

Draft (For Discussions Purposes Only)

JOINT VENTURE AGREEMENT

Between:

**BRICK LANE CATERERS
(Registration No.)**

And:

**MUNCHS CATERING SERVICES LIMITED
(Registration No.)**

THE PARTIES:

_____ and _____ carrying on business as Brick Lane Caterers (hereinafter jointly referred to as ‘Brick Lane’) of the one part;

MUNCHS CATERING SERVICES LIMITED (hereinafter ‘Munch’)

INTRODUCTION

Brick Lane is presently engaged in the business of running a fast food restaurant (‘the restaurant’);

Brick Lane is the tenant of premises known as L R No. _____ Shop No. 1, Kilimani Shopping Complex (‘the premises’);

Munch wishes to enter into a joint venture with Brick Lane for the purpose of running the restaurant and to participate by providing capital and raising finance;

Brick Lane and Munch have agreed that for the effective implementation there shall be formed a new company to be known as Brick Lane Caterers Limited (hereinafter ‘the New Company’);

NOW THIS MEMORANDUM WITNESSETH AS FOLLOWS:

The latter shall acquire a majority interest in the restaurant

1.1 In this Agreement, unless the context otherwise clearly indicates:

"OAK Investment" means :

KShs13,000,000 subscription for ___ "A" Ordinary Shares of KShs _____ each, at a subscription price of KShs ___ per share representing 10% of the Company's Ordinary Share Capital as detailed in clause ___.

KShs 10,000,000 purchase from the Existing Shareholders of [xx] “A” Ordinary Shares of KShs [xx] each, at a purchase price of KShs [xx] per share representing 5% of the combined Ordinary Share Capital as per Annexure ;

KShs 45,600,000 (the equivalent of US\$ 600,000.00) OAK Term Loan Facility as per the Loan Agreement attached hereto marked Annexure _____.

1.1.2 ”OAK’ means Enterprise Partners Limited

1.1.3 "this Agreement” means this Shareholders Agreement and shall incorporate the Annextures;

1.1.4 "A Ordinary Shares" means Ordinary Shares of KSHS____ each, at a subscription price of KSHS ___ per share.

- 1.1.5 "the Board" means the board of directors of the Company;
- 1.1.6 "Business Day" means any day other than a Saturday, Sunday and/or public holiday in the Republic of South Africa or Kenya;
- 1.1.7 "Company" means Tech Limited, registration numbera company registered and incorporated with limited liability according to the company laws of Kenya;
- 1.1.8 "IDH" means International Data Holdings Limited, registration number _____;
- 1.1.9 "Director" means a director of the Company, or his alternate;
- 1.1.10 "James" means David James, Identity Number _____
;
- 1.1.11 "Libor" means the average 6 months \$ based London Inter-Bank offered rate published by the London Association of Banks from time to time;
- 1.1.12 "Dan" means Desperate Dan, Identity Number _____;
- 1.1.13 "Parties" or "Party" means the parties to this Agreement or either of them as the context requires;
- 1.1.14 "Shareholders Agreement" means the this Agreement entered into between IDH, James, Dan, Simon and OAK whereby IDH will acquire 20% of a new issue of Tech shares, and OAK acquires 10% of new issue shares and a further 5% from the current shareholders "vendor shares" with effect from _____2000;
- 1.1.15 "Shares" means issued ordinary shares at a par value of 100 Shillings each in the capital of the Company;
- "Shareholders" or "Shareholder" means the holders of the Shares or either of such persons as the context requires;
- 1.1.17 "Signature Date" means the date of signature of this Agreement by the Party last signing;
- 1.1.18 "Sponsors" means IDH, James, Dan and Simon
- 1.1.19 "Subsidiary" means _____
- 1.1.20 "Simon" means Simple Simon, Identity Number _____
;
- 1.2 Clause headings in this Agreement are included for reference purposes only and

will not affect the interpretation of the provisions to which they relate.

1.3 Words and phrases defined in any clause will for the purpose of that clause (and any other clause in which reference thereto is made) bear the meanings therein assigned thereto.

In this Agreement, unless the context clearly otherwise indicates:

words importing the singular include the plural and vice versa;

a reference to any one gender includes the other genders; and

a reference to a natural person includes an artificial person and vice versa.

1.5 In this Agreement and the Schedules the word "Agreement" refers to this Agreement and the words "clause" or "clauses" and "Annexure" or "Annexures" refer to clauses or sub-clauses of and Schedules to this Agreement.

CONDITION PRECEDENT

This Agreement is subject to the fulfilment of the suspensive condition that the Sale of Shares Agreement becomes unconditional and becomes final and binding upon the parties thereto in all respects.

Unless the suspensive condition is timeously fulfilled the provisions of this Agreement will fall away and be of no further force or effect.

