

DATED

31st October 2013

(1) SANDERSON GROUP PLC

- and -

(2) SANDERSON LIMITED

- and -

(3) CHRISTOPHER WINN

SERVICE AGREEMENT

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THIS SERVICE AGREEMENT is made on 31st October 2013

BETWEEN

- (1) **SANDERSON GROUP PLC** (registered number 04968444) whose registered office is at Sanderson House, Manor Road, Coventry, CV1 2GF ("**Sanderson**")
- (2) **SANDERSON LIMITED** (registered number 03743507) whose registered office is at Sanderson House, Manor Road, Coventry, CV1 2GF ("**Company**")
- (2) **CHRISTOPHER WINN** of Willow Bank, Halls Farm Lane, Trimpley, Bewdley, Worcestershire, DY12 1NP ("**Executive**")

IT IS HEREBY AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1. In this agreement and the schedule to this agreement where it is appropriate in context singular words shall include the plural and vice versa. Words defined below shall have the following respective meanings:

"**Admission**" means admission of the Sanderson's entire issued share capital to trading on AIM;

"**AIM**" means the market operated by the London Stock Exchange plc;

"**AIM Rules**" means the rules of the London Stock Exchange plc which govern the admission of securities to trading on, and the regulations of, AIM;

"**Appointment**" means the employment of the Executive under the terms of this agreement and the schedule;

"**Associated Company**" in relation to a company means any company in which that

company or any Holding Company of it is directly or indirectly beneficially interested in 20% or more of the relevant company's issued ordinary share capital;

"Board" means board of directors of Sanderson from time to time or its duly authorised representative(s) or a duly constituted committee thereof;

"Business" means the business of the Group, namely the provision of software and services in the United Kingdom and Ireland;

"Change of Control Event" means if

(a) any person or group of persons acting in concert obtains Control of the Company as a result of making:

(i) a general offer to acquire the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the person or group of persons will have Control of the Company; or

(ii) a general offer to acquire all the issued ordinary shares (or such of them as are not already owned by it and/or by any of its subsidiaries);

(b) any person becomes entitled or bound to acquire shares in the capital of the Company under Sections 428 to 430 of the Companies Act 1985; or

(c) under Section 425 of the Companies Act 1985 the court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;

"Control" has the meaning given to it by Section 840 of the Income and Corporation Taxes Act 1988;

"Group" means the Company and all companies which are for the time being either a Holding Company of the Company or a Subsidiary or Associated Company of either the Company or any such Holding Company;

“Intellectual Property” means any patents, inventions, know-how, trade secrets and other confidential information, registered designs, copyrights, data, database rights, design rights, rights affording equivalent protection to copyright, database rights and design rights, semiconductor topography rights, trademarks, service marks, logos, domain names, business names, trade names, moral rights, and all registrations or applications to register any of the items referred to above, equivalent or similar rights to these rights in any other country or jurisdiction, rights in the nature of unfair competition rights and rights to sue for passing-off conceived or made by the Executive during the course of or arising out of the Appointment (whether alone or together with any other person or persons) and which concern or are applicable to products and articles manufactured or sold by or services provided by any Group company;

“Salary” means the salary payable to the Executive under this agreement from time to time; and

“Subsidiary Company” and **“Holding Company”** shall have the meanings ascribed to them by Section 736 of the Companies Act 1985 or any statutory modification or re-enactment thereof.

- 1.2. The headings in this agreement are included for convenience only and shall not affect its interpretation or construction.
- 1.3. This agreement shall be construed and governed by English Law and the parties submit to the non-exclusive jurisdiction of the English Courts.
- 1.4. References to any legislation shall be construed as references to legislation as from time to time amended re-enacted or consolidated.
- 1.5. References to clauses, the parties and the schedule are respectively to clauses of and the parties and the schedule of this agreement.
- 1.6. Save as otherwise defined words and expressions shall be construed in accordance with the Interpretation Act 1978.
- 1.7. The Company shall accept the benefits in this agreement on its own behalf and on behalf of all Group companies. The Company shall be entitled to assign its rights and those of

other Group companies in connection with this agreement to any other Group company at any time with immediate effect on giving written notice to the Executive.

2 APPOINTMENT

- 2.1. The Company shall employ the Executive and the Executive shall be employed by the Company in the capacity of Executive Chairman of the Group, subject to the terms and conditions set out in this agreement and its schedule.
- 2.2. Sanderson shall procure the appointment of the Executive and the Executive shall act as a director of Sanderson, with such executive powers as the Board shall decide.
- 2.3. The Executive warrants that by entering into this agreement he will not be in breach of any express or implied terms of any contract or other obligation binding upon him.

3. TERM

- 3.1. The Executive has been continuously employed since 3 January 1995. His Appointment under the terms of this agreement took effect from the date on which Admission became effective. Unless terminated in accordance with clause 15.1 of this agreement, the Appointment shall continue until terminated by at least 12 months' written notice given by one party to the other.

