

# SYKES ENTERPRISES INC

## FORM 8-K (Current report filing)

Filed 07/31/96 for the Period Ending 07/16/96

Address	400 NORTH ASHLEY DRIVE TAMPA, FL 33602
Telephone	8132741000
CIK	0001010612
Symbol	SYKE
SIC Code	7373 - Computer Integrated Systems Design
Industry	Computer Networks
Sector	Technology
Fiscal Year	12/31

# SYKES ENTERPRISES INC

## FORM 8-K (Unscheduled Material Events)

Filed 7/31/1996 For Period Ending 7/16/1996

Address	100 NORTH TAMPA ST STE 3900 TAMPA, Florida 33602
Telephone	813-274-1000
CIK	0001010612
Industry	Computer Networks
Sector	Technology
Fiscal Year	12/31

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT: July 16, 1996  
(Date of the earliest event reported)

## SYKES ENTERPRISES, INCORPORATED

(Exact name of Registrant as specified in its charter)

Florida	0-28274	56-1383460
(State or other juris-	(Commission	(I.R.S. Employer
diction of incorporation)	File Number)	Identification Number)

100 North Tampa Street, Suite 3900  
Tampa, Florida 33602-5089  
(Address of principal executive offices) (Zip Code)

813/274-1000  
Registrant's telephone number, including area code

## **Item 2. Acquisition or Disposition of Assets**

On July 16, 1996, pursuant to a Stock Purchase Agreement dated as of July 1, 1996 (the "Agreement"), Sykes Enterprises, Incorporated ("SEi" or "Company") acquired all of the issued and outstanding stock of Datasvar Support AB ("Datasvar") from Johan Holm, Arne Weinz and Norhold Invest AB in exchange for 164,547 shares of SEi common stock (246,819 shares as adjusted to reflect a three-for-two stock split in the form of a stock dividend effected on July 28, 1996 to shareholders of record on July 18, 1996). The Acquisition will be accounted for using the pooling-of-interests method of accounting.

Datasvar, a corporation organized and existing under the laws of Sweden, operates two information technology call centers located in Sweg and Jarsvo, Sweden. Through its two facilities, Datasvar provides technical assistance to end users of computer hardware and software products, and furnishes help desk services to the employees of various companies throughout the Scandinavian region. Each call center has the ability to process approximately 728,000 calls per year. For the five month period ended May 31, 1996 and the year ended December 31, 1995, Datasvar had revenues and net income approximating \$2.8 million and \$472,000, and \$5.5 million and \$996,000, respectively, based on the unaudited internally prepared financial information.

Johan Holm and Arne Weinz will remain with Datasvar to proceed in building the Company's presence in Scandinavia and the remainder of Europe, and will continue to apply their management and marketing expertise. Johan Holm will continue to serve as Chairman of Datasvar and Arne Weinz will continue to serve as its Managing Director. Pursuant to the Agreement, both individuals entered into employment agreements with Datasvar effective through December 31, 1999, unless terminated earlier in accordance with the terms of the agreements. Also pursuant to the Agreement, both individuals are precluded from competing against Datasvar or the Company for two years subsequent to their termination.

Pursuant to the Agreement, Norhold Invest AB will have no further interest or activity with Datasvar, excluding the leasing to Datasvar of one of Datasvar's technical call centers. Also pursuant to the Agreement, Norhold is precluded from engaging directly or indirectly in any business that competes with the services Datasvar conducts as of the date of the Agreement.

Neither Johan Holm, Arne Weinz or Norhold Invest AB owned any shares of SEi common stock as of the date of the Agreement. None of the directors and executive officers of SEi owned any Datasvar stock as of the date of the Agreement. The former Datasvar shareholders have been granted certain registration rights for the SEi common stock they received in the Acquisition.

## **Item 7. Financial Statements, Pro Forma Financial Information and Exhibits**

### **(a) Financial Statements of the Business Acquired.**

It is impractical to provide the required financial statements for Datasvar at the date of the filing of this Form 8-K. The required financial statements will be provided as soon as practicable but not later than sixty days after the date on which this Form 8-K must be filed.

### **(b) Pro Forma Financial Information.**

It is impractical to provide the required pro forma financial information at the date of the filing of this Form 8-K. The required pro forma financial information will be provided as soon as practicable but not later than sixty days after the date on which this Form 8-K must be filed.

### **(c) Exhibits**

2.1 Stock Purchase Agreement among Johan Holm, Arne Weinz, Norhold Invest AB and Sykes Enterprises, Incorporated, dated as of July 1, 1996 (without schedules or exhibits).(1)

99.1 News Release dated July 2, 1996.

99.2 Registration Rights Agreement among Johan Holm, Arne Weinz, Norhold Invest AB and Sykes Enterprises, Incorporated, dated as of July 16, 1996.

---

(1) Sykes Enterprises, Incorporated agrees to supplementally furnish a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.

