
From: Sonny Schneider
Sent: 29 May 2008 15:30
To: 'George Busfield'
Cc: George Busfield; Matthew Cheung; Ranvir Singh; Sonny Schneider
Subject: RE: RAN - THE FINAL COUNTDOWN

RAN says - shareholder's agreement (ie – ripping the old one up). I WOULD BE VERY HAPPY TO REMOVE OLD ONE, PRE GB COMING IN IN SOME FORMAT AS PER ABOVE, IN FAVOUR OF A STANDARD SYMMETRICAL ONE IF RAN AGREES. RAN, IN PRINCIPLE, DO YOU AGREE; NICE SIMPLE SYMMETRICAL ONE. IF YES I WILL GET COMP SEC TO FORWARD A DRAFT ETC. PLEASE REVERT . PLEASE REVERT. **HAPPY TO RIP OLD ONE UP FOR SIMPLE SYMMETRICAL ONE GOING FWD. THERE ARE SOME THINGS WE NEED TO TUN BY YOU AT RAN BOARD MEETING AT 25TH. SO LETS DO MEETING, DO RUNNING BY AND SUBJECT TO OUTCOME I WILL FORWARD STANDARD ONE FOR REVIEW. SNE TO REVERT.** We have spoken about this in the board meeting. I have attached a draft template one that was used x months / years ago for a subsid (I have no idea which one and have not read it recently). I believe it is symmetrical, but please read and we can take a formal meeting to cover it). PLEASE REVIEW ATTACHED. Lets get GB shares done, finalise a div policy and also the funny thing about no tag along if selling x shares etc, then we can finalise this. **ON HOLD RS & SNE TO ACTION AS FOLLOWS: RS to finalise CB shares and share option paperwork etc with SNE - All now agreed SNE To forward draft new SA - inclusive of: 1) 80% (i.e. 100% after bonuses) Div policy AND 2) 30% of shareholders shareholding (as at today's date) is exempt from any preemption and tag along rights (i.e. 30% of today's shareholding can be sold / transferred "freely") ON HOLD UNTIL OTHER STUFF IS DONE. ON HOLD**

RAN - GB - RAN - GB - The print out I have for share swaps across Ran, Mat and GB I have been told is out of date. If you can just list what percent you want to have from whom and if any cash is meant to pass hands I will isolate efficient way of having this all dusted and will revert. PLEASE FORWARD The print out that GB gave me is, if I have not read it wrong, for 20% and also involves a lot of other stuff. In short I can effect the movements etc, but your text said 10% with options coupled with a bunch of dividend swaps and the like. Net net just list what you want to happen to this mail and I will revert (ie how many shares are you or and Mat going to give GB. How many shares is GB going to sell to whom and at what price. Dividend carve ups and options should not form a part of the firms mandate, as long as present shareholders agreement permits it (it does via economic swaps). So net net list how many shares from whom, who buys what and at what price. PLEASE REVERT. So I spoke with Ranvir; you want me to arrange for you to give GB 5% and for Mat to give GB 2.5%. Ran gives GB £23,333.33 cash and Mat gives GB £11,666.67 cash. GB sells 2.5% to RAN for 35k. Ranvir gives GB a call option, for zero premium, over another 10%, american style, expiring in 2 years (this is a side, non RAN, piece of business, but we can get Comp Sec who is a lawyer to do it and he will probably do it for free) with required shareholder agreement addendum that all will sign. Can you confirm that I have got this all right? PLEASE REVERT REVISED AND FINAL AGREEMENT MADE BETWEEN RS-MC-CB - RS TO PROGRESS WITH SNE IN ORDER TO FINALISE **RAN PLEASE LIST WHAT THE FINAL DETAILS ARE AND I CAN THEN POWER. PLEASE FORWARD**

