the Vendors' Group in respect of the Business for the financial year ended 31st December 1987. The Purchaser's Accountants and the Vendors' Accountants shall within 120 days of the date hereof agree or determine their differences and shall sign the Completion Statement incorporating such agreement or determination as necessary at which time the Completion Statement shall become final and binding upon the parties hereto. The Vendors and the Purchaser shall procure that any information reasonably required by the Vendors' Accountants or the Purchaser's Accountants will be made available to enable the Completion Statement to be agreed. The Completion Statement shall be in the form set out in Schedule 15 hereof

4.2 For the purposes of the preparation of the Completion Statement the Purchaser's Accountants and the Vendors' Accountants are instructed to have no regard to the collectability of the Debtors

5. Disputes

IN the event of any dispute between the parties hereto as to the contents of the Completion Statement and/or the amount of consideration payable and/or a certificate requested in accordance with sub-clause 2.2 above such dispute shall be referred to and conclusively determined by an independent firm of chartered accountants agreed by the parties hereto or in the event of a failure to agree within 14 days by an independent firm of chartered accountants appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales on the application of any party. The fees of any such firm of independent accountants shall be shared equally by the Vendors on the one hand and the Purchaser on the other. Any firm appointed hereunder shall act as experts and not as arbitrators

6. Debtors, Assumed Liabilities and Liabilities included in the Gross Debtor Provision

THE Vendors shall assign to the Purchaser the benefit of the Debtors as at the Transfer Date and the Purchaser shall from the Transfer Date fully indemnify and hold harmless the Vendors against all liabilities comprising the Assumed Liabilities and all liabilities included in the Gross Debtor Provision

7. Completion

7.1 COMPLETION shall take place at The Bedford Hotel, Brighton on 3rd May, 1988 when all of the following business shall be transacted:-

7.1.1 The Vendors shall:-

7.1.1.1 complete the sale of the Property in accordance with the provisions of Schedule 5 and

7.1.1.2 give possession to the Purchaser of the assets hereby agreed to be sold and

7.1.1.3 (if requested by the Purchaser so to do) deliver to the Purchaser duly executed assignments of or otherwise vest in the Purchaser such of the assets rights and agreements

the benefit of which is hereby agreed to be sold as are not transferable by delivery and

7.1.1.4 deliver and/or make available to the Purchaser the books and other records referred to in Clause 10.1 hereof

7.1.1.5 pay by cheque to the Purchaser such amounts, if any, as are payable under sub-clause 3.2 above

7.1.1.6 deliver and make available to the Purchaser such of the Assets as are capable of delivery

7.1.2 The Purchaser shall:-

7.1.2.1 deliver to the Vendors the sum of £4.35 million by Bankers Draft drawn on the City Branch of a London Clearing Bank in favour of the Vendors or as they may direct

7.1.2.2 pay by cheque to the Vendors such amounts, if any, as shall be payable under sub-clause 3.2 above

7.1.2.3 deliver to the Vendors resignations of Messrs. Delve, Bartlett and Pinfold in the form agreed between the parties from the offices of secretary and/or director of any company within the Vendors' Group

7.2 At the cost of the Vendors (save in respect of the cost of stamp duty and the costs incurred in the assignment of trademarks registered outside the United Kingdom such costs to be borne by the Purchaser) upon and after Completion the Vendors shall do and execute all other necessary acts, deeds, documents and things as may be reasonably required for effectively vesting the Assets and other rights and benefits intended to be transferred hereunder in the Purchaser and pending the doing and executing of such acts, deeds, documents and things the Vendors shall hold the legal estate in such assets in trust for the Purchaser provided that each parties shall bear their own legal costs

7.3 At the cost of the Purchaser, the Vendors shall on each and every occasion that they are so requested by the Purchaser execute a separate assignment of any debt the benefit of which is hereby agreed to be sold to the Purchaser

8. Assumed Contracts and Third Party Assets

8.1 SUBJECT to Clause 9 below the Purchaser shall complete and discharge in a proper and workmanlike manner all the Assumed Contracts (and to the extent that they apply to the Business, the Joint Contracts) and shall indemnify the Vendors against all actions, proceedings, costs, claims and demands brought or made against or incurred by the Vendors and against any loss suffered by the Vendors in respect of all the Assumed Contracts (and to the extent that they apply to the Business, the Joint Contracts) and in each case by reason of any act or omission of the Purchaser after the Transfer Date

