
From: Ranvir Singh
Sent: 24 May 2008 20:46
To: George Busfield
Cc: george.busfield@uk.ibm.com
Subject: Share Option

Mate - I had previously spoken to the guy who handles all my accounting/legal about looking into the 10% option that i am giving you. (dont worry - i am not pulling out of it!)

What i have been told is that, for a variety of reasons, granting an open-ended option is NOT the same as giving you 10% now but retaining the dividends. This is essentially a share transfer for no consideration, given today.

Among the reasons I have been advised NOT to do this are;

- you are legal owner of the shares today which essentially puts me in a secondary position. If you have creditors etc I would have to fight them to establish my rights to dividend income over their rights etc etc - something i dont want to do.
- its legally not as easy as we think to separate the legal and beneficial (ie - dividend) ownership of shares. The legal owner can assign the divs to someone else but essentially he (you) still OWN the divs. You can re-assign them to a 3rd party (ie - not me) without any comeback.

there are other reasons too but essentially I will honour what I said in that I will give you;

- an option for 10% of my shares for £200k
- payable in £50k tranches
- open ended, no time-limits

But it would be stupid of me to transfer these shares to you outright today and so that wont be happening. Let me know if you want me to put paperwork together - we can have it signed on Tues.

I hope you can understand my position here. Not trying to change things to dis-benefit you but my worst case scenario is pretty massive under your solution. I also hope you can see that I am giving you something here that no-one else would ever consider, and that i am doing that out of friendship.

cheers

Ran