GB - RAN - GB non exec versus exec - Just bullet thoughts from reading his Proposal - I see no reason to give anyone shares for their non exec workload unless they are George Soros! (sorry George B) . Year 1 etc under remuneration proposed in exec bit - I would simply do a year with a review about share options at the end of the year, none of this hand a bunch out on day one stuff: I note that the LIFFE advertising interest, NTKN probably does not represent a deal (still waiting for email chains to read) and that Neil Daldy is a waste of space and as such is not worth 75k plus 5% off the bat. I note that I have another bunch of mails to read and as such add this to the GB/SNE Strategy Beer night (along with conceirge, networking, GB role - exec or non exec, salescard, strategy etc). **THOUGHTS PRE BEER ELSE FOR BEER NIGHT GB INITIAL RESPONSE (Bulleted thoughts): Ultimately - RS / SNE / MC Decision and GB will accept / cool / be happy whatever outcome (i.e. exec position agreement reached/ non-exec position retained) / Obviously (Given GB Proposal) GB not agree with SNE points above (GB current / potential non-exec workload significant exceeds that of non-exec / Other Non execs (SNE!!) / Don't understand Neil Daldy point - I don't know him well and the proposals never related to him but to GB / Agree pick up on GB / SNE beer night / £75k plus review at year end would not be satisfactory to agree GB exec role - due to no. of factors including: - GB ambitious and wants to move forward in career (current IBM job is at £150k) - GB Not willing to move backwards but willing /**

wishes to accept equity in organisation he believes in and believes he can add value to. - GB believes equity in remuneration would provide added incentive in exec role - benefitting / incentivising RAN and GB - GB believes / knows he adds more value / is worth more than that / can achieve significantly higher reward elsewhere (albeit accepting if other RAN parties not agree / can't afford) IF NOT POSSIBLE - GB CONTENT TO CONTINUE NON EXEC ROLE GB NOTES - "Harry Scenario" - i.e. Both sides of the deal have to WANT the agreement / deal (GB & RAN both like terms) **NOTED FOR BEER NIGHT SO TILL THEN**

GB - SUGGEST FOLLOW UP INFORMALLY WITH BOARD - AND THEN BOARD PUT FORWARD RESPONSE PROPOSAL (IF ANY) AND CLOSE EITHER WAY - PLEASE CONFIRM NET NET IF HE DOES NOT GET BACK I WOULD SEND A VERY SHORT "HI, ANY THOUGHTS HARRY MAIL" THEN SHARE AND THINK. IF HE REVERTS PRE SHORT MAIL THEN SHARE / THINK. AGREED? AND IF AGREED WHO IS SENDING THE CHASE MAIL IF NOTHING BACK BY MONDAY?

RAN - Post our conversation, I need to rap with others as STA man and revert. But net net you and MB had 4.5 rising to 5 (or 5.5) after a year with 1k per remote office. I noted the problems for RAN (with my RAN hat on) re remote offices and them fiddling and we evolved price X (un defined yet) for all STA clients, remote offices or others). I WILL REVERT. WE SPOKE TODAY AND NET NET I WILL REVERT IDEALLY POST MONDAY WEEK. **SNE TO REVERT**

old below

L&C - Please add the following points to the Agenda for the next Board meeting "M&A / Advertising (media pack for prof and retail, copy examples) / Price card discussions / Harry per se / Staff (squawk and sales) / Details - white labels / free retail or not / Dealerboard sales concept / Dissemination systems and integration etc - deliverable list / Own sheets. PLEASE CONFIRM ADDED Added, with all other actions from previous meeting. **CHEERS AND OFFLIST**

GB - Noting that you and Ranvir will take time to talk about strategy, can I avail myself to share some thoughts with you over a beer perhaps in the coming weeks? If yes, please confirm with the girls etc. LET ME KNOW. **I BELIEVE THAT THIS IS NOW IN THE DIARY SO OFFLIST STRATEGY / BUSINESS DEVELOPMENT OBVIOUSLY ONGOING**

SNE NOTES - SNE to confirm with Comp Sec permissible limits for an employee bonus and dividend policy SNE TO NOTE . **I NOTE THAT SP HAS PROVIDED THIS INFORMATION AS PER MY OBLIGATION POST THE LAST BOARD MEETING SO WE CAN FINALISE AT THE NEXT MEET SO OFFLIST**

RAN - SNE - To confirm side letters do what they are needed to do. SNE TO CONFIRM AND THEN EXECUTE ETC. I believe that the attached letters are as we wish now, please confirm and we can execute and bed. PLEASE CONFIRM . **NOTING BELOW CONFIRMATION OF EXECUTION THIS IS A CONFIRMATION AND AS SUCH OFFLIST**

SP - When RAN confirms the above point re the side letters, can you execute and confirm on STA and RAN file. PLEASE REVERT Executed and filed **CHEERS AND OFFLIST**