4. DUTIES

- 4.1. During the Appointment the Executive shall:
 - 4.1.1. be responsible directly to the Board;
 - 4.1.2. be responsible as Executive Chairman for the financial management and affairs of the Group and shall additionally perform such duties and exercise such powers and functions as may from time to time be reasonably assigned to or vested in him by the Board, whether relating to Sanderson, the Company or any other Group company;
 - 4.1.3. unless prevented by ill health devote the whole of his time and attention, endeavours and abilities to promoting the interests of the Group and shall not

engage in any activity which may be or may become harmful to or contrary to the interests of the Group;

- 4.1.4. observe and comply with all lawful and reasonable requests, instructions, resolutions and regulations of the Board and give to the Board such explanations, information and assistance as the Board may reasonably require;**
 - 4.1.5. carry out his duties in a proper, loyal and efficient manner to the best of his ability and use his best endeavours to maintain, develop and extend the business of the Group;**
 - 4.1.6. report to the Board in writing any matter relating to any Group company or any of its or their officers or employees which he becomes aware of and which could be the subject of a qualifying disclosure as defined by section 43B of the Employment Rights Act 1996;**
 - 4.1.7. be based at the Group's offices at Sanderson House, Manor Road, Coventry, CV1 2GF but perform such duties at such place or places in the United Kingdom or elsewhere as the Board shall reasonably decide but unless otherwise agreed the Executive shall not be required to work away outside of the United Kingdom for a continuous period exceeding one month in any period of one year;**
 - 4.1.8. work such hours and travel within and outside the United Kingdom as may reasonably be required for the proper performance of his duties.**
- 4.2. During the Appointment the Executive shall not without the written consent of the Board (such consent not to be unreasonably withheld):**
- 4.2.1. be engaged or interested either directly or indirectly (through any immediate member of his family) in any capacity in any trade business or occupation whatsoever other than the Business provided that the Executive shall not be prohibited from holding, whether directly or indirectly, up to 3% of the shares or stock of any class of any company listed on a recognised stock exchange or AIM, nor shall he be prohibited from holding (directly or indirectly) shares or stock of any class in Sanderson;**

- 4.2.2. pledge the credit of any Group company other than in the day to day running of the Business or enter into any contracts or obligations involving any Group company in major or substantial commitments:
 - 4.2.3. become a member of Parliament; or
 - 4.2.4. occupy, or be engaged for more than four hours per week in, any public office including office of a councillor of a local authority or a magistrate.
- 4.3. During the Appointment and whilst the Executive remains in possession of Inside Information as defined by Section 56 of the Criminal Justice Act 1993, the Executive shall comply with the Group's guidelines on dealings in securities, the rules of any model code for transactions in securities by directors of listed companies and persons connected with them applicable to the Company or the Group as a result of its listing or admission to trading on any recognised stock exchange (including, for the avoidance of doubt, AIM) from time to time and the provisions of the Criminal Justice Act 1993 and any other applicable law or regulations applying to dealings in shares of any Group company.
- 4.4. The Executive shall not, and shall procure that his wife and children, shall not, deal or become or cease to be interested (within the meaning contained in Schedule 13 of the Companies Act 1985) in any securities of any Group company, except in accordance with the Company's code of practice from time to time in relation to such transactions (a copy of which is obtainable from the Company Secretary of Sanderson).
- 4.5. During the Appointment the Executive shall, subject to clause 4.2.1, promptly disclose to the Board any interest he has in any trade business or occupation which is similar to the Business of any Group company whether or not such trade, business or occupation is conducted for his profit or personal gain or that of any member of his family.
- 4.6. Other than in the proper performance of his duties under this agreement and except with the written authority of the Board, the Executive shall not make copies of any documents, memoranda, correspondence, computer disks, video tapes or any similar matter (including for the avoidance of doubt in any electronic format) or remove any such items from the premises of any Group company.
- 4.7. During the Appointment:
- 4.7.1. the Company shall not be obliged to provide the Executive with work; and

4.7.2. the Company shall be entitled at any time to appoint another person to act jointly with the Executive in any capacity in which the Executive may be employed if:

4.7.2.1. in the Company's reasonable opinion, the Executive is not performing his duties to the standard required by the Company;

4.7.2.2. in the Company's reasonable opinion, the Executive requires assistance in performing his duties; or

4.7.2.3. in the event of Incapacity.

4.8. In some circumstances, the Executive may consider that he needs professional advice from independent advisers at the Company's expense. The Company shall reimburse the Executive the reasonable cost of the legal or other professional fees incurred by the Executive.

5. REMUNERATION AND EXPENSES

5.1. During the Appointment:

5.1.1. the Company shall pay to the Executive a basic Salary at a rate of £237,806 per annum (or at such other rate as may be agreed between the Company and the Executive);

5.1.2. the Salary shall be deemed to accrue evenly from day to day over 365 days in each year and shall be payable in arrears by equal monthly instalments on the last working day of each month, less all deductions required by law or this agreement, into a bank account nominated by him and shall be inclusive of any fees and/or remuneration to which the Executive may be entitled as a director of any Group company.

5.1.3. the Salary shall be reviewed annually once per year by the Board's Remuneration Committee; and

5.1.4. the Executive shall be entitled to an annual bonus, on the terms and subject to the conditions set out in the schedule to this agreement.