8.2 Subject to clause 9 below the Vendors shall (if so requested by the Purchaser) execute a formal assignment of the Assumed Contracts, or any one or more of them, to the Purchaser or (at the Purchaser's option) join with the Purchaser in the novation of the same on or at any time after the Transfer Date each party to bear their own legal costs

8.3 In relation to Third Party Assets the Vendors shall use their reasonable endeavours to persuade the owners of Third Party Assets to enter into lease hire hire purchase or conditional sale arrangements sale and return agreements, loan agreements and consignment stock agreements (as the case may be) with the Purchaser in respect thereof provided that the Vendors shall be under no obligations to make any payment to the owners of Third Party Assets or to any other party to persuade them as aforesaid

9. Non-Assignable Contracts

9.1 TO the extent that any of the Assumed Contracts (other than the Joint Contracts) are not assignable without the consent of another party this Agreement shall not constitute an assignment or an attempted assignment if such assignment or attempted assignment would constitute a breach thereof. In the event that such consent or a novation of any of

the Assumed Contracts (other than the Joint Contracts) is required by the Purchaser the Vendors will use all reasonable efforts to obtain the consent of the other party to such assignment or novation to the Purchaser and for the avoidance of doubt will not object to the Purchaser approaching the other party for consent or novation as the case may be. If such consent or novation is not obtained, the Vendors will co-operate with the Purchaser in any reasonable arrangements designed to provide for the Purchaser the benefits under any of the Assumed Contracts (other than the Joint Contracts), including enforcement at the cost and for the account of the Purchaser of any and all rights of the Vendors against the other party thereto arising out of the cancellation by such other party or otherwise. If and to the extent that in respect of such Assumed Contracts any such arrangements cannot be made, neither the Vendors nor the Purchaser shall have any further obligation to each other relating thereto.

9.2 In respect of each Joint Contract the Vendors shall at the request of the Purchaser use all reasonable endeavours to persuade the third party concerned to enter into a separate agreement comprising the same terms, mutatis mutandis, as appear in the Joint Contract and apply to the Business in substitution for those terms of the Joint Contract which apply to the Business. Until such separate agreement is entered into by the third party concerned and the Purchaser, and, if the third party concerned does not enter into such separate agreement, until the expiry of the Joint Contract, the Vendors will co-operate with the Purchaser in any reasonable arrangements designed to provide for the Purchaser the benefits under the Joint Contract which apply to the Business (save that in respect of the contract with Private Patients Plan this obligation shall expire 12 months after Completion) including enforcement (provided that the Vendors shall not be obliged to pursue a claim against any third party if in the reasonable opinion of the Vendors it would materially affect the business of the Vendors) at the cost and for the account of the Purchaser of any and all rights of the Vendors against the third party concerned arising out of the cancellation by the third party concerned or otherwise

10. Post-Completion Obligations

10.1 ALL purchase and sale ledgers purchase and sales day books and purchase and sales invoices and general ledger and other books and records

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of the Vendors up to the Transfer Date necessary for the Purchaser to carry on the Business shall be delivered and/or made available to the Purchaser on the Transfer Date and shall thereafter be retained by the Purchaser PROVIDED THAT the same shall for a period of ten years from the Transfer Date at all reasonable times during usual business hours be open to the inspection of the Vendors their servants and agents and such other persons as may be authorised by the Vendors who may take such copies therefrom as the Vendors may reasonably require

10.2 Within two working days of receipt thereof or, where monies are paid direct into the Vendors' bank accounts, within 2 working days of knowledge of receipt thereof the Vendors shall, using all best endeavours, account to the Purchaser for any monies received after the Transfer Date on account of Debtors, contracts, engagements or orders the benefit of which are being purchased under this Agreement and on receiving any notices, correspondence, information or enquiries in relation to the Business the Vendors will pass the same to the Purchaser within two working days of receipt thereof

10.3 The Vendors shall subject to receipt of satisfactory proof of payment on demand reimburse the Purchaser all VAT paid by the Purchaser in discharging those Trade Creditors and Non-Trade Creditors whose invoices have not been delivered or entered into the books of SPC and Clang as at the Transfer Date

11. Employees

11.1 ~~THE~~ Vendors and the Purchaser hereby acknowledge that the transfer hereby contemplated is one to which the Transfer of Undertakings (Protection of Employment) Regulations 1981 ("the Regulations") apply and accordingly from the Transfer Date the Vendors shall cease to employ each of the Transferring Employees and the Purchaser shall continue that employment on terms and conditions in accordance with the requirements of the Regulations with effect from the Transfer Date.