SHAREHOLDING

Following the completion of the Shareholders Agreement, the Shares shall be held as follows:

(The Shareholding for James, Simple, Simon to be filled in by existing Shareholders)

James: ___%

Simon: ___%

Dan: ___%

IDH: 20%

OAK 15%

The parties shall procure that all and any issues and allotments of Shares to the Shareholders that are or may be necessary to bring about the percentage shareholding reflected above are undertaken by the Company and its directors.

FINANCIAL INFORMATION

The Company shall provide the Shareholders with such information regarding its financial position and that of any Subsidiary as the Shareholders may request.

MANAGEMENT AND CONTROL

The Company will permit the Shareholders or their duly authorised representatives and advisors at any time and from time to time to have access to and to inspect the Company's premises and its accounting and other records and permit such representatives and advisors and agents to take copies of or extracts from any such accounting or other records as aforesaid.

If the Company does not provide the Shareholders with any of the information requested within the time specified above, the Shareholders may appoint accountants or other advisors to do so and the cost of these accountants or other advisors will be paid on demand by the Company. The Company will provide the accountants or other advisors with any assistance they reasonably request to allow them to fulfil their obligations hereunder.

GENERAL TERMS

Until all monies owing to OAK have been paid or repaid or while OAK is a shareholder in the Company (whichever is later) the Sponsors and the Company will procure that the Company and any of its Subsidiaries will:

cause all funds advanced or subscribed by OAK to be applied exclusively to the purpose outlined in **Clause 2**; ??????????????????

carry out its business in accordance with all legal and regulatory requirements applicable to it, in a proper efficient and business like manner and in conformity with sound management and financial practices;

insure and shall maintain insurance cover for the full reinstatement costs of all its assets and property with an insurance company of good repute and on terms or under policies whose terms, exclusions and conditions have first been approved by OAK. If OAK so desires the Company and its Subsidiaries shall ensure that in the event of any claim under the aforesaid policy(ies) that all payments are made to OAK to utilise and distribute as it sees fit;

advise OAK forthwith of the details of any material litigation, arbitration or administrative proceeding pending or (to the best of the Company's knowledge and belief) threatened against the Company whereupon the Company will forthwith notify OAK;

obtain, comply with and promptly renew and maintain all consents, licences, leases,

approvals and authorisations (if any) required under any applicable law or regulation to enable the Company to complete this expansion programme and to perform its obligations under this Agreement or to ensure the legality, validity and enforceability of this Agreement;

notify OAK of any event which is or may with the giving of notice or the lapse of time or both constitute an Event of Default forthwith upon the Company becoming aware of the occurrence;

not open any new bank accounts or maintain any bank accounts or make any other arrangements for the payment of any sums due to it to the credit of any bank account other than the Company's Accounts or such other accounts as may be agreed in writing with OAK;

ensure that any expansion, development or evolution of its business or the business of its Subsidiaries shall be carried on only by the Company or a wholly owned Subsidiary of the Company and the Company will take all reasonable action to protect information which is confidential to it or any of its Subsidiaries;

as soon as the Company becomes aware of any offer made or proposed to be made to any ordinary shareholders of the Company to purchase any of their shares the Company shall supply us with written details of such offer;

ensure that emoluments of Existing Shareholders, directors and former directors of the Company or its Subsidiaries (other than a director appointed by OAK) and their connected persons shall not exceed the Agreed Existing Shareholders Emoluments as shown in Appendix 5 except with OAK's prior written agreement. Such directors may be paid further emoluments provided that all dividends have been paid on the 'A' Ordinary Shares in accordance with this Agreement and the Company's Articles of Association;

procure that:-

in respect of each financial year, the Company shall maintain a minimum Debt Service Cover Ratio of x; and

Gearing shall not at any time exceed %; and

the ratio of current assets to current liabilities shall at all times exceed x;

and the Directors shall diligently monitor the Company's compliance with the undertakings in this sub-paragraph and shall notify OAK within 21 days of any breach of the undertakings. If OAK so requests, the Company shall provide OAK with certificates in such form as OAK shall reasonably require certifying the amount of book debts, interest, profit, borrowings, net assets and such other information as OAK may require to allow OAK to verify compliance with the undertakings in this sub-paragraph;

ensure that if the Company has insufficient distributable reserves to pay the dividends due on the 'A' Ordinary Shares, it shall arrange for the immediate payment to it of dividends

from its Subsidiaries if any to enable it to make such payments;

procure that any listing on the Nairobi Stock Exchange or any other Recognised Investment Exchange of any part of the share capital of the Company shall at OAK's option extend to shares held by OAK and OAK may also participate pro rata in any agreement for sale or placing of shares in any listing or marketing;

procure that if any part of the share capital of the Company is listed on the Nairobi Stock Exchange or any other Recognised Investment Exchange thereafter OAK may deal freely in any shares it holds;

procure that if IDH exercises its option to purchase any shares belonging to the Existing Shareholders, that offer shall at OAK's option also extend to shares held by OAK and OAK may also participate pro rata in any agreement for sale or placing of shares;

procure that if IDH waives its right to take up the shares being offered by OAK, then the Sponsors and the Company will use their best endeavours to secure a trade sale of OAK's shares to enable OAK to achieve a realisation of their investment on an arms length basis and at full market value.