5.2. The Company shall reimburse the Executive for all reasonable and authorised out of pocket expenses (including hotel and travelling expenses) wholly, necessarily and exclusively incurred by the Executive in the discharge of his duties, subject to the production of appropriate receipts or vouchers or such other evidence as the Company may reasonably require as proof of such expenses or in accordance with the Group's rules and policies relating to expenses as may be in force from time to time.

6. CAR ALLOWANCE

6.1. The Executive shall be entitled to a car allowance of £23,780 per annum (gross) payable in arrears in twelve equal monthly instalments on the same basis as set out in clause 5.1.2.

6.2. The Executive shall also be provided with a fuel card which can be used for all fuel costs associated with the Executive's nominated vehicle.

7. MOBILE PHONE

During the Appointment the Company will provide the Executive with a fully expensed mobile phone.

8. PENSION

8.1. The Company shall pay a sum equivalent to £18,639 per annum in lieu of the Executive's personal pension plan.

8.2. A contracting out certificate pursuant to the provisions of the Pension Schemes Act 1993 as amended is in force in respect of the Appointment.

9. INSURANCE BENEFITS

9.1. During the Appointment the Company shall, subject to clause 9.2 below, provide the Executive with the following insurance benefits, particulars of which may be obtained from the Group's Finance Director:

9.1.1. Private medical expenses insurance for himself and his wife and his children under the age of 18 in accordance with arrangements made between any Group company

and such reputable insurer as the Board may decide from time to time and subject to the terms and conditions applicable to any such insurance;

9.1.2. Life insurance in accordance with arrangements made between any Group company and such reputable insurer as such Group company may decide from time to time and subject to the terms and conditions applicable to any such insurance. The Life Insurance is capped at £740,000, in order to protect the Executive's pension rights; and

9.1.3. Permanent health insurance in accordance with the arrangements made between any Group company and such reputable insurer as such Group company made decide from time to time and subject to the terms and conditions applicable to any such insurance ("PHI Scheme").

9.2. During any period in which the Executive is eligible to receive benefits under the PHI Scheme, the Company's obligations under clauses 9.1.1 and 9.1.2 of this agreement shall continue but that payment of Salary be limited to paying to the Executive such sums as it receives in respect of the Executive under the PHI Scheme and for the avoidance of doubt the Executive agrees in such circumstances to accept such sums in place of further payment of Salary, save for any bonus accrued in the current financial year and car allowance due under the terms of this agreement. During any such period the Executive shall continue to be bound by all his obligations (other than to provide his services) under this agreement.

9.3. The benefits referred to at each of clauses 9.1.1 to 9.1.13 above are conditional on the relevant insurer accepting cover for the Executive at normal rates and accepting liability for any particular claim. In the event that the relevant insurer does not accept cover, or liability in respect of the Executive at normal rates or any claim by the Executive in respect of any of the benefits referred to at clauses 9.1.1 to 9.1.13 above, the Company shall have no obligation to provide any alternative benefit or cover in this regard. The provision of the benefits at clauses 9.1.1 to 9.1.13 inclusive shall not restrict the Company's ability to terminate the Appointment in accordance with clauses 3.1, 11.5 and 15.1 of this agreement for any reason including, with limitation, incapacity. All and any benefits provided under clauses 9.1.1 to 9.1.13 above shall cease with effect from the date of termination of the Appointment.

10. HOLIDAYS AND HOLIDAY PAY

- 10.1. In addition to the normal bank and public holidays the Executive shall be entitled to 30 working days' paid holiday during each calendar year to be taken at such time as may be convenient to the Company paid at the rate of basic Salary ("Holiday Entitlement"). Holiday Entitlement is inclusive of statutory holiday under the Working Time Regulations 1998 ("Regulation Holiday").
- 10.2. The Executive may carry forward up to five days of unused Holiday Entitlement to a subsequent year, subject to the consent of the Remuneration Committee.
- 10.3. In the calendar year in which the Executive's Appointment commences or terminates the Executive shall be entitled to such proportion of his Holiday Entitlement as the period of employment in each such year bears to one calendar year including any Holiday Entitlement carried forward.
- 10.4. Upon termination of the Appointment the Executive shall, subject to clause 15.3 below, if appropriate, either be entitled to salary in lieu of any outstanding holiday entitlement or be required to repay to the Company any salary received in respect of Holiday Entitlement taken in excess of his proportionate Holiday Entitlement and any sums repayable by the Executive may be deducted from any outstanding salary or other payments due to the Executive.
- 10.5. The Company reserves the right to require the Executive to take any accrued but unused holiday entitlement during any period of notice given to terminate the Appointment.
- 10.6. The provisions of this clause 10 shall replace regulations 15(1) to 15(4) inclusive of the Working Time Regulations 1998 which shall not apply to the Executive.

11. SICKNESS AND ABSENCE

- 11.1. If the Executive is prevented by illness, injury, accident or other incapacity or other circumstances beyond his control from properly fulfilling his duties under this agreement he shall notify the Group's Finance Director as soon as reasonably practicable and inform them of the reason for his absence.