## **SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### **SYKES ENTERPRISES, INCORPORATED**

*By: /s/ Scott J. Bendert  
Scott J. Bendert  
Vice President Finance and  
Treasurer*

*Dated: July 31, 1996*

## EXHIBIT INDEX

2.1 Stock Purchase Agreement among Johan Holm, Arne Weinz, Norhold Invest AB and Sykes Enterprises, Incorporated, dated as of July 1, 1996 (without schedules or exhibits).(1)

99.1 News Release dated July 2, 1996.

99.2 Registration Rights Agreement among Johan Holm, Arne Weinz, Norhold Invest AB and Sykes Enterprises, Incorporated, dated as of July 16, 1996.

---

(1) Sykes Enterprises, Incorporated agrees to supplementally furnish a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.

**STOCK PURCHASE AGREEMENT**

**AMONG**

**JOHAN HOLM,**

**ARNE WEINZ,**

**NORHOLD INVEST AB**

**AND**

**SYKES ENTERPRISES, INCORPORATED**

July 1, 1996

TABLE OF CONTENTS

ARTICLE I DEFINITIONS	1
ARTICLE II PURCHASE AND SALE OF SHARES	3
ARTICLE III DELIVERY OF PURCHASE PRICE SHARES	4
Section 3.1. Delivery of Purchase Price Shares.	4
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SELLERS	4
Section 4.1. Corporate Organization.	4
Section 4.2. Capitalization of Datasvar.	4
Section 4.3. Authority.	4
Section 4.4. Ownership of Shares; Title.	5
Section 4.5. Sellers' Consents and Approvals; No Violations.	5
Section 4.6. Datasvar's Consents and Approvals; No Violations.	5
Section 4.7. Financial Statements.	6
Section 4.8. Undisclosed Liabilities.	6
Section 4.9. Taxes.	6
Section 4.10. Title to Properties.	6
Section 4.11. Absence of Changes.	7
Section 4.12. Patents, Trademarks, Trade Names.	8
Section 4.13. Leases.	9
Section 4.14. Bank Accounts; Investments.	9
Section 4.15. Material Contracts and Customers.	9
Section 4.16. Related Transactions.	11
Section 4.17. Insurance.	11
Section 4.18. Labor Matters.	11
Section 4.19. Employee Benefit Plans.	12
Section 4.20. Litigation.	12
Section 4.21. Compliance with Laws.	12
Section 4.22. Books and Records.	13
Section 4.23. Disclosures.	13
Section 4.24. Adequacy of Assets.	13
Section 4.25. Governmental Grants.	13
Section 4.26. Accounts Receivable.	13
Section 4.27. Brokers and Finders.	14
Section 4.28. Investment Intent; Information Disclosures.	14
ARTICLE V REPRESENTATIONS AND WARRANTIES OF SEI	15
Section 5.1. Corporate Organization.	15
Section 5.2. Capitalization of SEI.	15
Section 5.3. Authority.	15
Section 5.4. SEI Consents and Approvals; No Violations.	16
Section 5.5. Litigation.	16
Section 5.6. Brokers and Finders.	16
Section 5.7. SEI Information.	16
Section 5.8. No Material Adverse Change.	16
Section 5.9. Undisclosed Liabilities.	17
Section 5.10. Compliance with Laws.	17
ARTICLE VI FURTHER COVENANTS AND AGREEMENTS	17
Section 6.1. Covenants of Sellers Pending the Closing.	17
Section 6.2. Covenants of SEI Pending the Closing.	18
Section 6.3. Filings.	19
Section 6.4. Effective Time of Closing and Transfer.	19
Section 6.5. Announcements.	19
Section 6.6. Costs and Expenses.	19
Section 6.7. Further Assurances.	19
Section 6.8. Certain Agreements.	20
Section 6.9. Non-Disclosure; Covenant Not to Compete.	20
Section 6.10. Pooling of Interests	21
Section 6.11. Assumptions of Nutek Guarantee.	22
ARTICLE VII TERMINATION	22
Section 7.1. Termination.	22
Section 7.2. Procedure and Effect of Termination.	22
ARTICLE VIII CONDITIONS TO SEI'S OBLIGATIONS	23
Section 8.1. Sellers' Closing Deliveries.	23
Section 8.2. Representations and Warranties True.	24
Section 8.3. Performance.	24