SP - Please can you note the new RAN Board Meeting time (via Reception if not already in your diary) and can you attend as per normal etc. **10 to 12 Friday 23rd ?** Also I have the following Agenda points to add oco flesh out**what following points? IN DIARY AND BELOW, SO OFFLIST**

SP - Can you forward me the extant RAN shareholders agreement for my review. PLEASE FORWARD **Current Shareholders agreement attached – signed PDF and the latest word document version I can find. CHEERS AND OFFLIST**

LK - Please arrange a meeting with Ranvir and I called "RAN Shareholders Agreement". Booked and confirmed with Ranvir **19th May @ 10am cheers and OFFLIST**

LK - Please update the SNE STA EB/MT Agenda in the EB Section with "RAN pricing - SNE to enquire". **DONE. cheers and OFFLIST**

LK - Please print attached Shareholders Agreement for my RP. **WITH YA**

RAN - In terms of May 09 pricing; I note the basis of the chats you and MB had and I note that the remote offices will not pay and I think that all in all £3,500 pcm was the price you had growing to £4k pcm the year after. Agreed and if so I will list up proper so all done a year ahead of time, if not then let me know the MB basis and we can discuss / haggle etc. **PLEASE REVERT. NICE TRY! - WE HAD AGREED VERBALLY FOR £4.5k PCM GROWING TO £5k PCM THE YEAR AFTER FOR CAVE ONLY. ALL OTHER SHL OFFICES AT £1k PCM AT THEIR DISCRETION.** I WAS NOT INVOLVED AND AM EASY ETC, BUT THERE IS A POINT ABOUT FRAUD OCCURRING FROM STA UN CONTROLLED REMOTE OFFICES. I HAVE A SIMPLE SOLUTION AND WILL ARRANGE A HALF HOUR FACE TO FACE TO FINALISE I BELIEVE ETC. SNE TO REVERT . **we spoke and I will relist as a new point to remove excessive test. OFFLIST**

GB - George, I have noted alot of email traffic between you and various people, in principle just double checking what they have done interms of third party bodies. That's what these terror mails are basically designed for and as such, unless you disagree, if you leave it for me to chase it all through, staff will be quicker at turning it all round and they should then have a single 'all done' file for review if required. OK? **WE SPOKE AND SORTED AND OFFLIST**

SIAN - RAN - L&C - SNE - Power and define free squawk until april 09 and may 09 pricing. ON HOLD. L&C can you draft a contract from RAN to STA stating that STA will receive free squawk and anecdotal internal, non joint venture, stat's, diaries and other information from RAN until May 2009 for the use of any and all clients disseminated in any format carried by RAN or STA etc. Can you forward to this mail for RAN and SNE review. I HAVE GOT ALL CONFUSED WITH EMAILS TODAY. PLEASE FORWARD THE ORIGINAL SIDE LETTER WITH THE SSC UPDATE THAT I HAD LISTED TO THIS MAIL. CHEERS ; **attached . CHEERS AND OFFLIST**

RAN - I HAVE ACCIDENTLY DELETED YOUR SIDE LETTER (1) COMMENT. I AM SORRY, PLEASE CAN YOU RESEND TO THIS MAIL. CHEERS

SIAN - RAN said - Side Letter (2): Wording change as per highlighted section; STA will continue to receive the existing squawk and ancillary internal, non joint venture, statistics, diaries and other information made generically available from RAN until 31st March 2009, for the use of any and all STA employees and clients, for the avoidance of doubt including all Associates of Inschneider Partners LLP, disseminated in any format carried by RAN or STA. RAN also said - RAN said - i was under the impression we would run free until 31st March 2009. SIAN - PLEASE UPDATE SIDE LETTER (2) TO SHOW FREE STUFF UNTIL END OF MARCH 09. PLEASE RE FORWARD TO THIS MAIL. CHEERS ; **attached CHEERS AND OFFLIST**

LK - PLEASE ARRANGE AN HOUR'S MEETING WITH RANVIR AND SNE CALLED "RAN - STA PRICING MEETING". PLEASE CONFIRM IN DIARY **2nd May at 1pm cheers and OFFLIST**

LK - PLEASE ARRANGE A RAN BEER NIGHT FOR RANVIR AND I. **PLEASE CONFIRM IN DIARY 15th May at 5pm onwards cheers and OFFLIST**