11.2 The Purchaser shall indemnify and keep indemnified the Vendors against all claims for redundancy payments, protective awards, damages for wrongful dismissal, or compensation for unfair dismissal or otherwise (a)

in connection with the termination of employment of any of the Transferring Employees on or after the Transfer Date which is deemed to be an act of the Vendors by virtue only of the Regulations and (b) in the case of constructive dismissal by reason of loss or variation of pension rights and against all costs, charges, damages, fines, judgments, expenses and liability whatsoever incurred by the Vendors in relation to any such claims AND the Vendors shall indemnify and keep indemnified the Purchaser against any claim for redundancy payments, protective awards, damages for wrongful dismissal or compensation for unfair dismissal or otherwise in connection with the termination of employment of any of the Transferring Employees by the Vendors prior to the Transfer Date which is deemed to be an act of the Purchaser by virtue only of the Regulations and against all costs, damages, fines, judgments, expenses and liability whatsoever reasonably incurred in relation to any such claim AND in contesting, settling and dealing with any such claim, neither the Vendors on the one hand nor the Purchaser on the other hand shall without the prior consent in writing of the other (such consent not to be unreasonably withheld) make any admission in relation thereto or settlement thereof.

11.3 The Purchaser shall not assume or be under any liability or obligation whatsoever in respect of the Retained Employees to the Vendors or to them personally AND the Vendors shall indemnify and keep indemnified the Purchaser against any claims, liability or obligation whatsoever in connection with the Retained Employees, whenever arising whether arising through the operation of the Regulations or otherwise and whether or not the Retained Employees shall at any time be dismissed (by reason of redundancy or otherwise) by the Vendors, including any claim for redundancy payments, protective awards, damages for wrongful dismissal or compensation for unfair dismissal or otherwise in connection with the termination of the employment of the Retained Employees; and against all costs, damages, fines, judgments, expenses and liability whatsoever that may be incurred by the Purchaser in connection therewith.

11.5 The Vendors and the Purchaser shall implement the Pension Arrangements set out in Schedule 10 hereto.

12. The Property

THE Property is sold subject to the terms and conditions hereinbefore contained and to the conditions set out in Schedule 5

13. Use of Computer Systems

13.1 THE Vendors shall provide and allow to the Purchaser use of the Vendors' Groups' computerised systems applicable to the Business for a period of four months after the Transfer Date at a fee of £7,000 per month payable on the last day in each month

13.2 The Vendors shall, during this period, in a manner consistent with the arrangements for maintenance practised prior to the Transfer Date regularly maintain and promptly repair the computerised systems applicable to the Business.

14. Covenant not to compete

14.1 THE Vendors hereby covenant with the Purchaser that the Vendors shall not and shall procure that no company which is for the time being a member of the Vendors' Group shall for a period of 3 years from the Transfer Date in the United Kingdom or the Republic of Ireland either solely or jointly with or as manager, adviser, consultant or agent for any other person firm or corporation directly or indirectly carry on or be engaged or concerned or interested in any business which may reasonably be considered to be similar to the Business or canvass solicit for orders from or entice away from the Purchaser any person firm or company for the purposes of such a business who or which shall at or within the two years preceding the Transfer Date have been a customer of the Business whether or not also a customer of any other business carried on by the Vendors

14.2 The Purchaser hereby covenants with the Vendors that it shall not (and in the case of the Purchaser shall procure that no company which is for the time being a member of the Purchaser's Group shall) for a period of 3 years from the Transfer Date either solely or jointly with or as manager, adviser, consultant or agent for any other person firm or corporation directly or indirectly carry on or be engaged or concerned or interested in any businesses which may reasonably be considered to be similar to the businesses carried on by the Vendors and the other members

of the Vendors' Group except the Business nor will it canvass, solicit for orders from or entice away from the Vendors any person, firm or company who or which shall at or within the two years preceding the Transfer Date have been a customer of the Vendors but not a customer of the Business.