Section 8.4.	Legal Opinion.	24
Section 8.5.	Governmental Consents and Approvals.	24
Section 8.6.	No Injunction or Proceeding.	24
ARTICLE IX CONDITIONS TO SELLERS' OBLIGATIONS		24
Section 9.1.	Delivery of Purchase Price Shares.	25
Section 9.2.	SEi's Closing Deliveries.	25
Section 9.3.	Representations and Warranties True.	25
Section 9.4.	Performance.	25
Section 9.5.	Legal Opinion.	26
Section 9.6.	Governmental Consents and Approvals.	26
Section 9.7.	No Injunction or Proceeding.	26
ARTICLE X INDEMNIFICATION		26
Section 10.1.	Indemnification by Sellers.	26
Section 10.2.	Indemnification by SEi .	26
Section 10.3.	Survival of Representations.	27
Section 10.4.	Indemnification Claims Procedures.	27
Section 10.5.	Right of Set-Off.	28
Section 10.6.	Limitations on Liability.	28
ARTICLE XI MISCELLANEOUS		29
Section 11.1.	Dispute Resolution; Jurisdiction.	29
Section 11.2.	Entire Understanding, Waiver, Etc.	29
Section 11.3.	Severability.	29
Section 11.4.	Captions.	29
Section 11.5.	Notices.	29
Section 11.6.	Successors and Assigns.	30
Section 11.7.	Parties in Interest.	30
Section 11.8.	Counterparts.	31
Section 11.9.	Construction of Terms.	31
Section 11.10.	Governing Law.	31
EXHIBITS		
Exhibit A Share Holdings of Sellers		
Exhibit B Form of Registration Rights and Stockholders Agreement		
Exhibit C Form of Employment Agreement		
Exhibit D Form of Employment Agreement		
Exhibit E Form of Non-Competition Agreement		
Exhibit F Form of Opinion of Counsel for Sellers		
Exhibit G Form of Opinion of Counsel for SEi		

## **STOCK PURCHASE AGREEMENT**

THIS STOCK PURCHASE AGREEMENT is made and entered into as of July 1, 1996, by and among JOHAN HOLM and ARNE WEINZ, each an individual residing in Sweden (collectively, the "Individual Sellers"), NORHOLD INVEST AB, a corporation organized and existing under the laws of Sweden (the "Institutional Seller" and collectively with the Individual Sellers, the "Sellers"), and SYKES ENTERPRISES, INCORPORATED, a corporation organized and existing under the laws of Florida ("SEi").

### **RECITALS**

WHEREAS, Sellers own all of the issued and outstanding shares of capital stock (the "Shares") of DATASVAR SUPPORT AB, a corporation organized and existing under the laws of Sweden, Registration No. 556437- 7439 ("Datasvar"); and

WHEREAS, Sellers desire to sell the Shares to SEi, and SEi desires to purchase the Shares from Sellers, on the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual representations, warranties, covenants and agreements hereinafter set forth and for other good and valuable considerations, the receipt and sufficiency of which are hereby expressly acknowledged by Sellers and SEi, the parties hereto agree as follows:

### **ARTICLE I**

#### **DEFINITIONS**

The terms defined in this Article shall have the following respective meanings for all purposes of this Agreement:

Section 1.1. "Business" means the business conducted as of the date of this Agreement or as of the Closing Date, as the context permits or implies, by Datasvar and/or Subsidiary including, without limitation, as a third party provider of computer support services.

Section 1.2. "Business Day" means any day on which banks are open for business in New York, New York.

Section 1.3. "Closing" means the consummation and effectuation of the transactions contemplated herein pursuant to the terms and conditions of this Agreement, which shall be held on the 16th day of July 1996, at 10:00 AM in the offices of Advokatfirman Foyen & Co HB in Stockholm, Sweden or on such other date or at such other time or place as is mutually agreed by the parties hereto.

Section 1.4. "Closing Date" means the date on which the Closing actually occurs.

Section 1.5. "Conversion Rate" means the most current New York foreign exchange selling rate for the sale of Swedish krona for United States dollars (applicable to trading among banks in amounts of \$1 million or more) reported under the heading "U.S. \$ equiv." in the Exchange Rates table in the edition of the Wall Street Journal published in the United States and dated as of the Business Day next preceding the date hereof.

Section 1.6. "Customers" shall have the meaning set forth in Section 4.15.

Section 1.7. "Disclosure Schedule" means the disclosure schedule document executed by Sellers, and SEi as of the date hereof and previously delivered to such parties, without any amendment thereto subsequent to the date hereof.

Section 1.8. "Employee Benefit Plan" means any pension, retirement, profit sharing, savings, thrift, stock bonus, stock option, stock purchase, restricted stock purchase, stock ownership, stock appreciation right, phantom stock, deferred compensation, supplemental retirement, deferred bonus, severance, change of control, parachute, health, medical, dental, vision, prescription drugs, fitness, dependent care, educational assistance, group legal services, life insurance, accidental death, accidental dismemberment, sick pay, short-term or long-term disability, supplemental unemployment income, training, apprenticeship, scholarship, tuition reimbursement, employee assistance, employee discount, subsidized cafeteria, fringe benefit, vacation, holiday, employer-sponsored recreational facility, or other employee pension benefit or welfare benefit plan, policy, contract, or arrangement, or other similar fringe or employee benefit plan, program, policy, contract, or arrangement, written or oral, qualified or nonqualified, funded or unfunded, foreign or domestic.

Section 1.9. "Financial Statements" has the meaning set forth in Section 4.7.

Section 1.10. "Form 10-Q Balance Sheet" means the unaudited balance sheet dated March 31, 1996 (and any related notes thereto), found in Form 10-Q filed with the Securities and Exchange Commission for the quarterly period ended March 31, 1996, a copy of which is included as part of the SEi Filings.