Ranvir - Ran says - RAN to continue to use STA HR at no cost indefinitely. SNE NOTES THAT IF STA WAS TO WISH TO CEASE DISCOUNTING THIS SERVICE TO ZERO THAT IT WOULD HAVE TO PROVIDE A MONTHS NOTICE, SO NOT INDEFINITE, BUT ENOUGH TIME FOR RAN TO MAKE ALTERNATIVE ARRANGEMENTS IF DISCOUNT WAS TO BE REMOVED. I NOTE THERE ARE NO PLANS TO REMOVE THE DISCOUNT AT THIS TIME ETC. FYI . Above L&C point formalises this in RAN benefit (i.e. STA can't start charging etc before RAN can kill it etc). FYI. **SONNY WE AGREED INDEFINITE FREE HR - WHY HAS THIS NOW CHANGED TO 1 MONTH'S NOTICE? IT HASN'T; JUST LOSSES FLAVOUR ON TERROR MAIL. IT IS WHAT WE TALKED ABOUT. SHOUT IF DON'T SEE IT, ELSE OFFLIST. PLEASE SHOUT OR ...**

LK - Please print attached 2 side letters for my RP. **WITH YA**

L&C - Please can you draft a short contract between RAN and STA stating that RAN must provide 6 full calendar months notice to STA to cease to use the following STA SSC services "Account Management Service, Additional Credit Control Service, Human Resource Service, Desk's", furthermore that STA is not permitted to increase the costs of these services specifically to RAN without 6 full months notice to RAN and that STA is obliged to provide at least 6 months HR Service, as of April 2008, discounted to zero. And finally that STA is permitted, at its sole discretion, to not oblige RAN to provide notice should it choose. PLEASE DRAFT AND FORWARD TO THIS MAIL. **PLSE FORWARD TO ALL OTHER RAN DIRECTORS ONCE YOU HAVE RECEIVED SONNY** L&C said - Please find draft attached, any changes/comments let me know. Thanks. I THINK I DELTED THE FIRST LETTER WHICH WAS THE ONE I WANTED FOR THIS POINT. CAN YOU RESEND TO THIS MAIL VIA REPLY ALL. CHEERS. PLEASE FORWARD ; Attached cheers. OFFLIST

RAN - The burger man. So what's the story morning glory now that we are in new world order? PLEASE REVERT. LETS GET SIGNED UP ON THE ABOVE THEN WE CAN DISCUSS OVER BEERS OR ON 25TH IF PAPERWORK DONE BY THEN! **ALL SORT OF DONE NOW ISN'T IT? BUT CAN WAIT TILL BEER / FACE TO FACE. OFFLIST**

RAN - RAN asks about Mana Accs and Additional Credit Control Service and queries 6 months notice on these sservices. SNE NOTES that this was discussed and that STA had to rehire and as such needed to know that the use of the service would last to enable it to make sense to hire and as such 6 months stands (STA obviously can waive this notice etc if requested and agreed). RAN TO CONFIRM. **This was already confirmed and above powers, so shout if problems (there shouldn't be any) and OFFLIST**

RAN ASKS - desk fees . SNE REPLIES - In regard to what. We never met up and I am only really here today for a week (offsite tomorrow pm and off for rest of week). Please list question. PLEASE REVERT . **Dealt with elsewhere and OFFLIST. OFFLIST**

GB / Ranvir - you deal with each other. If however GB is taking equity then I have no issue and will facilaite as best as I can for you and or MAT to dilute in his favour to whatever level you tell me. PLEASE CONFIRM WHAT I HAVE TO DO TO FACILIATE THIS. PLEASE LIST. **I am guessing I have to do nothing in this regard so unless someone asks me, OFFLIST. OFFLIST**

SNE - If confirms above then power at RAN cost via Comp Sec. RAN buy MGN shares for 70k, MGN lends back 20k with 12 payments and at 10% interest, MGN to resign. SNE TO POWER. **This has been done on another mail now and I believe is either all sorted or will be shortly and is net net in hand so OFFLIST. OFFLIST**

SNE - Power STA Acc Mana Service, Additional Credit Control Service and HR Service (HR SD'ed to zero indefinately); 6 months notices and office space at SNE discretion. ON HOLD . **I have powered Mana Service, Add Credit Control Service and discounted to zero HR service. I will power the 6 months notice to turn off or leave bit shortly. OFFLIST. OFFLIST**