procure that if the Sponsors and the Company are unable to secure a trade sale of OAK's shares within 60 days from the date when IDH waive their right to take up the said shares, then the Sponsors shall secure a sale of OAK's shares through private placement to institutional investors or by listing the share capital of the Company on the Nairobi Stock Exchange or any other Recognised Investment Exchange.

procure that OAK shall be entitled to a seat on the Board. The Company shall supply OAK at the same time as the other directors with all notices, agendas, minutes and other papers relating to all meetings of the directors of the Company. [The Company shall pay OAK US\$ 1,000 per quarter in arrears index linked commencing on 30 September 2000];

ensure that the Company has recruited a financial controller acceptable to OAK and that the Company's financial controller is permitted if required to report directly to the Board;

not permit any allotment, issue, creation or transfer of its shares or the creation of any other class of shares nor issue or reissue any other form of capital or redeem or otherwise reduce its capital, and not issue or reissue any debenture stock or loan stock while OAK's Loan remains outstanding.

submit to OAK in accordance with Clause 8.1.3 budgets which demonstrate to the satisfaction of OAK that the covenants contained in Clause 9.2.11 will not be breached.

The Sponsors and Directors of the Company shall not without OAK's consent make any investment in any other company or partnership that competes or trades with the Company save for investments not exceeding 1% in total of any class of security dealt with on any Recognised Investment Exchange.

Any statement issued by OAK shall be conclusive evidence of any amount owing to OAK by the Company in the absence of manifest error.

The Company shall make payments of capital and interest by direct debit or in such other manner as OAK may require.

The definitions set out in Appendix 2 shall apply to this offer.

Warranties

Except as disclosed to and accepted by OAK in writing in a disclosure letter before each advance of the OAK Loan and the payment of the subscription monies, the Company and each of the Sponsors jointly and severally represent and warrant to OAK that:-

Full written disclosure in respect of the Company has been made to OAK of any material litigation existing or pending, all directors or Sponsors' service contracts and all share capital authorised, issued and under option;

all assumptions on which profit forecasts contained in the Company's business plan dated [date] have been based, are set out in them and all expressions of opinion and forecasts entered in them are made on reasonable grounds after due and careful enquiry;

the Company has no Subsidiaries other than;

Tech International Limited which owns 50% of Tech Uganda

British Telecoms Limited,

and in addition has a registered branch office in Tanzania.

the audited balance sheet and accounts as of [date] of the Company show a true and fair view of the financial position as at that date and since then there has been no material change in the financial position or trading position of the Company;

that full written disclosure in respect of the Company and any Subsidiary of the Company has been made to OAK of:-

all material commitments and any default in the payment or performance of any obligation;

all unusual or non-recurring items materially affecting such financial position;

all known and foreseeable material liabilities whether present or contingent including provisions and reserves for taxation on profits earned up to the date of the Accounts;

all bad or doubtful debts;

any material litigation existing or pending (or known to be threatened);

all dividends (paid or proposed), exceptional payments in respect of Sponsors' emoluments (including pension contributions) and any extraordinary or exceptional items;

all Sponsors' service contracts;

all share capital, authorised, issued and under option and all shareholder loans;

the written information supplied by the Company and the Sponsors to OAK in connection with the negotiation of its investment in the Company was and remains true and accurate in all material respects and there are no facts known to the Company or the Sponsors which have not been disclosed and which might if disclosed reasonably affect the decision of a prudent investor whether or not to invest in the Company;

the making, performance and due execution of this Agreement to which the Company is a party is within the powers of the Company, and it has been duly authorised by all necessary action, does not contravene any law or any contractual or other restriction binding on the Company and will not result in the creation or imposition of any Encumbrance;

the Company is not in breach of or in default under any agreement (including this Agreement) to which it is a party or which is binding on it or any of its assets to any extent or in a manner which might have a material adverse effect on its business or financial condition;

as at the date hereof, there were no Encumbrances of whatsoever nature affecting any assets of the Company whether registrable pursuant to Section 96 of the Companies Act of the Laws of Kenya or otherwise;

the Company has obtained all approvals and other authorities and consents required to enable it properly and efficiently to carry on its proposed business and is currently complying with all legal and regulatory requirements relating to the business;

each of the Sponsors warrants on his or her own account that save as disclosed in writing to OAK except for his or her shareholding in the Company and shares quoted on any recognised investment exchange he or she has no interest in any business or partnership nor is he or she interested in the shares of any company nor (except for any employment service contract) does he or she or any person connected with him or her have any interest in any contract or agreement with the Company or any Subsidiary nor does he or she own any property used by the Company or any Subsidiary in the course of its business.