Section 1.11. "Grants" means the governmental grants, subsidies and/or loans provided to or for the benefit of Datasvar and described in Section 4.25 of the Disclosure Schedule.

Section 1.12. "Interim Balance Sheet" means the unaudited balance sheet dated May 31, 1996 (and any related notes thereto), a copy of which is included as part of the Financial Statements.

Section 1.13. "Material Adverse Effect" means, with respect to any Person, a material adverse effect on the financial condition, results of operations or business prospects of such Person.

Section 1.14. "Person" means an individual, partnership, corporation, trust, unincorporated organization, association or joint venture or a government, agency, political subdivision or instrumentality thereof.

Section 1.15. "Purchase Price Shares" means a number of shares of SEi Stock equal to the result obtained by dividing (a) the product of 49,171,000 multiplied by the Conversion Rate by (b) the SEi Closing Price, rounded downward to the nearest whole share.

Section 1.16. "Related Agreements" means the agreements described in Section 6.8.

Section 1.17. "SEi Closing Price" means the average closing price of SEi Stock on the ten Business Days preceding the date hereof, as reported on NASDAQ.

Section 1.18. "SEi Filings" means SEi's Registration Statement on Form S-1 as amended, filed with the Securities and Exchange Commission on April 24, 1996, and SEi's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1996.

Section 1.19. "SEi Stock" means SEi's common stock, \$.01 par value.

Section 1.20. "SGAAP" means generally accepted accounting principles as in effect in Sweden on December 31, 1995.

Section 1.21. "Subsidiary" means Twinpoint AB, a corporation organized under the laws of Sweden and a wholly-owned subsidiary of Datasvar.

Section 1.22. "Taxes" means all taxes, assessments, and charges imposed by any federal, state, local, or foreign taxing authority, including social security, insurance and other state-sponsored pension funds and all interest, penalties and additions thereto.

Section 1.23. "US GAAP" means generally accepted accounting principles as in effect in the United States on March 31, 1996.

## **ARTICLE II**

### **PURCHASE AND SALE OF SHARES**

Upon the terms and subject to the conditions hereof, at the Closing, each of the Sellers shall sell, assign, transfer and convey to SEi and SEi shall purchase and accept from each of the Sellers, all of Sellers' right, title and interest in and to the Shares in consideration for the delivery of the Purchase Price Shares as provided in Article III below.

## **ARTICLE III**

### **DELIVERY OF PURCHASE PRICE SHARES**

Section 3.1. Delivery of Purchase Price Shares. On the Closing Date, SEi shall deliver to each of the Sellers a certificate issued in such Seller's name and evidencing a number of shares of SEi Stock equal to the Purchase Price Shares multiplied by such Seller's percentage ownership interest in Datasvar as set forth opposite the name of such Seller on Exhibit A attached hereto, rounded down to the nearest whole share.

## **ARTICLE IV**

### **REPRESENTATIONS AND WARRANTIES OF SELLERS**

Sellers hereby represent and warrant to SEi as follows, the representations and warranties in Sections 4.3 through 4.5 being made severally by the Sellers and all other representations and warranties in this Article IV being made jointly and severally by the Sellers:

Section 4.1. Corporate Organization. Each of Datasvar and Subsidiary is a corporation duly organized and validly existing under the laws of Sweden and has the full corporate right, power and authority to own, lease and operate all of its properties and assets and to carry out its business as it is presently conducted. Datasvar is duly licensed or qualified to do business in each jurisdiction in which the ownership of property or the conduct of its business requires such qualification or license. Subsidiary is a wholly owned subsidiary of Datasvar and, except as set forth in Section 4.1 of the Disclosure Schedule, conducts no business and has no employees, assets or liabilities (accrued, contingent or otherwise). Except for Subsidiary, and except as set forth in Section 4.1 of the Disclosure Schedule, there are no corporations, joint ventures, partnerships or other entities or arrangements in which Datasvar, directly or indirectly, owns any capital stock or any equity interest.

Section 4.2. Capitalization of Datasvar. The share capital of Datasvar is SEK 1 200 000, consisting of 12 000 issued and outstanding shares of voting capital stock with a nominal value of SEK 100. There is only a single class of authorized shares. All issued and outstanding shares of capital stock of Datasvar have been duly authorized and validly issued, are fully paid and nonassessable, were issued without violation of any preemptive rights and can be transferred to SEi as provided herein free of any preemptive rights. Except for this Agreement and as set forth in Section 4.2 of the Disclosure Schedule, there are no options, warrants or other rights, nor any agreements, commitments or arrangements of any kind, relating to the subscription for or the issuance, voting, acquisition, sale, repurchase, transfer or disposition of (i) any capital stock of Datasvar or securities convertible into or exchangeable for capital stock of Datasvar, or (ii) any options, warrants or subscription rights relating to any such capital stock or securities of Datasvar.