GB / MAT - shout if you dis like or have a problem with the MGN bits as either stakeholder, staff, director or shareholder, else confirm all good. PLEASE CONFIRM . verball confirmation accepted by SNE from GB on phone and Ranvir email re Mat. **SO AGREED AND OFFLIST**

MGN said - chaps. i am back now from my trip and can be in london on monday. can i ask when the 70k payment will be paid and i have asked julian turnbull to expect it in.i will then lend back to RAN limited 20k @10% payable over 12 mths(best to just pay 50k and then add paperwork saves in bank costs). can you also confirm this will be paid in 12 equal instalments of £1833.33 shall we say starting may 1, i shall pass on my personal bank account details on monday when hopefully this is confirmed by all and i can resign as a direstor. Ran if you could arrange for the resignation document to be sorted and a loan agreement that would be great. i wish all of you the greatest success for the future and hope you turn Ran squawk into the company it should be i am sure you guys will succeed. i look forward to your responses and if you could email me back on steve.morgan@omniscapital.eu would be appreciated. **I CAN'T CONFIRM THE NUMBER (IT COULD BE VERY SLIGHTLY HIGHER IF YOU CONSTRUE WHAT I WROTE BELOW AS COMPOUNDING), BUT IF DON'T DIS-AGREE, THEN I WILL GET ALL THE PAPERWORK DONE AS YOU LIST. SO NET NET SNE TO GET RAN/MGN LOAN AGREEMENT AND REPURCHASE SHARES ETC ETC ETC. ANOTHER MAIL WILL SHOT OFF SHORTLY TO POWER THIS. SNE TO POWER ON ANOTHER MAIL NOW**

SHL to have free RAN squawk until Apr 2009

GB / MAT - If you have issues with above please list. **PLEASE LIST**

SNE - Power above when have answers at RAN cost. ON HOLD. **IRRELEVANT NOW SO OFFLIST**

Ranvir - If SHL must deconsolidate oco you want SHL to reduce then SHL will take 140.01k cash and reduce its shareholding to 19.99% etc. **PLEASE CONFIRM RAN WILL PURCHASE SHL SHARES. RAN TO CONSIDER AND REVERT . RAN said no buy from SHL, so OFFLIST**

Ranvir - If RAN buys some of SHL shares, then SHL will lend at least 40k to the firm on the same terms as MGN above or more subject to leaving sufficient cash in the firm to live up to its known obligations and provide at least a 20k float (so I guess between 40k to 100k). **PLEASE CONFIRM** (obviously if no dilution no loan required etc). **RAN TO CONSIDER AND REVERT. IRRELEVANT NOW SO OFFLIST**

GB / MAT - shout if you dis like or have a problem with the SHL shares / loan bits as either stakeholder, staff, director or shareholder, else confirm all good. **PLEASE CONFIRM**

Ran said - George, Matt and I sat down yesterday and I think we are now agreed; MGN to be paid as per below and resigns as a director. SHL shareholding to remain at 30% RAN to continue to use STA finance (1 month notice? – plse confirm) RAN to continue to use STA HR at no cost indefinitely. SHL to have free RAN squawk until Apr 2009 The only other issues are; desk fees shareholder's agreement (ie – ripping the old one up) I think we are meeting tomorrow so we can go through these issues then. If I have missed anything then plse let me know. Ran

Ranvir / MGN - Ran Limited (RAN) buys MGN shares for 70k GBP. RAN and MGN confirm acceptance to this. **PLEASE CONFIRM. RAN CONFIRMS, THEREFORE MGN TO CONFIRM OR NOT AS THE CASE MAYBE. MGN TO REVERT . mgn said - i am happy with everything . if you could pay the money 50k to Julian at mcreaco that will be great and i will let him know its coming. SORTED AND I WILL CHASE THE BALANCE OF MY REPLIES TODAY AND ASSUMING I GET AGREEMENTS BEGIN THE POWER IT UP TERROR MAIL LATER TONIGHT OCO TOMORROW AND THIS WILL ALL CLOSE SHORTLY THEREFORE. OFFLIST**