- 11.2. Each time the Executive is absent from work he shall provide evidence to the Company of the reason for such absence. This evidence shall be provided by way of a self-certification form obtainable from the Group's Finance Director which shall be completed by the Executive on the first day of his resumption of duty. In addition, in the case of illness or injury lasting for more than seven consecutive days, the Executive shall provide a doctor's certificate on the eighth day of illness or injury and weekly thereafter.
- 11.3. Subject to compliance with the provisions of clauses 11.1 and 11.2 above and subject to the Company's right to terminate the Appointment for any reason including, without limitation, incapacity, if the Executive is at any time prevented by illness, accident or other incapacity from properly carrying his duties under this agreement he shall be paid:
- 11.3.1. his Salary for up to eight week's absence in aggregate of any period of 12 months;
 - 11.3.2. thereafter half his Salary for up to eight weeks' absence in aggregate in any period of twelve months; and
 - 11.3.3. thereafter such remuneration (if any) as the Board shall in its absolute discretion allow.

Once Company sick pay under this clause 11.3 has expired the Executive shall have no further entitlement to Company sick pay until he has returned to work for a consecutive period of eight weeks. The Company shall be entitled to deduct from the Salary, or such other remuneration, any statutory sick pay to which the Executive may be entitled under the provisions of the Social Security Contributions and Benefits Act 1992 and/or any other sickness or injury benefits otherwise recoverable by or payable to the Executive. For statutory sick pay purposes the Executive's qualifying days shall be his normal working days.

- 11.4. The Executive agrees that at any time during the Appointment he will consent if required by the Company, to a medical examination by a medical practitioner appointed by the Company (at its expense) and shall authorise such medical practitioner to disclose to and discuss with the Remuneration Committee the results of any such medical examination.
- 11.5. If the Executive shall at any time be incapacitated or prevented by illness or injury or accident or any other circumstances beyond his control (such incapacity or prevention being referred to below as "Incapacity") from discharging his duties during the

Appointment for a total of 180 or more days (whether or not consecutive) in any twelve consecutive calendar months, the Company may, following (where practicable) reasonable consultation with the Executive, appoint another person or persons to perform those duties until such time as the Executive is able to fully resume the performance of his duties.

- 11.6. If the Incapacity has been caused by the action of a third party in respect of which damages are or may be recoverable, the Executive shall notify the Board of that fact as soon as is reasonably practicable and shall receive the payments referred to clause 11.3 above as loans by the Company to the Executive (notwithstanding that as an interim measure income tax has been deducted from such payments as if they were emoluments of employment) and shall repay such loans when and to the extent that the Executive recovers compensation for loss of earnings from the third party by action or otherwise.

12. CONFIDENTIAL INFORMATION

- 12.1. The Executive shall not at any time during the Appointment nor at any time after its termination, except for a purpose of the Company or the Group, directly or indirectly use or disclose trade secrets or confidential information relating to any Group company or any Group company's agents, customers, prospective customers or suppliers.
- 12.2. For the purposes of clause 12.1 confidential information shall include any information relating to the Business and/or the financial affairs of any Group company or any Group company's agents, customers, prospective customers or suppliers and in particular shall include:
- 12.2.1. the business methods and information of any Group company (including prices charged, discounts given to customers or obtained from suppliers, product development, marketing and advertising programmes, costings, budgets, turnover, sales targets or other financial information);
 - 12.2.2. lists and particulars of any Group company's suppliers and customers and the individual contacts at such suppliers and customers;
 - 12.2.3. details and terms of any Group company's agreements with suppliers and customers;

- 12.2.4. secret manufacturing or production processes and how-how employed by any Group company or its suppliers;
- 12.2.5. confidential details as to the design of any Group company's or its suppliers' products and inventions or developments relating to future products;
- 12.2.6. details of any promotions or future promotions or marketing or publicity exercises planned by any Group company;
- 12.2.7. details of any business plans of any Group company; and
- 12.2.8. any information which may affect the value of the Business or the shares of any Group company;

whether or not in the case of documents or other written materials or any materials in electronic format they are or were marked as confidential and whether or not, in the case of other information, such information is identified or treated by any Group company as being confidential.

12.3. The Executive shall not be restrained from disclosing any confidential information which:

- 12.3.1. he is authorised to disclose by the Board; or
- 12.3.2. had entered the public domain, unless it enters the public domain as a result of an unauthorised disclosure by the Executive or an authorised disclosure for an unauthorised purpose by the Executive or anyone else employed or engaged by any Group company; or
- 12.3.3. he is required to disclose by law; or
- 12.3.4. he is entitled to disclose under the Public Interest Disclosure Act 1998 provided that the disclosure is made in an appropriate way to an appropriate person having regard to the provisions of that Act and clause 4.1.6 above.

13. PROTECTION OF THE BUSINESS

13.1. The Executive acknowledges that he has been appointed to a senior position and that following termination he will be in a position to compete unfairly with the Group by virtue of the fact that he has acquired, or will acquire in the course of the Appointment, confidential information, trade secrets and knowledge about the business, operations, customers and trade connections of the Group, at the expense of the Group. The Executive agrees to enter into the restrictions in this clause for the purpose of protecting the Group's legitimate business interests and, in particular, the confidential information, the goodwill and the stable trained workforce of the Group.