These warranties shall be deemed to be given immediately before the advance of any monies by OAK to the Company. The warranties shall be deemed repeated (subject to disclosures accepted by OAK) on each further advance of monies by OAK to the Company.

INFORMATION AND PUBLICITY

The Company authorises OAK and any existing or proposed investors in or lenders to the Company to consult fully together as to the affairs of the Company and to exchange

information in any manner and it may, if so required, disclose information concerning the Company and any Subsidiaries to any regulatory authority to which it is subject. Any press release in relation to OAK's investment is to be agreed between the Company and OAK.

9. Fees and expenses

On acceptance of this Agreement, the Company will pay OAK for the investigation and consideration of its investment a non-refundable fee of US\$ 9,014 being 1% of OAK'S total investment.

The Company will pay all expenses in completing this offer (save for OAK's legal fees in relation to the preparation of this Agreement) including stamp duties and other taxes or charges and any subsequent variation of the terms of OAK's investment in the Company agreed by OAK. If OAK's investment is not completed, otherwise than as a consequence of any default by OAK, the Company shall reimburse OAK for all reasonable legal costs it incurs.

The Company shall pay OAK a commitment fee of one per cent (1%) per annum on the unissued balance of the first tranche (US\$ 300,000) of the Loan for 12 months from the date of acceptance of this offer, payments to be made quarterly in arrears.

Once disbursement of the second tranche (US\$ 300,000) has been approved by OAK, the Company will pay OAK a commitment fee of one per cent (1%) per annum on the unissued balance of the second tranche for 12 months from the date of acceptance of this offer, payments to be made quarterly in arrears.

PAYMENT

All payments to be made by the Company to OAK shall be made:

in full without the Company being able to set-off any amounts due to it or claimed by it;

without deduction or withholding for or on account of any taxes unless the Company is compelled by law to make payment subject to such taxes; and

by direct debit or in such other manner as OAK requires.

11. SUPREMACY OF THIS AGREEMENT

In the event of any conflict between the terms of this Agreement and the terms of the Company's Memorandum and Articles of Association, the terms of this Agreement shall apply to the extent permitted by the laws of Kenya.

GOVERNING LAW

The laws of Kenya shall govern this Agreement.

Other than for the determination of the dividends payable on the 'A' Ordinary Shares, all other claims and disputes whatsoever arising under this Agreement shall be referred by either party to arbitration in accordance with the provisions of the Arbitration Act, 1995 by an arbitrator to be appointed by agreement between the parties or, failing agreement within 14 days of the notification by either party to the other of the existence of a dispute or claim, to be appointed by the Chairman for the time being of The Chartered Institute of Arbitrators, Kenya Branch, Nairobi on the application of either party. The decision of such arbitrator shall be final and binding on the parties.

Any dispute with regard to the determination of the dividend payable on the 'A' Ordinary Shares shall be determined by the Senior Partner for the time being of the auditors of the Company who shall act as an independent expert and not as an arbitrator whose opinion shall be final.

ENTIRE AGREEMENT

This Agreement together with all appendices attached hereto constitutes the whole Agreement between the parties hereto and no variations thereof shall be effective unless made in writing. OAK hereby acknowledges that it is not entering into this Agreement in reliance upon any representations whether express or implied other than those made or expressly referred to herein. This Agreement supersedes and replaces any Agreement whatsoever that may have subsisted between the parties hereto in any way relating to the subject matter hereof.

REMEDIES FOR BREACH

In the event that the Company or the Sponsors shall be in material breach of any of their undertakings or warranties contained in this Agreement and shall have failed to rectify any breach or perform any such undertaking as may be required of them within 30 days of the date of notification by OAK of the existence of any such breach or non-performance on the part of the Company or the Sponsors, then OAK may at any time thereafter.

Upon the determination of the Purchase Price, the Sponsors shall immediately tender to OAK the Purchase Price together with an amount equivalent to interest thereon at the rate specified in paragraph 1.4 of Appendix 1 with effect from the date of determination of the Purchase Price, whereupon OAK shall immediately deliver to the Sponsors a share certificate (or executed indemnity in respect of any missing share certificate) in respect of all of the OAK shares and a duly executed transfer of all of the OAK shares, together with the resignation of any director of the Company appointed by OAK.

“Purchase Price” means the price payable by the Sponsors for all of the OAK shares

calculated as follows:

The higher of

fair market value as determined by the auditors, or

an amount equivalent to the Kenya Shilling value of the initial investment at the date of disbursement plus a compounded annual rate of return of Base Rate plus 4% per annum to the date of payment of the Purchase Price.

Any dispute concerning the establishment of the Purchase Price shall be referred by any of the parties to the senior partner for the time being of the auditors of the Company who shall act as an independent expert and not as an arbitrator and whose opinion shall be final.

On payment of the Purchase Price together with interest as specified in Clause _____, any dividends payable under Appendix 1 Clause 1 and any costs payable in accordance with the provisions of this Agreement and the costs of recovery thereof to OAK this Agreement and all its provisions shall stand cancelled and be of no legal effect.