Ranvir / MGN - MGN lends RAN 20k at 10% pa interest, payable in 12 equal installments starting April 2008 and ending March 2009. RAN and MGN confirm acceptance to this. **PLEASE CONFIRM . RAN CONFIRMS, THEREFORE MGN TO CONFIRM OR NOT AS THE CASE MAYBE. MGN TO REVERT . mgn said - i am happy with everything . if you could pay the money 50k to Julian at mcreaco that will be great and i will let him know its coming. AS PER ABOVE. OFFLIST**

MGN - MGN resigns as a Director. **PLEASE CONFIRM . mgn said - i will resign as a director when i return to england or sooner by email if you wish AS PER ABOVE AND OFFLIST**

SNE - Define STA client etc. **ON HOLD**

SNE - Finalise April 2009 STA squawk pricing. **ON HOLD**

Ranvir - Irrespective of if SHL dilute or not, free voice squawk until April 2009. **RAN AGREES AND OFFLIST**

Ranvir - Obviously it is easier for STA to provide above services so if you confirm you want them then RAN needs to stay on site outwith of my suggestion for this; if not then we need to confirm (noting Bloomy liabilities etc) how long RAN will be on site. I simply suggest 6 months notice as per above services. **PLEASE CONFIRM AGREEMENT. RAN AGREES THAT RAN WILL ONLY PROVIDE NOTICE TO STA IF SNE AGREES**

Ranvir - as above re HR, but no staff hiring required, so simply put, will RAN wish to use STA HR services. **PLEASE CONFIRM IF RAN WILL USE STA HR FOR HR ETC? STA AND RAN CONCUR THAT RAN WILL USE STA HR, HOWEVER STA HAS DECIDED TO NOT CHARGE FOR IT INDEFINATELY.**

Ranvir - noting wife promotion et al, I have spoken to RM and net net if you wish to use STA Finance for Management

Accounts you can, however due to staff resignation STA must re hire and as such we need further notice over and above STA's usual month in this regard. Therefore consider this, talk with powers that be and confirm if you wish STA to continue to provide this service. If yes then all good and we can do it on 6 months notice, if not all good and we will cease, noting lack of resource and no rehiring therefore as of COB April. PLEASE CONFIRM IF RAN WILL USE STA MANA ACCS? **RAN SAYS YES TO THIS. OFFLIST**

Ranvir - as per STA Finance, please confirm if you will wish to use STA Finance for 'additional finance work and credit control etc' PLEASE CONFIRM IF RAN WILL USE STA FIN ADD SUPPORT? **RAN SAYS YES TO THIS. OFFLIST**

I think this defines it all all. If people can revert only where required to speed my reading / reply process I will get this processes asap etc so those left can get on with moving it forward etc

Although previously agreed at better etc, net net STA pays for voice service as of Dec 2009 if don't dilute or April 2010 if do dilute and will define pricing post 2010 when balance is done (so no last minute issues - i.e. aka like the Martin Broad chats etc) and will define STA clients etc. PLEASE CONFIRM PRINCIPLE. **SUPERCEDED POINT ABOVE**

Ranvir - STA will pay for sheets as per the mail to Shaun / Mat in this regard or not as the case maybe (i.e. normal Ran terms and Ran gets its 1/3rd etc). FYI BUT ON ANOTHER MAIL AND NORMAL BUSINESS REALLY. **WE SPOKE AND OFFLIST**

Ranvir - If you take the STA Finance Mana Accs and Additional Support services then I can keep RAN consolidated and as such no need for SHL to dilute. Even if you take the services I am still happy to dilute as originally discussed. So if you don't take them I have to, if you do then I will or won't subject to what you tell me to do; please revert to below therefore with this in mind. **FYI**

Noting clocks and the GB MAIL 2 mail. Please review the below and confirm and we can execute. I have not been excessively verbose, but have been I believe sufficiently detailed to power this noting capitals;

RM / Ranvir - I think that if RAN confirms Mana Accs and Additional Support then it probably makes sense that Ranvir has a hand in the hiring / vetting the new resource and as such assuming RM is fine with this, if you confirm yes to the above then I will ask that he involved you etc. RM PLEASE CONFIRM IF RAN WISHES TO USE THE RELEVANT SERVICES.