Section 4.3. Authority. Sellers have all requisite right, power and authority to execute, deliver and perform this Agreement and the Related Agreements to which Sellers are parties. Institutional Seller is a corporation duly organized, validly existing and in good standing under the laws of Sweden and has full corporate right, power and authority to own, lease and operate all of its properties and assets and to carry out its business as it is presently conducted. The execution, delivery and performance by the Institutional Seller of this Agreement and the Related Agreements to which it is a party have been duly and validly authorized and approved by all necessary action (corporate or otherwise). All authorizations, approvals and consents of, or any notices to, any person, and all filings and registrations with, and consents, approvals and authorizations of, or any notices to, any domestic or foreign governmental agency or body, necessary for the execution and delivery by the Sellers of this Agreement, and/or the sale of the Shares by the Sellers hereunder have been duly obtained, effected or given and are in full force and effect. This Agreement and the Related Agreements to which Sellers are parties have been duly and validly executed and delivered by Sellers and constitute the legal, valid and binding obligations of Sellers, enforceable against each of the Individual Sellers and the Institutional Seller in accordance with their respective terms.

Section 4.4. Ownership of Shares; Title. Each of the Sellers owns of record and beneficially the number and type of shares set forth beside such

Seller's name in Exhibit A attached hereto. Each of the Sellers has and will have, on the Closing Date, good, marketable and valid title to the Shares to be sold by Seller hereunder, free and clear of all liens, pledges, encumbrances, claims, security interests, charges, voting trusts, voting agreements, other agreements, rights, options, warrants or other restrictions of any kind, nature or description. The delivery of the certificates for the Shares by the Sellers to SEI, duly endorsed for transfer, will convey to SEI good title to the Shares free and clear of all claims, liens, encumbrances, security interests, charges or restrictions on transfer of any nature whatsoever, except as created by SEI. No Seller is involved in any proceedings by or against such Seller under any bankruptcy laws or under any other insolvency or debtor's relief act.

Section 4.5. Sellers' Consents and Approvals; No Violations. Except as set forth on Section 4.5 of the Disclosure Schedule, the execution, delivery and performance by each of the Sellers of this Agreement and the Related Agreements to which he, she or it is a party will not (with or without the giving of notice or the passage of time, or both) (i) violate any applicable provision of law or any rule or regulation of any federal, state or local administrative agency or governmental authority applicable to Sellers, or any order, writ, injunction, judgment or decree of any court, administrative agency or governmental authority applicable to Sellers, (ii) violate the Articles of Incorporation of Institutional Seller, (iii) require any consent under or constitute a default under any material agreement, indenture, mortgage, deed of trust, lease, license, or other instrument to which Sellers are party or by which any of them is bound, or any material license, permit or certificate held by any of them, (iv) require any material consent or approval by, notice to or registration with any governmental authority which is applicable to Seller or (v) result in the creation of any lien, claim, encumbrance or charge upon any of the Shares.

Section 4.6. Datasvar's Consents and Approvals; No Violations. Except as set forth on Section 4.6 of the Disclosure Schedule, the execution, delivery and performance by each of the Sellers of this Agreement and the Related Agreements to which he, she or it is a party will not (with or without the giving of notice or the passage of time, or both) (i) violate any applicable provision of law or any rule or regulation of any federal, state or local administrative agency or governmental authority applicable to Datasvar or Subsidiary, or any order, writ, injunction, judgment or decree of any court, administrative agency or governmental authority applicable to Datasvar or Subsidiary, (ii) violate the Articles of Incorporation of Datasvar or Subsidiary, (iii) require any consent under or constitute a default under any material agreement, indenture, mortgage, deed of trust, lease, license, or other instrument to which Datasvar or Subsidiary is a party or by which any of them is bound, or any material license, permit or certificate held by any of them or (iv) result in the creation of any lien, claim, encumbrance or charge upon any property or assets of Datasvar or Subsidiary.

Section 4.7. Financial Statements. Section 4.7 of the Disclosure Schedule contains (i) the audited balance sheet and the related audited income statement (including any related notes thereto) of Datasvar and Subsidiary as of and for the fiscal year ended December 31, 1995, and (ii) the Interim Balance Sheet and the related unaudited income statement for the five month period ending May 31, 1996 (including any related notes thereto) (collectively, the "Financial Statements"). Except as set forth on Section 4.7 of the Disclosure Schedule, the Financial Statements (i) are true, correct and complete in all material respects; (ii) are in accordance with the books and records of Datasvar; (iii) have been prepared in accordance with SGAAP applied on a consistent basis throughout the periods involved; and (iv) fairly present, in the case of the audited balance sheet and the Interim Balance Sheet, the consolidated financial position of Datasvar and Subsidiary as of the respective dates thereof and, in the case of the related audited and unaudited interim income statements, the consolidated results of operations and earnings, respectively, of Datasvar and Subsidiary for the respective periods indicated.