13.2. The Executive shall not without the prior consent of the Board (such consent not to be unreasonably withheld) for a period of twelve months after the termination of the Appointment, directly or indirectly, on his own behalf, or on behalf of any person, firm or company in connection with any business which is or is intended or about to be competitive with the Restricted Business (as defined below) or in relation to the provision of any goods or services similar to or competitive with those sold or provided by any Group company in connection with the Restricted Business:

13.2.1. solicit or canvass the custom of any Customer (as defined below);

13.2.2. solicit or canvass the custom of any Potential Customer (as defined below);

13.2.3. deal with any Customer;

13.2.4. deal with any Potential Customer;

13.2.5. solicit or entice away, or attempt to entice away from any Group company any employee of any Group company who is employed by such Group company at the date of the termination of the Appointment, provided that this restriction shall only apply to persons whom the Executive has managed or with whom he has worked at any time during the twelve months immediately preceding the date of termination of the Appointment and who on the date of termination of the Appointment were employed by a Group company in the capacity of director or any technical, IT, financial, marketing, sales, business development or any other managerial role and provided that this restriction shall not apply to non-managerial (clerical or administration or manual) staff; or

13.2.6. employ, offer to employ or enter into partnership with any employee of any Group company who is employed by such Group company at the date of termination of the Appointment, provided that this restriction shall only apply to persons whom the Executive has managed or with whom he has worked at any time during the twelve months immediately preceding the date of termination of the Appointment and who on the date of termination of the Appointment were employed in the capacity of director or any technical, IT, financial, sales, marketing, business development or any other managerial role with a view to using the knowledge or skills of such persons in connection with any business or activity which is or is intended to be competitive with the Restricted Business and provided that this restriction shall not apply to non-managerial (clerical or administrative or manual) staff.

13.3. The Executive shall not without the prior written consent of the Board (such consent not to be unreasonably withheld) for a period of twelve months after the termination of the Appointment, directly or indirectly, on his own behalf, or on behalf of any person, firm or company:

13.3.1. within the Restricted Territory (as defined below) set up, carry on, be employed in, provided services to, be associated with, or be engaged or interested in, whether as director, employee, principal, agent or otherwise, any business which is or is intended or about to be competitive with the Restricted Business save as a shareholder or not more than 3% of any public company whose shares are quoted on any recognised stock exchange or AIM; or

13.3.2. endeavour to cause any person, firm or company who is at the date of termination of the Appointment or at any time during the twelve months immediately prior to such termination a supplier to any Group company, to either cause to cease to supply any Group company or materially alter the terms of such supply in a manner detrimental to any Group company provided that references to suppliers shall only refer to those persons, firms or companies with whom the Executive has had material personal contact during the course of the Appointment or for whom the Executive has had managerial responsibility in either case at any time during the twelve months immediately prior to the date of termination of the Appointment.

13.4. In clause 13 the following words and phrases shall have the following meanings:

13.4.1. **“Restricted Business”** shall mean the business or any part of the business which in either case:

13.4.1.1. is carried on by any member of the Group at the date of termination of the Appointment; or

13.4.1.2. was carried on by any member of the Group at any time during the six months immediately prior to the date of termination of the Appointment; or

13.4.1.3. is to the knowledge of the Executive to be carried out by any member of the Group at any time during the six months immediately following the date of termination of the Appointment,

and which the Executive was materially concerned with or had management responsibility for (or had substantial confidential information regarding) in either case at any time during the period of twelve months immediately prior to the date of termination of the Appointment;

13.4.2. **“Restricted Territory”** shall mean the United Kingdom, and Ireland, together with any other country in which any Group company:

13.4.2.1. carried on any Restricted Business or provided any goods or services in connection with any Restricted Business at the date of termination of the Executive’s employment; or

13.4.2.2. carried on any Restricted Business or provided any goods or services in connection with any Restricted Business at any time during the period of six months immediately prior to the date of termination of the Executive’s employment; or

13.4.2.3. is to the knowledge of the Executive to carry out any Restricted Business at any time during the six months immediately following the date of termination of the Appointment;

and regarding which country the Executive:

- (a) was materially concerned or worked in;
- (b) had management responsibility for; and/or
- (c) obtained confidential information (as defined in clause 12.2 above)

during the course of the Appointment at any time during the period of twelve months immediately prior to the date of termination of the Appointment.

- 13.4.3. **“Customer”** shall mean any person, firm or company who at the date of termination of the Appointment or at any time during the twelve months immediately prior to such termination was a customer of any member of the Group and from whom the Executive had obtained business on behalf of any Group company or to whom the Executive had provided or arranged the provision of goods or services on behalf of any Group company or for whom the Executive had management responsibility, in any case at any time during the period of twelve months immediately prior to the date of termination of the Appointment;
- 13.4.4. **“Potential Customer”** shall mean any person, firm or company with whom either the Executive or any other employee of any Group company who the Executive had, at the date of the negotiations, management responsibility for conducting negotiations on behalf of any Group company at any time during the six months immediately prior to the date of termination of the Appointment with a view to such person, firm or company becoming a customer of any Group company.
- 13.5. In the event that the Executive receives an offer of employment or request to provide services either during the Appointment or during the currency of the restrictive periods set out in clauses 13.2 and 13.3, the Executive shall provide immediately to such person, company or other entity making such an offer or request a full and accurate copy of this agreement signed by both parties.
- 13.6. The restrictions contained in this clause are considered by the parties to be reasonable in all the circumstances. Each sub-clause constitutes an entirely separate and independent restriction and the duration, extent and application of each of the restrictions are no greater than is necessary for the protection of the interests of any Group company.