NOTICE

15.1 All notices or other communications to be given under this Agreement to any party shall be made in writing and sent by letter or facsimile transmission (unless as otherwise stated herein) and shall be deemed to be duly given or made at 9.00 a.m. on the business day following the date when delivered (in the case of personal delivery), when dispatched (in the case of facsimile transmission), PROVIDED THAT the sender has received a receipt indicating proper transmission and a hard copy of such notice or communication is forthwith delivered or sent by prepaid post as set out herein) or seven (7) days after being deposited in the post, postage prepaid, by the quickest mail available and by registered mail if available (in the case of a letter) to such party at its address or facsimile number specified below, or at such other address or facsimile number as such party may hereafter specify for such purpose to the other by notice in writing.

The address referred to are:

In the case of a notice given to OAK:

Attention: General Manager, Enterprise Partners

Facsimile Number: +254 2 1234, Nairobi

In the case of a notice given to the Sponsors:

Attention: David James

11th Floor King House

King Street

P.O. Box 6666

Nairobi
Kenya

Facsimile Number: +254 2 98765, Nairobi

Attention: Simple Simon
11th Floor King House
King Street
P.O. Box 6666
Nairobi
Kenya

Facsimile Number: +254 2 98765, Nairobi

Attention: Desperate Dan
11th Floor King House
King Street
P.O. Box 6666
Nairobi
Kenya

Facsimile Number: +254 2 98765, Nairobi

Attention: Managing Director
International Data Holdings Limited
Wanderers Building
Dimension Data Oval
1 Meadowbrook Lane
Epsom Downs
Sandstone, Johannesburg
South Africa

Facsimile Number: +27 11709-1099

A notice or other communication received on a day other than a business day, in the place of receipt shall be deemed to be given on the next following business day in such place.

Any information given in writing (or recorded in the minutes) to OAK's appointed Director to the Board of the Company at a duly convened and quorate meeting of the Directors of the Company shall be deemed to have been duly given to OAK.

PROVISIONS RELATING TO DIRECTORS

The following provisions will apply to the appointment of Directors:

The Board will at all times consist of not more than (10) directors;

IDH and OAK shall be entitled but not obliged to appoint 2 (two) Directors each one who will be executive and the other non-executive, and to fill any vacancy in such Directors. Similarly James, Simon and Dan shall also be entitled but not obliged to appoint 2 (two) Directors each and to fill any vacancy in such Directors, one executive and the other non-executive;

In the event of the resignation or removal of a Director in terms of any applicable law, the resulting vacancy will only be filled by the Party by who such Director was appointed;

Any appointment, removal or replacement of Directors by the Shareholders in terms hereof will be by written notice to the Company and will be operative as soon as such notice is received at the Company's registered office: Provided that prior to the appointment of any Director by any Shareholders, the other Shareholders shall be consulted and the identity of any such appointee must be reasonably acceptable to the other Shareholders. Should any Shareholder object to any appointment in terms of clause ____, the onus shall be on the Shareholder objecting to demonstrate that it has exercised its discretion reasonably;

No Director shall be entitled to any director's fees;

Each Director shall be entitled to appoint any other person who is reasonably acceptable to the Board as his alternate: provided that any such alternate director shall be entitled to attend any meeting of the Board notwithstanding that the Director in whose stead he is appointed as an alternate is present and able to act at that Board meeting, save that in this event such alternate director shall not be entitled to any vote at such meeting;

At meetings of Directors, a quorum of directors shall consist of at least 4 (four) Directors, provided that there shall be no quorum unless a Director appointed by IDH and OAK is present and provided further that, subject to due and proper notice of the meeting (in accordance with the articles of association of the Company, and which shall include without limitation the proposed agenda and any resolution to be proposed at the meeting) having been received by all the Directors, if within 30 minutes (or such longer period as those present may agree) after the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day of the next week at the same time and place, and if at such adjourned meeting a quorum is not present within 30 (thirty) minutes (or such longer period at those present may agree) after the time appointed for the meeting, the Directors present shall be a quorum;

A resolution in writing signed by all the Directors for the time being shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in the like form each signed by one or more of the Directors. For the purpose of this clause:

the signature of an alternate director shall suffice in lieu of the signature of the Director appointing him;

unless otherwise stated in the resolution, it shall be deemed to have been passed on the date upon which it was signed by the last signatory;

a resolution shall be deemed to have been signed if consent thereto has been given in a message transmitted by telefax and purporting to emanate from the person whose signature to such resolution is required, provided that the originals of all resolutions shall be forwarded to the Company's Secretaries to be received by them within 10 (ten) days of the date of fax transmission.

a meeting of Directors may be held via video conferencing, and provided that a sufficient number of directors required to constitute a quorum in terms of clause ___ are present at the video conferencing venues, any resolution proposed and assented to during such video conferencing shall constitute a resolution of the Board of Directors of the Company: Provided that any such resolution shall be reduced to writing and circulated for signing within 21 (twenty one) days and thereafter submitted to the Companies Secretaries for filing.