Section 4.8. Undisclosed Liabilities. Except as set forth on

Section 4.8 of the Disclosure Schedule, Datasvar and Subsidiary have no liabilities (absolute, accrued, contingent or otherwise) required by SGAAP to be reflected or reserved against in the consolidated statement of assets and liabilities of Datasvar and Subsidiary except (i) liabilities reflected or reserved against in the Interim Balance Sheet, and (ii) liabilities incurred since May 31, 1996 in the ordinary course of business, and which, in the aggregate, do not have a Material Adverse Effect.

Section 4.9. Taxes. Except as set forth in Section 4.9 of the Disclosure Schedule, each of Datasvar and Subsidiary has timely filed all material returns, declarations, reports, information returns and statements required to be filed by it (the "Returns") in respect of any Taxes and has paid all Taxes currently due and payable by any of them. Except as set forth in Section 4.9 of the Disclosure Schedule, the Returns accurately and completely reflect the facts regarding the income, properties, operations and status of any entity required to be shown thereon, no notice of any material proposed deficiency, assessment or levy in respect of Taxes has been received by Datasvar or Subsidiary, neither Datasvar nor Subsidiary is currently the subject of an audit or in receipt of a notice that it is being or will be audited by a relevant taxing authority or has agreed to any extension of time of any applicable statute of limitations period, and each of Datasvar and Subsidiary has duly withheld from each payment from which such withholding is required by law, the amount of all Taxes required to be withheld therefrom and has paid the same (to the extent due) together with the employer's share of the same, if any, to the proper tax receiving officers. Neither Datasvar nor Subsidiary has ever conducted business in the United States, has ever had any assets, employees or shareholders located or resident in the United States, or has ever made any election with the United States Internal Revenue Service regarding Taxes in the United States.

Section 4.10. Title to Properties. Except for the leasehold interests listed in Section 4.13 of the Disclosure Schedule, Datasvar and Subsidiary do not own any interest in real property. Except for and as set forth in Section 4.10 of the Disclosure Schedule, each of Datasvar and Subsidiary has good and marketable title to all the personal property and assets (tangible and intangible) reflected as owned by it on the Interim Balance Sheet or acquired since May 31, 1996 (except for properties and assets disposed of since such date in the ordinary course of business and consistent with past practice), free and clear of all liens, charges, security interests or other encumbrances of any nature whatsoever. All such assets are now in the possession of Datasvar and Subsidiary, and no other person has a right to possession or claims possession of all or any part of such assets.

Section 4.11. Absence of Changes. Except as set forth in

Section 4.11 of the Disclosure Schedule, since December 31, 1995 there has not been:

- (i) any change or changes in the business, financial condition, properties, results of operations or assets or liabilities of Datasvar and Subsidiary, or any development or event involving a prospective change, other than changes in the ordinary course of the Business and other changes which singularly or in the aggregate, have not had and will not have a Material Adverse Effect;
- (ii) any damage or destruction, loss or other casualty, however arising and whether or not covered by insurance, which, singularly or in the aggregate, have had or will have a Material Adverse Effect;
- (iii) any labor dispute or any other event or condition of any character which, singularly or in the aggregate, have had or will have a Material Adverse Effect;
- (iv) any indebtedness incurred by Datasvar or Subsidiary for borrowed money (except by endorsement for collection or for deposit of negotiable instruments received in the ordinary course of the Business), or any agreement to incur any such indebtedness;
- (v) any change in the accounting methods or material change in the practices of Datasvar or Subsidiary or any change in depreciation or amortization policies or rates theretofore adopted;
- (vi) any amendment or termination of any material contract, agreement, lease, franchise or license to which Datasvar is or was a party;
- (vii) any amendment of the Bylaws of Datasvar or Subsidiary;
- (viii) any mortgage, pledge or other encumbering of any material property or assets of Datasvar;
- (ix) any material liability or obligation incurred by Datasvar, except current liabilities incurred in the ordinary course of the Business, or any cancellation or compromise by Datasvar of any material debt or claim, or any waiver or release by Datasvar of any right of substantial value to the Business;
- (x) any sale, transfer, lease, abandonment or other disposal of any machinery, equipment or real property with a fair market value in excess of US\$25,000 or, except in the ordinary course of the Business, any sale, transfer, lease, abandonment or other disposal of any material portion of any other properties or assets of Datasvar (real, personal or mixed, tangible or intangible).
- (xi) any transfer, disposal or grant of any rights under any patent, trademark, trade name, copyright, copyright registration, service mark, invention or license owned by Datasvar, or any disposal of or disclosure to any Person other than representatives of SEi of any material trade secret, formula, process or know-how owned by Datasvar not theretofore a matter of public knowledge; except, in each case, in the ordinary course of the Business;
- (xii) any agreement by Datasvar to an increase in the compensation of its officers, employees or directors; or any agreement by Datasvar entered into with any officer, employee or director; except, in each case, in the ordinary course of the Business and consistent with past practice;
- (xiii) any single capital expenditure made, or any commitment to make any capital expenditure, in excess of US\$25,000 for any tangible or intangible capital assets, additions or improvements, except in the ordinary course of the Business;
- (xiv) any declaration, payment or reservation for payment of any dividend or other distribution in respect of the capital stock or other securities of Datasvar or Subsidiary, or any redemption, purchase or other acquisition, directly or indirectly, of any shares of capital stock or other securities of Datasvar or Subsidiary;
- (xv) except in the ordinary course of the Business and consistent with past practice, any grant or extension of any power-of-attorney or guaranty in respect of the obligation of any Person; or
- (xvi) any entry by Datasvar or Subsidiary into any binding agreement, whether in writing or otherwise, to take any action described in this Section 4.11.