14. DESIGNS AND INVENTIONS

- 14.1. All Intellectual Property, irrespective of whether made, devised or discovered during normal working hours or using the facilities of any Group company, shall be the exclusive property of the Group to the extent that it pertains or could pertain to the Business.
- 14.2. Any Intellectual Property shall be disclosed to the Company whether conceived, apprehended or learned by the Executive during the course of or after the termination of the Appointment and the Executive shall give to the Company all such explanations, demonstrations and instructions as any Group company may deem appropriate to enable the full effectual working production and use of the same.
- 14.3. The Executive shall at all times whether during the course of and after the termination of the Appointment:
- 14.3.1. not without the prior written consent of the Company apply for any patent or other design registration as the case may be either in the United Kingdom or in any other part of the world for any Intellectual Property conceived or made by him pertaining to the Business;
 - 14.3.2. without prejudice to the provisions of clause 14.3.1 above, if and whenever required by any Group company to do so (and in such manner as such Group company shall in its sole discretion decide), apply as a nominee of or jointly with such Group company for patent or design registration in the United Kingdom and as such Group company may require in any other part of the world for any Intellectual Property and without additional payment to him shall execute all such documents and do all such things as may be necessary effectively to obtain or vest in any Group company absolutely the legal and beneficial ownership of all applications at any time and from time to time pending and all resulting patents and design registration when granted and all right title and interest to and in the same in any Group company absolutely;
 - 14.3.3. with full title guarantee hereby assigns (in so far as title to them does not automatically vest in a Group company as a consequence of the Appointment, but only to the extent that they pertain to the Business) to the Company by way of

future assignments all copyrights arising in any works or material (including, without limitation, source code and object code for software) produced by the Executive during the Appointment, whether during normal hours of work of any Group company or otherwise or at the premises or using the facilities of any Group company or otherwise; and

- 14.3.4. waives all moral rights arising from any such works or material which pertain to the Business so far as the Executive may lawfully do so in favour of the Company.
- 14.4. The Executive irrevocably appoints and authorises the Company to act as his attorney and agent for the purposes of executing and/or signing all or any such documents as may be required to give any Group company (and/or its nominee and/or assignee) the full benefit of the provisions of this clause.
- 14.5. The Executive shall do nothing (whether by act or omission) during the Appointment or at any times thereafter to affect or imperil the validity of any Intellectual Property obtained, applied for or to be applied for by any Group company or its nominee.
- 14.6. The Company shall pay or procure the payment of all expenses in connection with any application for patent or design registration made by the Executive as nominee for or jointly with a Group company pursuant to this clause.
- 14.7. Nothing in this Agreement shall oblige any Group company to seek patent or other protection for any Intellectual Property or to exploit any such Intellectual Property.
- 14.8. It shall be presumed (but subject to proof to the contrary) that the subject matter of any application for a patent or design registration, to the extent that it pertains to the Business, filed by the Executive or any assignee or agent of the Executive within twelve months after the termination of the Appointment and relating to goods or services of a kind with which the Executive was concerned in the course of his duties is Intellectual Property made by the Executive during the currency of the Appointment.

15. TERMINATION

- 15.1. Provided always that the Company has complied with its disciplinary procedure contained in the Company staff handbook (save that in the case of the Executive such authority to give warnings or otherwise to make disciplinary decisions shall be reserved

to the Board) the Appointment may be terminated without notice with immediate effect by the Company if at any time:

- 15.1.1. the Board reasonably believes the Executive has committed any serious breach or repeated any serious breach after receiving a written warning, or is guilty of a continuing serious breach of any of the terms of this agreement; or
 - 15.1.2. the Board reasonably believes that the Executive is guilty of any serious misconduct or (after written warning) wilful neglect in the discharge of his duties under this agreement or is seriously incompetent in the performance of his duties; or
 - 15.1.3. the Board reasonably believes that the Executive is guilty of any fraud, dishonesty or conduct tending to bring himself, the Company or any Group company into disrepute; or
 - 15.1.4. the Executive is adjudicated bankrupt or makes any arrangement or composition with his creditors; or
 - 15.1.5. the Executive becomes of unsound mind or if while he is a patient within the meaning of Part VII of the Mental Health Act 1983 an order is made in respect of his property under Section 95 of that Act; or
 - 15.1.6. the Executive is convicted of any criminal offence (except a road traffic offence not involving a custodial sentence) which in the reasonable opinion of the Board materially and/or adversely affects his ability to continue in office as an employee or officer of any Group company (including bringing himself or any Group company into disrepute); or
 - 15.1.7. the Executive refuses or fails to agree to accept employment on the terms and in the circumstances specified in clauses 16.1 or 16.2 of this agreement.
 - 15.1.8. the Executive becomes prohibited by law from being or acting as a director of any Group company.
- 15.2. In the event of termination under clause 15.1 the Company shall not be obliged to make any further payment to the Executive except such Salary and benefit as shall have

accrued at the date of termination and in respect of accrued but untaken Holiday Entitlement.