15. Name

15.1 THE Purchaser shall be entitled to use the name "Simplex" in relation to the existing products or activities of the Business for a period of 12 months from the date hereof and the Purchaser hereby covenants that following the expiry of 12 months from the date hereof it shall not use the name registered or unregistered mark "Simplex" and shall indemnify the Vendors against any loss which they may suffer as a result of the use in any context and that it shall not at any time challenge the use of the name registered or unregistered mark "Simplex" by the Vendors or any licensee of the Vendors in the United Kingdom, Ireland or in any other jurisdiction

15.2 The Vendors shall on or before 31st March, 1989 procure that the shareholders of SPC and Clang pass special resolutions changing the names of those companies so that neither of them include the words "Power Centre" and "Clang" or any colourable imitation thereof and undertake to the Purchaser that none of the Vendors including SPC and Clang shall with effect from the Transfer Date trade under their corporate names or names which include the words "Power Centre" and "Clang" save that it is acknowledged that the statutory accounts for the financial year of SPC and Clang ending before 31st December 1989 will be written in their corporate names

16. Representations and Warranties

16.1 THE Vendors hereby warrant and represent to the Purchaser in the terms of Schedule 3

16.2 The said warranties and representations shall be subject to the provisions of Schedule 9 hereof and the matters unambiguously and expressly disclosed in the Disclosure Letter

16.3 Any amount paid by the Vendors pursuant to the provisions of this Agreement in respect of a breach of any of the representations and warranties or other provisions of this Agreement shall be treated as a reduction in the total purchase price paid to the Vendors

16.4 The Purchaser confirms that it has not relied on any warranty, representation or undertaking of the Vendors or of any other person save for any representation and warranty expressly set out in this Agreement and in relation solely to the Property the written replies by or on behalf of the Vendors to enquiries raised by the Purchaser or the Purchaser's solicitors H.S.H
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16.5 It is hereby agreed that where any warranty is expressed to be given "insofar/so far/as far as the Vendors are aware" there shall be deemed to be incorporated an additional statement that no enquiry has been made of any third parties

17. Value Added Tax

17.1 THE Vendors and the Purchaser shall use all reasonable endeavours to procure that the transfer of the Assets and the Business is deemed to be a transfer of business as a going concern for the purposes of Section 33(1) of the Value Added Tax Act 1983 and Paragraph 12 of the Value Added Tax (Special Provisions) Order 1981;

17.2 The Vendors shall on request deliver to the Purchaser all records of the Business for Value Added Tax purposes which are required by Section 33(1)(b) of the Value Added Tax Act 1983 to be preserved by the Purchaser and shall thereafter make any request to H.M. Customs & Excise for such records to be taken out of the custody of the Purchaser and the Purchaser hereby undertakes to preserve such records for such periods as may be required by law and to allow the Vendors and their agents to inspect the same;

17.3 The Purchaser agrees to allow the Vendors such access to such records as they may reasonably require in relation to their taxation liabilities;

17.4 If notwithstanding the provisions referred to above any Value Added Tax shall be payable on the transfer of the Assets and the Business to the Purchaser the Purchaser shall pay such Value Added Tax to the Vendors, such payment to be made within 7 days of delivery by the Vendors to the Purchaser of valid tax invoices in respect thereof

17.5 For the avoidance of doubt the consideration payable under clause 3 shall be exclusive of Value Added Tax

18. Restrictive Trade Practices Act

NOTWITHSTANDING any other provisions of this Agreement, any restriction or restrictions contained in this Agreement which cause the Agreement to be registerable under the Restrictive Trade Practices Act 1976 shall be of no effect until such time as particulars of this Agreement shall have been furnished to the Director General of Fair Trading. The parties shall use their best endeavours to procure the furnishing of such particulars as soon as possible after the signing of this Agreement.