The Chairman of the Board of Directors shall, until 31st December 2002, be appointed by James, Simon and Dan. Thereafter the Board of Directors shall appoint the Chairman. At a meeting of Directors, the Chairman shall not have a casting vote in the event of an equality of votes.

MEETINGS OF SHAREHOLDERS

General meetings of the Company may be held at any time. A general meeting may only be convened by the Board.

General meetings (including an annual general meeting) shall be held at such time and place as the Board shall appoint. A general meeting may be held via Video Conferencing and the provisions of clause ___ shall apply, mutatis mutandis, to general meetings.

Subject to clause ___, no business shall be transacted at any general meeting unless a quorum consisting of one representative of each of the Shareholders is present in person or by proxy at the time when the meeting proceeds to business.

If, within 30 minutes after the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to a time and place, not less than seven business days hence, determined by the representatives of the Shareholder present at the meeting, and if at such adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, the representatives of the Shareholder present at the meeting shall be a quorum, provided that notice of the adjourned meeting has been given to the Shareholder not present at the first meeting.

The chairman of the Board, shall preside as chairman at every general meeting of the Company. If the chairman is not present or if there is no chairman, then the Shareholders shall appoint a chairman for the purposes of that meeting.

At all general meetings of Shareholders, each Shareholder shall have one vote for each Share held by that Shareholder. Subject to clause ___ and subject further to a quorum

being present, all resolutions taken by the Company in general meeting shall require a simple majority of affirmative votes.

A resolution in writing signed by all the Shareholders shall be as valid and effectual as if it had been passed at a meeting of Shareholders duly convened and held and may consist of two or more documents in the like form each signed by the Shareholders. For the purpose of this clause:

unless otherwise stated in the resolution, it shall be deemed to have been passed on the date upon which it was signed by the last signatory;

a resolution shall be deemed to have been signed if consent thereto has been given in a message transmitted by telefax, and purporting to emanate from the Shareholder whose signature to such resolution is required: Provided that the originals of all resolutions transmitted by fax shall be forwarded to the Company's Secretaries to be received by them within 10 (ten) days of the date of fax transmission.

MATTERS REQUIRING EXTRAORDINARY APPROVAL

No action shall be taken by the Company, or any resolutions passed by the Directors or Shareholders in relation to any of the matters specified in Schedule 1 hereto, unless the prior written approval thereof is given by Shareholders holding not less than **85%** of the Shares.

FINANCING OF THE COMPANY

OAK will make a loan facility of 600,000 United States Dollars available to the Company, to finance its and its subsidiaries operations and capital cash requirements. Amounts not exceeding in aggregate the amount of the said facility may be drawn down whenever the Board of Directors so decides, against the execution of such documentation, as OAK shall consider appropriate. Any and all drawn down amounts shall bear interest at the rate of Libor plus 3% per annum.

If finance required by the Company is obtained from outside sources and the creditor concerned requires that a guarantee be granted for the Company's obligations, then the Shareholders shall provide such guarantee and notwithstanding that any such guarantee may be signed jointly or jointly and severally or that any Shareholder may not have signed any such guarantee, any loss or liability sustained in respect of that guarantee shall be borne by the Shareholders pro rata to the number of Shares which each holds at the time of giving such guarantee and they indemnify each of the guarantors and each other accordingly. If any Shareholder is called upon to pay a greater proportion of the liability or loss concerned, that Shareholder shall be entitled immediately to recover the excess from the others: For the purpose of this clause 7.6, "guarantee" shall be deemed to include a reference to any suretyship, indemnity or other act of intercession.

20. TRANSFER OF SHARES

The following provisions shall henceforth apply as between the Shareholders with regards to the sale, cession, assignment, transfer or disposal (hereinafter collectively referred to as "disposal") of any of the Shares:

Either of the Shareholders shall be entitled to sell and transfer any part of its Shares and its Shareholder's claims in the Company to any company which is its holding company or a subsidiary of its holding company ("the transferee") on the conditions that –

the transferee first undertakes in writing to become a party to and be bound by this Agreement;

that Shareholder will not permit the transferee to cease to be its holding company or a subsidiary of its holding company, as the case may be, without first procuring the transfer of the Shares beneficially owned by that holding company or subsidiary:

to that Shareholder; or

to that Shareholder's new holding company or to another subsidiary of that Shareholder on the conditions stated in clauses ____ and ____.

Subject to clause ____, if any Shareholder ("the disposer") intends disposing of the disposer's Shares, the disposer shall not be entitled to do so unless the disposer offers them in the first instance by written notice to the other Shareholders, stating only:

(i) the number of Shares which the disposer intends disposing;

the price per Share (which shall be expressed in money in the currency of United States \$) at which the disposer intends disposing of those Shares; and

(iii) the terms and date of payment which the disposer requires.