Section 4.12. Patents, Trademarks, Trade Names. Section 4.12 of the Disclosure Schedule lists and indicates the ownership of all material patents and patent applications owned by Datasvar and Subsidiary and all material copyrights, copyright registration, trademarks, trade names, and service marks for which registrations have been obtained or applications therefor filed for Datasvar or Subsidiary (collectively, the "Intangible Property"). Except as set forth in Section 4.12 of the Disclosure Schedule, (i) no Person other than Datasvar or Subsidiary has the right to use any of the Intangible Property, and Datasvar and Subsidiary have all right, title and interest to all Intangible Property, without any conflict known to Sellers with the rights of others, and (ii) documentation for the continuance of registration and applications for registration has been timely filed with the appropriate authorities for the patents, trademarks, trade names, and service marks included in the Intangible Property. Except as set forth in Section 4.12 of the Disclosure Schedule, Sellers, Datasvar and Subsidiary have not received any written notice that (a) any operation of Datasvar or Subsidiary infringes on the asserted rights of others or requires payment for the use of or infringes or otherwise interferes with any patent, trade name, trademark, or service mark of another, or any such right which might be so infringed has been applied for by another, or (b) any of the Intangible Property has been legally declared invalid or is the subject of a pending or threatened action

for opposition or cancellation or a declaration of invalidity, or is infringed by the activities of another. Datasvar owns or has obtained, from a Person not an affiliate of Datasvar or Subsidiary, the right to use all of the intellectual property which it is presently using in the Business.

Section 4.13. Leases. Section 4.13 of the Disclosure Schedule contains an accurate and complete list of all leases pursuant to which Datasvar leases real or personal property. Except as set forth in Section 4.13 of the Disclosure Schedule, all such leases are in full force and effect and are valid, binding and enforceable in accordance with their terms; there are no existing defaults or events which, with the giving of notice or the lapse of time or both, would constitute a default thereunder by Datasvar or, to the best knowledge of the Sellers, any other parties thereto.

Section 4.14. Bank Accounts; Investments.

(a) Section 4.14 (a) of the Disclosure Schedule sets forth the names and locations of all banks, trust companies, savings and loan associations and other financial institutions at which Datasvar or Subsidiary maintains safe deposit boxes or accounts of any nature and the names (and limits, if any.) of all persons authorized to draw thereon, make withdrawals therefrom or have access thereto.

(b) Section 4.14 (b) of the Disclosure Schedule sets forth a description of all funds, securities and other instruments in which Datasvar excess cash was invested as of May 31, 1996 (including interest rates, etc.). (the "Investments"). All such Investments are investment grade and can be liquidated within one business day without being discounted.

Section 4.15. Material Contracts and Customers.

(a) Section 4.15 of the Disclosure Schedule contains a true and correct list of all material contracts, agreements or other understandings or arrangements, written or oral, or commitments therefor, relating to Datasvar, Subsidiary, the Business or the assets or liabilities of either of them (collectively, the "Contracts"). Except as set forth in Section 4.15 of the Disclosure Schedule, neither Datasvar nor Subsidiary is party to, or otherwise bound by, any material written or oral, formal or informal:

(i) purchase orders and other contracts for the sale of goods or services in excess of US\$25,000;

(ii) contracts, agreements or commitments for the purchase of materials or services which are not required by Datasvar or Subsidiary in the current operation of the Business in the ordinary course, or any agreements or commitments for the sale of goods or services which are inadequate to recover current costs of Datasvar or Subsidiary;

(iii) contracts involving the expenditure of more than US\$25,000 in any instance for the purchase of material, supplies, equipment or services;

(iv) contracts involving the expenditure of more than US\$25,000 which are not cancelable within thirty (30) days;

(v) contracts relating to the leasing (as lessor or lessee) or the conditional purchase or sale by Datasvar or Subsidiary of any property, whether real, personal or mixed;

(vi) contracts to which Datasvar or Subsidiary is a party or by which any of its assets are bound that require consent by any other Person in connection with the transaction contemplated hereby, either to prevent a breach or continue the effectiveness thereof;

(vii) contracts or arrangements with any governmental body, agency or authority;

(viii) indentures, mortgages, promissory notes, loan agreements, capital leases, security agreements or other agreements or commitments for the borrowing of money, or the deferred purchase price of assets, or which create a lien or encumbrance on any assets of Datasvar or Subsidiary;