19. Storage of Finished Goods at the Glasgow Depot

19.1 FROM the Transfer Date until 31st July 1988 the Vendors shall allow the Purchaser exclusive use of the depot at Unit 8, Port Dundas Industrial Estate North, Canal Bank Street, Glasgow, GW44 ("the depot") for the storage of finished goods of the Business and in consideration therefor the Purchaser shall indemnify the Vendors against the cost of all rents, rates, heating and lighting apportioned on a time basis ~~payable~~ in respect of the depot for the period from the Transfer Date until the Purchaser vacates the depot

20. Provisions to survive Completion

ALL provisions of this Agreement so far as they are capable of being performed or observed and all representations and warranties herein contained shall continue in full force and effect notwithstanding Completion except in respect of those matters then already performed

21. Successors and Assignability

THIS Agreement shall be binding on and shall enure for the benefit of each party's successors and assigns

22. ECGD Cover and SASO Certificates and Letters of Credit

22.1 WHEREAS each of the Vendors and the Purchaser must present a SASO certificate to SASO to import products of their respective businesses into Saudi Arabia. Whereas a SASO certificate is currently written in the name of Simplex Power Centre Division, Simplex Electrical Limited and bears a quality assurance stamp of Simplex Electrical Group Ltd. Whereas it is the intention of the parties that the Vendors on the one hand and the Purchaser on the other hand will as soon as possible each apply for new SASO certificates to be issued to each of them bearing such logos and names as in the case of the Purchaser (in addition to other names of their choosing excluding the name 'Simplex') are transferred with the goodwill sold hereunder, and in the case of the Vendors do not include the words "Power Centre" and "Clang". Until new certificates are issued as aforesaid the parties hereby agree to co-operate and assist each other in their importation of goods into Saudi Arabia, to allow to each other the use of their respective names and trade names (and in the case of Simplex Electrical Group Ltd of its quality assurance stamp) on a SASO certificate for these purposes and as required act as each others agent or act jointly with the intent that they should both procure that the products of the Business and of the businesses retained by the Vendors may still be and are imported into Saudi Arabia PROVIDED THAT the Vendors on the one hand and the Purchaser on the other hand shall indemnify and keep each other indemnified against any loss suffered by either of them due to any goods imported by the other of them not being of a quality required by SASO but provided further that neither party shall have any liability to the other if a SASO certificate is cancelled because of the operation of or of any act properly carried out in accordance with this sub-clause 22.1. For these purposes each party shall allow free use to the other party of such documentation and information as in the past has been required to support a SASO certificate, including, by way of example only, current catalogues and technical information.

22.2 Whereas the Vendors are entitled to the benefits of the insurance /guarantee provided by the Export Credits Guarantee Department ("ECGD") against default of payment of any of the debts listed in the Schedule referred to in clause 3.2.2 as ECGD debts ("the ECGD Debts") it is hereby agreed that if any of the ECGD debts are not paid on their due date the Vendors shall if it has not been possible by then to extend or transfer the benefit of the insurance/guarantee provided by ECGD to the Purchaser, purchase the debt from the Purchaser for a price equal to the monies payable by ECGD in respect thereof which shall be promptly claimed by the Vendors and shall pay such price therefor to the Purchaser as soon as practicable on receipt of such monies

22.3 Whereas the Vendors are entitled to the benefit of letters of credit in respect of those debts listed in the Schedule referred to in clause 3.2.2 as L/C Debts ("L/C Debts") it is hereby agreed that on the date of payment for such letters of credit the Vendors shall present the letters of credit to the paying bank together with all documents required to support the same within the possession and/or control of the Vendors and account to the Purchaser for the monies in accordance with clause 10.2 hereof

23. Governing Law, submission to Jurisdiction and Notice

23.1 THIS Agreement shall be governed by and interpreted in accordance with English law

23.2 The parties hereby submit to the exclusive jurisdiction of the Courts of England

23.3 Any notice required to be given under this Agreement shall be deemed duly served if left at or sent by registered or recorded delivery post to the registered office of the relevant party (if a company) or other address of the party as stated above or notified in writing to the other for the purpose of this Clause

24. Announcements

ALL announcements to the press or to the public, employees, customers and suppliers concerning the sale of the Business made by the Vendors or the Purchaser shall be in a form agreed between the Vendors and the Purchaser

25. Invalidity

THE invalidity or unenforceability of any part of this Agreement shall not affect the validity or enforceability of the remainder

26. Confidentiality

EACH of the Vendors on the one hand and the Purchaser on the other hand shall keep confidential at all times all documents and information in their possession which relate to the other's business

27. Costs

Each party shall be responsible for their own legal and accountancy costs unless expressly otherwise provided herein