All - I note that most of this is / will be as expected, has been agreed vaguely verbally or in some case will already have been agreed via email, but I am trying to be precise, so please follow through, reply all and revert etc. As soon as all points are reverted on we can then close. **FYI**

From: Sonny Schneider

Sent: 11 March 2008 18:52

To: George Busfield

Cc: Ranvir Singh; Steve Morgan; Matthew Cheung; Sonny Schneider

Subject: RAN - THE FINAL COUNTDOWN

George

I saw the missed call and will try to call on my way home etc. Net net this is basically sort of new, the whole RAN buys RS shares so RS can give you cash. RAN only has 125k of cash when I last saw it (6 weeks back) and as such it is not liquid enough to deal with MGN and SHL reduction without SHL loan which I am prepared to do, but not as per below. Net net I think it looks like this; albeit in bullet point;

- Ran on behalf of RAN settles on a price with MGN and a payment plan (all cash now or some now and some as a loan etc - I will deal with the details of how when Ran and MGN agree principles). Expected range is 50k to 75k, with a backstop of circa 62.5k in my head and an MGN expectation of 75k
- SHL will then take the same price that Ran and MGN deal at to reduce its stake down to 19.99% as discussed
- RAN will not have enough cash to meet its cashflow and running costs / cushion and be able to do this so SHL will lend, secured against the firm, with a personal guarantee I guess behind it (although this is the first time I

have mentioned that bit so if Ran says no then I say ok) enough cash to meet the 2 repurchases payments and leave the firm with 25k of cash. The loan will be interest bearing, payable in monthly installements at an interest rate of, say, 7.5% as calculated by GAAP etc

- MGN will resign as a director
- SNE will resign as a director if asked at this point, but may not if asked at some future point (i.e. Ranvir has a decision at this point in this regard)
- GB is a director and will either take 10% or 130k and this is between Ran and GB and opaque to the firm
- In future if RAN says that he wants to transfer 10% of his (or his and Mat's holding) to GB SHL will not block or play with this melon and will expediate this to the best of its ability
- I will provide advise when requested and continue to beaver and look for angles and intro's
- I had expected on day one to reset the clock and get another 2 years free service; this then mutated, in public, to forever. I would, for obvious reasons, like forever, I will accept, subject to bilateral conversations between Ran and I, less than for ever, but more than 1 year. For Ran and SNE to deal with
- Ran will let me know before too long if he wants STA HR, STA Mana Accs and STA credit control. Once agreed they will be on a lot longer than a months notice (Ranvir understands why; AND then I have to get HR and FIN to agree (and re hire staff etc))
- RAN will stay on site for at least 6 months (again this is not a formal point, but something I have been saying for a while - again if Ran wants out, then I concur and I expediate it)
- Recent desk increases I discount to remove the addition cost (again an STA to Ranvir point)

I could have and had intended on writing this more formally but what with the emails back and forth and the missed calls I thought it prudent to splurg my thoughts

Ran - please share your thoughts

MGN - unless you have something burning to add, then I guess you are cool with this

GB - I am hoping you are call with this as well

If I get a Ran reply saying something along the lines of "generally this is cool" then I will formally send this assuming no "UN COOLS" from Steve or George

Sonny

From: George Busfield [mailto:george.busfield@uk.ibm.com]

Sent: 11 March 2008 04:20

To: Sonny Schneider

Cc: Ranvir Singh; George Busfield; Steve Morgan; Matthew Cheung

Subject: RAN Ltd restructuring - final solution? (with attatchment this time)

Son,

(others FYI in this new era of transparency!!)

As promissed I met with Ran last night (Sunday) and we agreed a way forward regarding ourselves and accounting for others requirements.

I therefore believe that myself, Steve and Ran are happy with the approach attatched and described herein - the / your aim I believe (albeit subject to final figures re exact buyout prices being agreed by you, Steve & Ran.)

Following my conversations with you this evening, I note that we (you and I) had a slight conflict of interests in terms of what is equitable regarding the SHL buyout, therefore I attatch a proposal that I hope satisfies your requirements, in benefiting SHL, whilst also supporting RAN mutually.

In summary the attatched spreadsheet illustrates the following steps and assumptions that I hope can be agreed by yourself so that the issue can be concluded.