15.3. Upon termination of the Appointment:

- 15.3.1. the Executive shall upon the request of the Board resign from all (if any) offices held by him in any Group company and all (if any) trusteeships held by him of any pension scheme or any trust established or subscribed to/by any Group company, and in the event of his failure to do so the Company is hereby irrevocably authorised to appoint some person in his name and on his behalf to sign and execute all documents and do all things necessary to constitute and give effect to such resignation;
 - 15.3.2. the Executive shall immediately return to the Company all correspondence, documents, papers, memoranda, notes, records such as may be contained in magnetic media or other forms of computer storage, videos, tapes (whether or not prepared or produced by him) and any copies thereof charge and credit cards and all other property (including any car) belonging to any Group company which may be in the Executive's possession or under his control; and
 - 15.3.3. the Executive shall if requested send to the Board a signed statement confirming that he has complied with sub-clause 15.3.2 above.
- 15.4. The Executive shall not at any time after the termination of the Appointment represent himself as being in any way connected with or interested in the Business.
- 15.5. The Company may in its absolute discretion at any time after notice of termination shall have been given by either party under clause 3.1 lawfully terminate this agreement by notice in writing with immediate effect by paying to the Executive an amount equal to his basic salary entitlement for the then unexpired period of notice together with such further amount as is equal to the fair value of any other benefits to which the Executive is contractually entitled under the terms of this agreement during such unexpired period of notice (subject in either case to deduction at source of income tax and national insurance contributions).
- 15.6. The Executive expressly agrees that the Company may make such deductions from Salary or other payments due on the termination of or during the Appointment as may be necessary to reimburse any Group company against any liability of or incurred by the

Executive to any Group company, including but not limited to loans, advances, relocation expenses, excess holiday payments and any outstanding payments made to the Executive.

15.7. Upon notice to terminate the Appointment being given by the Company or the Executive then at any time after such notice is given by the Company or the Executive if requested by the Company the Executive will:

15.7.1. immediately return to the Company all documentation including any copies articles or property in his possession custody or control belonging to any Group company;

15.7.2. immediately return to the Company all documentation or articles which contain records of confidential information concerning the Business;

15.7.3. not during the notice period contact or deal with customers suppliers or employees of any Group company in connection with any matter concerning the Business;

15.7.4. not unless otherwise requested during the notice period enter onto the premises of any Group company without the prior written consent of the Board; and

15.7.5. not provide any services for which payment is received (whether as an employee, consultant or otherwise) to any third party;

PROVIDED THAT during the notice period the Company will continue to pay and/or make available the Salary and other contractual benefits under this agreement.

15.8. For the avoidance of doubt the Executive and the Company agree that:

15.8.1. subject to clause 15.7 the Executive's other duties and obligations whether contractual or otherwise shall continue in full force and effect during the notice period;

15.8.2. the Company has no duty to provide the Executive with work during the notice period; and

15.8.3. the Executive shall not commence any other employment or paid engagement during the notice period whether the Company has exercised its rights under clause 15.7 or not.


15.9. In the event that the Company exercises its rights under clause 15.7 of this agreement then the period spent between the Company exercising such rights and the expiry of the notice period shall be set off against and therefore reduce the restrictive periods set out in clauses 13.1 and 13.2 of this agreement.

15.10. If the Executive shall not be re-elected as a director at any Annual General Meeting of Sanderson at which he is required by the Articles of Association of Sanderson to retire by rotation, the Company shall be entitled to terminate the Appointment but without prejudice to any claim the Executive may have for damages for breach of this agreement.

16. AMALGAMATION, RECONSTRUCTION, TRANSFER AND CHANGE OF DIRECTOR

16.1. If the Company is wound up for the purposes of reconstruction or amalgamation the Executive shall not (as a result or by reason of any termination of the Appointment or the redefinition of his duties within the Company or the Group arising or resulting from any reorganisation of the Group) have any claim against the Company for damages for termination of the Appointment or otherwise so long as he shall be offered employment with any concern or undertaking resulting from such reconstruction or amalgamation on terms and conditions no less favourable to the Executive (including in respect of role, status and responsibilities) than the terms contained in this agreement.

16.2. If the Executive shall at any time have been offered but shall have unreasonably refused or failed to agree to the transfer of this agreement by way of novation to a company which has acquired or agreed to acquire the whole or substantially the whole of the undertaking and assets or not less than fifty per cent of the equity share capital of the Company or any Holding Company of the Company the Executive shall have no claim against the Company by reason of the termination of the Appointment by the Company on one month's notice to the Executive given within one month of such offer.

 16.3. Should a Change of Control Event occur, the Company recognises that the Executive may need to take independent legal advice regarding the effect that the Change of Control Event has upon his employment and his ability to effectively discharge his duties. For the period of twelve months following the Change of Control Event, the

Company shall pay the Executive's legal fees up to a maximum of £50,000 + VAT for such advice.