The notice referred to in clause ____ (the disposal notice) shall constitute an offer by the disposer to sell all (and not a part of) the Shares specified in the disposal notice to the other Shareholders pro-rata to their shareholding in the Company (or such other proportions as the other Shareholders may agree inter se) at a price equal to the price (per share) specified in the disposal notice. No other terms and conditions shall be applicable;

Such offer shall be irrevocable for a period of 30 (thirty) days from the date of receipt of the disposal notice by the other Shareholders. If the other Shareholders accepts the disposer's offer, the price for the Shares so purchased shall be paid in full, in cash within 30 days of acceptance and against transfer of such Shares to the purchaser thereof;

Should the other Shareholders not accept the disposer's offer, the disposer shall thereafter be entitled within a further period of 30 (thirty) days to dispose of all of the said Shares to a

bona fide third person, at a price not lower than the price stated in the disposal notice, subject at all times to clause ___;

Should the disposer not have disposed of all of the Shares available for disposal as identified in the disposal notice in accordance with clause ____, the disposer may not thereafter dispose of any Shares without again complying with the procedure referred to herein.

No Shares in the Company shall be transferred to any third party unless such third party agrees in writing to be bound by this Agreement or any other written agreement in force between the Parties in relation to the Shareholding of the Company and that the identity of the third person is reasonably acceptable to the other Shareholders.

No Shares may be transferred or disposed of unless, in one and the same transaction, the disposer assigns at face value as reflected in the books of the Company in one and the same transaction that portion of its loan account in the Company which bears the same proportion to its whole loan account as the Shares disposed of bear to the whole of its shareholding in the Company.

WAIVER

No waiver of any of the terms and conditions of this Agreement shall be binding or effectual for any purpose unless expressed in writing and signed by the Parties hereto giving the same, and any such waiver shall be effective only in the specific instance and for the purpose given. No failure or delay on the part of any Parties hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

22. SUPPORT CLAUSE

The Parties undertake at all times to do all such things, perform all such actions and take all such steps (including in particular the exercise of their respective voting rights in the Company) and to procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to them and necessary for or incidental to the putting into effect or maintenance of the terms, conditions and import of this Agreement.

CALL OPTION

Within the period commencing 1st July 2003 and terminating on the date occurring 3 (three) months thereafter, IDH shall have the right and option to require James, Simon and Dan to sell to IDH so many Shares as shall then represent up to 45% (Totalling 65%) of the Shares together with a proportionate amount of the loan accounts in the Company

(collectively the "Call Equity") and IDH shall purchase the Call Equity should it so require. Such right and option may be exercisable only by way of written notice given within the aforesaid period, in terms of which the number of Shares comprising the Call Equity is specified.

After a period of three years from signature date, OAK may choose to exit the relationship in the following manner:

Offer its shares for purchase to IDH (i.e. IDH have first right of refusal in accordance with provisions of clause 9). The purchase price could be effected either in cash or Shares in IDH.

Should IDH not take up the offer, OAK has the right to require that their shares be listed in the Nairobi stock exchange.

If IDH exercises its option in terms of clause 23.2.1 and opts to take up the OAK shares if offered as per Clause 23.2.1 the purchase price shall be the fair market value thereof as determined by the Parties, or in the absence of agreement by an independent Merchant Bank which is agreed to by the Parties (or failing agreement, as nominated by the auditors of the Company) in accordance with the following criteria:

they shall determine the fair value of the entire issued share capital and loan accounts of the Company;

the fair value shall be the price at which a willing buyer is prepared to pay a willing seller with whom he is negotiating at arm's length on the basis that upon conclusion of a sale, the Company will continue to operate as a going concern;

they shall use such principles and procedures as they in their discretion deem advisable and take into account all facts and circumstances which they deem necessary for the purpose. Unless otherwise decided by them, it shall not be necessary for financial statements to be prepared for the purpose of the valuation;

in determining the fair value they shall be entitled to consult with the auditors of the Company, and the Parties in order to obtain their opinion as to the fair value but they shall not be bound by such opinion;

their determination shall be final and binding on the parties.

The purchase price for the Call Equity and shares from OAK (determined in accordance with clause 23.3 shall be paid within 30 (thirty) days of determination and against delivery and transfer to IDH of the Call Equity and Shares.

24. WHOLE AGREEMENT

This agreement constitutes the entire agreement between the parties regarding the subject matter hereof. Each of the parties acknowledges that, in concluding the Agreement, it is

1.

2.

SIMPLE SIMON

THUS DONE AND SIGNED AT ON THIS DAY OF 2000

AS WITNESSES:

1.

2.

DESPERATE DAN

THUS DONE AND SIGNED AT ON THIS DAY OF 2000

AS WITNESSES:

1.