1. RAN Ltd raises £200k debt financing to enable the restructuring (PREFERABLY via SHL / STA as opposed to externally - **see mutual benefits highlighted below** and on attatched)

2. RAN Ltd utilises funding (made up of loan and some bank funds) to immediatly buy back shares from SHL and MGN (price tbc) -

3. RAN Ltd utilises funding (made up of loan and some bank funds) to buy back 5% shares from RS to enable finalisation with his external agreements
4. RAN Ltd provides SHL with its squawk service in perpetuity as repayment of the loan (Value of loan = £200k, Value of Service to SHL in perpetuity = £771k - therefore offering SHL (and RAN) benefits)
5. You/SHL/STA - then allow/agree/enable RS and MC to settle external obligations by allowing the transfer of shares as agreed between GB and RS.

PLEASE NOTE - 360 Benefits of Approach

- SHL receives service in perpetuity - offering significant increased value to SHL over time (compared to the monetary value of the loan)
- SHL's retains its asset value by creating a debtor on its Balance Sheet (written down over time - e.g.illustrated 5 year equivalent)
- SHL retains the majority of its cashflow as £140k (tbc) is immediatly repaid to SHL via the buyout and SHL has no liability topay for the RAN service in the future (i.e. post 1 year cashflow restored to almost 100%)
- SHL and RAN benefit from tax efficiencies in this approach (equivalent to the tax shield offered by debt financing)
- SHL no longer required to consolidate
- RAN Ltd retains liquidity with funds in the bank account
- RAN monetary liabilities remain affordable
- Allows the process to be concluded so Management time is re- established to focus on SHL and RAN Ltd growth as oppossed to external financing / ongoing debates regarding restructuring
- Allows MGN and others to be bought out in the near future and prior to year ends
- *Calulations have incorporated the movement in whole shares (i.e. fractional movements have been rounded but final % positions are accurate to achieve the aims specified by all)*

Please get back to me / all as soon as you can if this is agreeable - as it obviously depends on your agreement.

- If there are reasons that you do not believe this to be the best way to enable the restructure then perhaps the best 'next step' would be to define and agree variations to this theme OR an alternative (better?) approach with RS in terms of facilitating / financing the buyouts and the equitable provision of the RAN service to SHL.

Albeit I believe that to 'get everyone happy' any potential solution needs to incorporate:

- SHL buyout to reduce holdings to sub 20%
- MGN Buyout for cash consideration (albeit believe MGN is amicable to "long term payment plan")
- RS 5% Buyout for cash consideration so as to enable him to conclude his external obligations as has been agreed recently
- Avoidance of 'crippling' financial obligations on RAN Ltd

If you can achieve that outcome by your agreement to the above/attached proposal **OR** by a better alternative then I think we should be there as everyone else has now concluded on their positions. Whichever route is used to find a / the solution, I think we all just look forward to finalising it so we can conclude and move on to bigger and better....

Know you are stacked but appreciate it if you can get back to me/all asap - give me a call if I can clarify anything.

Best Regards

G

=====

George C E Busfield
Financial Management & Strategy
IBM Business Consulting Services
South Bank, London SE1 9PZ
T: +44 (0)20 7021 8514

Schneider Trading

4th Floor,
25 Copthall Avenue
London EC2R 7BP

Message from: sonny.schneider@schneidertrading.com

Message to: matthew.cheung@ransquawk.com, ranvir.singh@ransquawk.com, george.busfield@uk.ibm.com,
george.busfield@ransquawk.com, sonny.schneider@schneidertrading.com

Attached files: 0

This e-mail and any files transmitted with it are confidential, may be legally privileged, and are for the sole use of the intended recipient. Copyright in this e-mail and any accompanying document created by us is owned by us. If you are not the intended recipient of this e-mail or any part of it please telephone our IT Department at the number shown above or by e-mail at info@schneidertrading.com.

You should not use or disclose to any other person the contents of this e-mail or its attachments (if any), nor take copies. This e-mail is not a representation or warranty and is not intended nor should it be taken to create any legal relations, contractual or otherwise.

Schneider Trading Associates Ltd (Registration No. 3692131) is incorporated in England and Wales and the registered office is at 25 Copthall Avenue, London EC2R 7BP. The company is authorised and regulated by the Financial Services Authority

Unless stated otherwise above:

IBM United Kingdom Limited - Registered in England and Wales with number 741598.

Registered office: PO Box 41, North Harbour, Portsmouth, Hampshire PO6 3AU