17. DISCIPLINARY AND GRIEVANCE PROCEDURES

- 17.1. The Executive shall refer any grievance he may have about his employment or about any disciplinary decision relating to him to the Remuneration Committee of the Board in writing.
- 17.2. The Board shall have the right to suspend the Executive from his duties on such terms and conditions as the Board shall determine (acting reasonably) for the purpose of carrying out an investigation into any allegation of misconduct or negligence or an allegation of bullying, harassment or discrimination against the Executive and pending any disciplinary hearing. The Company shall be required to continue to pay the Salary and provide all other contractual benefits to the Executive during any period of suspension.
- 17.3. There are no special disciplinary rules affecting the Executive. Any disciplinary matters will be dealt with by the Board or a director nominated by the Board.

18. DATA PROTECTION

- 18.1. The Executive's personal data will be held by the Company in its manual and automated filing systems. The Executive consents to the processing and disclosure of such data both inside and, where necessary, outside the European Economic Area in order for the Appointment to be performed and this agreement to be fulfilled, for decisions to be made regarding the Executive's employment or continued employment, for obtaining or carrying out work from or for customers or potential customers, or for the purpose of any potential sale of over 50% of the shares of the Company or any Holding Company of the Company or other change of control or any potential transfer of the Executive's employment under the Transfer of Undertaking (Protection of Employment) Regulations 1981. Disclosure may include, in the case of sale, change of control or transfer, disclosure to the potential purchaser or investor and their advisors and, in the case of obtaining or carrying out work, disclosure to customers or potential customers.
- 18.2. The Executive consents to the Company processing sensitive data including medical information for the purpose of the performance of the Appointment and fulfilment of this

agreement and determining the Executive's fitness to carry out duties on behalf of the Group. The Executive further consents to the Company processing data regarding sex, marital status, race, ethnic origin or disability for the purpose of monitoring to ensure equality of opportunity within the Group.

18.3. The Executive shall use all reasonable endeavours to keep the Company informed of any changes to his personal data.

19. MISCELLANEOUS

19.1. The Executive shall pay and fully indemnify the Company and each other Group company against all income tax and employer's national insurance payable by any Group company on his behalf by reason of the provision of the car allowance referred to in clause 5 above and any of the other benefits received by the Executive in connection with the Appointment. The Company shall be entitled to make deductions from the Salary or other payments due to the Executive to satisfy any such income tax or national insurance liability.

19.2. Notices may be given by either party by personal delivery or by letter or fax message addressed to the other party at (in the case of the Company) its registered office for the time being and (in the case of the Executive) his last known address. Any such notice given by letter shall be deemed to have been given 48 hours after posting and any such notice given by fax shall be deemed to have been given at the time on the confirmation report.

19.3. There are no collective agreements in force which affect the terms and conditions of the Appointment.

19.4. This agreement is in substitution for all previous contracts of service between the Company and/or Group company and the Executive (if any) and any such agreements shall be deemed to have been terminated by mutual consent as from the date on which the Appointment commenced.

19.5. It is agreed that the average maximum weekly working time of 48 hours in Regulation 4(1) of the Working Time Regulations 1998 shall not apply to the Executive. The Executive may at any time terminate the opt out agreement in this clause by giving the

Company one month notice in writing of his wish that Regulation 4(1) should apply to him.

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

IN WITNESS whereof the parties have executed this agreement as a deed on the date of this agreement.

SCHEDULE

Bonus Payments

1. The Group's financial year is from 1 October to 30 September.
2. The Executive will be entitled to a bonus payment based on the consolidated operating profit of Sanderson and its subsidiary companies for the financial year ending 30 September 2013 as follows:

	Operating Profit	Bonus	
On the Achievement of	£2,100,000	£56,630	“Once only” payment

3. For bonus purposes the operating profit is as shown in the year end audited accounts (including development costs) after making provision for all bonuses but before crediting any extraordinary gains.
4. Targets for subsequent financial years will be determined by the Board's Remuneration Committee in its absolute discretion, and will be notified to the Executive.
5. The amount of bonus payable to the Executive in respect of subsequent financial years will be reviewed by the Board's Remuneration Committee.
6. If a Change of Control Event occurs resulting in the termination of the Executive's employment, the Executive will be entitled to receive the bonus referred to in paragraph 2 above (or as determined pursuant to paragraph 4 above for subsequent financial years) regardless of whether or not the operating profit target for the financial year in which the Change of Control Event occurs has been achieved.
7. Payment of any bonus due to the Executive will be made as soon as reasonably practicable following certification by the Group's auditors of the Company's statutory accounts.
8. The parties agree that in determining whether or not the targets in respect of the financial year ending 30 September 2005 have been met, costs and expenses incurred by the Group in connection with Admission shall be disregarded.

EXECUTED and delivered as a Deed)
by Sanderson Group Plc acting by:)

Director



Director/Secretary



EXECUTED and delivered as a Deed)
by Sanderson Limited acting by:)

Director



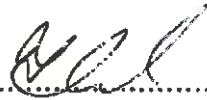
Director/Secretary



SIGNED as a Deed and delivered by)
The said Christopher Winn in the)
presence of:



Witness Signature:



Full Name:

FIONA CROMBIE

Address:

3 REDACE RD, SUTTON COLDFIELD, B73 5DX

Occupation:

PERSONAL ASSISTANT