A S W I T N E S S the hands of the duly authorised representatives of the parties hereto the day and year first above written

SCHEDULE 1
The Vendors

<u>Name</u>	<u>Registered Number</u>	<u>Registered Office</u>
1. Simplex Electrical Group Limited	1847970	P.O. Box 2 Blythe Bridge, Stoke-on-Trent, Staffs ST11 9LL
2. Simplex Electrical Limited	853912	Moulsecoomb Way, Brighton, East Sussex, BN2 4QE
3. Simplex Electrical Holdings Limited	108870	Moulsecoomb Way, Brighton, East Sussex, BN2 4QE
4. Simplex Electrical Manufacturing Limited	853913	Moulsecoomb Way, Brighton, East Sussex BN2 4QE
5. Simplex Power Centre Limited	237163	Moulsecoomb Way, Brighton, East Sussex, BN2 4QE
6. Clang Limited	264169	Moulsecoomb Way, Brighton, East Sussex, BN2 4QE

SCHEDULE 6
Intellectual Property Rights

Part I

The patents/registered designs and registered trademarks set out in the list attached hereto and marked "E".

Part II

The following business names:-

PLUGLINE
HI-DUCT
LO-DUCT
SCREEDWAY
SPURDUCT
VISTALITE
GALVAN
BENCHLINE
BLACO
CLANG
TILITE

BRITISH PATENTS

LEXIBLE TRUNKING SYSTEM
OUTLET GROMMET AND PLUG
COMPLIANT FASTENER
DUSDUCT WITH FISH PLATE CONNECTOR
ALL BOX SLIDING LUG
LUT WITH MULTI RATED
USE SYSTEM

No	Owner	Date	Documents
2015268	SIMPLEX PC	3/79	WEDNESBURY
2005491	TI SIMPLEX PC	10/78	
1599996	SIMPLEX PC	1/73	
1393090	SIMPLEX PC	7/72	
1400027	SIMPLEX BLACO	8/73	
1416685	SIMPLEX PC	1/73	

REGISTERED DESIGNS

RUNKING
RUNKING

No	Owner	Date	Documents
971762	SIMPLEX PC LTD	7/75	WEDNESBURY
966628	SIMPLEX PC LTD	5/74	

TRADEMARKS

Country	No	Owner	Class	Renewal Date	Documents
IRELAND	37630	SEHL	9	1/97	R
UK	448128	SEHL	13	5/94	O+R
IRELAND	44767	CLANG	11	10/89	R
IRELAND	44768	CLANG	12	10/89	R
SWEDEN	63280	CLANG	11/12	8/97	O
UK	627273	CLANG	9	1/93	R
UK	727852	CLANG	9	3/89	R
UK	627274	CLANG	11	1/93	R
UK	627275	CLANG	12	1/93	R
UK	531166	CLANG	13	4/88	IN PROGRESS
UK	727853	CLANG	17	3/89	O+R
SYRIA	4243	CLANG		5/90	O
UK	730213	CLANG	17	5/89	R
UK	935712	SIMPLEX	9	12/89	
		LIGHTING			
UK	986762	S.P.C.	9	2/93	O+R
UK	986763	S.P.C.	9	10/92	R (WED)
AUSTRALIA	88734	CLANG	9	9/88	
AUSTRALIA	168873	CLANG	11	9/88	
AUSTRALIA	168874	CLANG	12	9/88	
CANADA	98/25370	CLANG		9/91	
FRANCE	52600	CLANG	9/11/12	8/96	
ITALY	223467	CLANG	11	1/97	
SOUTH AFRICA	147/47-1	CLANG	6	1/95	
SOUTH AFRICA	147/47-2	CLANG	7	1/95	
SOUTH AFRICA	2644/46	CLANG	9	9/94	
SOUTH AFRICA	147/47-3	CLANG	9	1/95	
SOUTH AFRICA	147/47-4	CLANG	11	1/95	
SOUTH AFRICA	147/47-5	CLANG	12	1/95	

ORIGINAL CERT
RENEWAL CERT

I certify that this is a true and exact copy of a copy of an Agreement dated 3rd May 1988, formally certified as a copy by solicitors Wragge & Co.

David John Richards

David John Richards
Chartered Patent Attorney
European Patent Attorney