2.

for and on behalf of:
TECH LIMITED

THUS DONE AND SIGNED AT ON THIS DAY OF 2000

AS WITNESSES:

1.

2.

for and on behalf of:
ENTERPRISE PARTNERS LIMITED

MATTERS REQUIRING EXTRAORDINARY APPROVAL

Notwithstanding anything to the contrary contained in this Agreement or the Memorandum and Articles of Association of the Company, no resolution shall be passed by the shareholders or directors of the Company and the parties shall procure that no action shall be taken by the Company in regard to the undermentioned matters without the written consent of all the Shareholders. All references herein to the Company shall include references to any and all of the Subsidiaries of the Company.

1. any special resolution of the Company, including without limitation any amendment to the Memorandum and Articles of Association of the Company;

2. any change in the authorised or issued share capital structure of the Company;

any acquisition of any capital assets by the Company which in any financial year of the Company exceed an aggregate value of \$100,000;

any material disposal of an asset by the Company, provided that for the purposes hereof a disposal shall be deemed to be material if the price thereof amounts to not less than 15% of the capital employed;

5. the payment of any dividends or management fees;

6. any resolution or application for the winding up, or liquidation, of the Company;

7. the lending of any money or the granting of any financial assistance to any person other than loans to staff not exceeding \$10,000 in the aggregate;

8 any issue of shares by the Company for any purpose, including the acquisition of assets or by means of a capitalisation issue or a rights issue;

9. the borrowing of any monies from any financial institution other than in terms of the Company's overdraft facility with its bankers;

any change in the financial year-end of the Company.

11. any pledge, mortgage or hypothecation of any of the assets of the Company in any manner whatsoever;

12. the provision or signing of any guarantees or any Deed of Suretyship by the Company or by any shareholders in respect of the obligations of the Company, (including any letter of support or other intercession, whether legally binding or not);

13. any agreement entered or to be entered into outside the ordinary course of the

business of the Company;

14. any agreement in which a director or shareholder has an interest;
15. the approval of the service agreements with James, Simon and Dan from time to time or any restraints of trade;
16. any change in the basis of accounting or accounting policies by the Company;
17. the appointment or dismissal of the auditors of the Company;
18. an increase or reduction in the loans to the Company by its shareholders;
19. the granting by the Company of any option, to any person, to acquire shares allotted out of a new issue of shares;
20. the adoption of any revision in the Company's policy regarding exposure to currency exchange, fluctuation risks, if and to the extent that it is proposed thereby to depart from the policy unanimously established the Shareholders from time to time;
21. the acquisition or disposal of any interest or shares in any legal entity and the establishment of any company as a subsidiary of the Company;
22. the conclusion by the Company of any partnership, long term joint venture or other profit sharing arrangement;
23. the acquisition or disposition of immovable property by the Company;
24. the investment of any funds of the Company, with any entity, which includes without limitation any investments (excluding deposits) with any bank;
25. any alteration in the gearing level unanimously approved by the Shareholders;
26. the incurring of credit where the value of any one transaction exceeds 10% of shareholders equity, except where that such credit is incurred in the ordinary course of business of the Company;
27. the concluding of sales contracts and/or agreements by the Company the value of which exceeds 10% of the previous years turnover, notwithstanding that such contract is concluded in the ordinary course of business of the Company;
28. the suspension or cessation of or change in the nature of the business carried on by the Company;
29. the engagement in business activities in fields other than those associated with the business of the Company;
30. any material change in the nature or scope of the business of the Company;

31. an application to list the Company on any Stock Exchange;
32. the establishment of any offices or operations elsewhere than within Kenya, Tanzania and Uganda;
33. the leasing of any immovable property other than short-term leases (not exceeding 2 years) required by the Company in the ordinary course of business.

the adoption or amendment of the annual Business Plan, including operating budget;

the application for or granting of any overdraft facility to the Company by the Company's bankers and the extension of any such facility;

any changes in the remuneration and benefits of employees within the Company other than those which accord with normal market rates and benefits;

any agreement or other transaction by the Company to be concluded with British Consulting or any Shareholder, or any agreement or transaction of the Company which is not concluded or entered into on an arms length basis;

borrow any monies except for bank overdraft and letter of credit facilities not exceeding US\$ 100,000;

enter into any hire purchase or equipment leasing agreement if the aggregate liability of the Company and its Subsidiaries under all such agreements would exceed KShs 2 million at any one time;

exceed any annual budget for total expenses of revenue and capital nature previously agreed by the Board at which OAK was present by more than 10%.

acquire any shares, give any guarantees or give any credit (other than normal trade credit) or make any loan other than employee loans not exceeding US\$ 10,000 in aggregate;

grant any leases over or dispose of any leasehold property or cede or factor any book debts (except in the ordinary course of business) or part with any other assets;

make any alterations to the Memorandum and Articles of Association;

enter into any transaction with any person, firm or company except on a strictly arms length basis;

incorporate any Subsidiary or any subsidiary of a Subsidiary;