(ix) guarantees of the obligations of third parties or agreements to indemnify third parties (other than indemnification provisions provided in the ordinary course to or for the benefit of Datasvar's customers);

(x) agreements which restrict Datasvar or Subsidiary from doing business in any geographic location;

(xi) policies of insurance in force and effect with respect to Datasvar, Subsidiary, the Business or their assets;

(xii) contracts or agreements with any of the Sellers or their affiliates;

(xiii) license agreements (as licensee or licensor) with third parties;

(xiv) employment or consulting agreements;

(xv) distributor, dealer, sales, advertising, agency, manufacturer's representative, franchise or similar contracts or any contract relating to the payment of a commission;

(xvi) collective bargaining or other agreements with labor unions; or

(xvii) other Contracts outside the ordinary course of the Business not otherwise described in this Subsection.

(b) True and complete copies of each of the Contracts have been made available to SEi by Sellers. Except as set forth on Section 4.15 of the Disclosure Schedule, each of the Contracts is in full force and effect and there exists no default or event which, with the giving of notice or lapse of time or both, would constitute a default thereunder by Datasvar or Subsidiary, or to the best knowledge of the Sellers, by any other party thereto. Except as set forth in Section 4.15 of the Disclosure Schedule, no written notice of termination or nonrenewal has been given under any Contract. The dollar amounts set forth in this Section 4.15 with respect to the Contracts shall not be deemed to represent any standard of "materiality" with respect to the Contracts or otherwise for any other purpose and shall have no application to any other Section of this Agreement.

(c) Section 4.15 of the Disclosure Schedule identifies the name and location of the five (5) largest customers (the "Customers") and the five (5) largest suppliers, in each case measured by volume of Swedish krona generated or paid, of the Business as of May 31, 1996. The relationship of Datasvar with the Customers is good, and Sellers are not aware of any intention of any such Customers or suppliers to terminate or modify any of such relationships. Datasvar is not generally required to provide bonding or any other security arrangements in connection with any transactions with its customers or suppliers.

#### Section 4.16. Related Transactions.

(a) Except as set forth in Section 4.16 of the Disclosure Schedule, neither Datasvar nor Subsidiary has any contractual relationship with, or any obligation or liability owed to, Sellers. All such contractual relationships are on terms that are no less favourable to Datasvar or Subsidiary than would be the case with a non affiliated party.

(b) Except as set forth in Section 4.16 of the Disclosure Schedule, neither the Sellers nor any director or officer of Datasvar or Subsidiary has any material interests, direct or indirect, in any Person which (i) is a material competitor, customer, subcontractor or supplier of Datasvar or Subsidiary, or (ii) has an existing material relationship with, or a material interest in, Datasvar or Subsidiary, including but not limited to lessors of real or personal property and Persons against which rights or options are exercisable by Datasvar or Subsidiary.

Section 4.17. Insurance. Section 4.17 of the Disclosure Schedule contains an accurate and complete list of all policies of insurance presently maintained with respect to Datasvar and Subsidiary, including, without limitation, "key man" insurance with respect to any employee. Such list includes a description of coverage, the amount of coverage and the name of the insurer or an indication that Datasvar or Subsidiary has self-insured any particular aspect of the Business. All such policies are in full force and effect and no notice of cancellation or termination has been received with respect to any such policy and there is, and has been, no material default by Datasvar or Subsidiary with respect to its obligations under any such policy. Except as set forth in Section 4.17 of the Disclosure Schedule, Sellers, Datasvar and Subsidiary have not received during the past two (2) years any written notice or other written communication from any insurance company declining to write insurance with respect to the Business, or canceling or materially amending any of Datasvar's or Subsidiary's insurance policies or proposing to do so.

#### Section 4.18. Labor Matters.

(a) Except to the extent set forth in Section 4.18(a) of the Disclosure Schedule and except where it would not have a Material Adverse Effect, (a) there is no unfair labor practice charge or complaint against Datasvar or Subsidiary pending before or any labor grievance board, authority or tribunal, nor, to the best knowledge of Sellers and management of Datasvar and Subsidiary, has any such charge or complaint been threatened against Datasvar or Subsidiary; (b) there is no labor strike, dispute, slowdown, or stoppage pending against or affecting Datasvar or Subsidiary; and (c) there are no other controversies pending between Datasvar or Subsidiary and any of its employees, including, without limitation, claims arising under any labor laws, which controversies have had or may have a Material Adverse Effect.

(b) Section 4.18(b) of the Disclosure Schedule sets forth the names of all employees, consultants, officers and directors of Datasvar and Subsidiary, including length of employment, date of birth, compensation level and other terms of employment (including identification of any collective bargaining agreement governing such terms). Sellers have delivered to SEi copies of its model agreement as well as copies of all employment agreements to which Datasvar or Subsidiary is a party with any of its employees, the terms of which vary from those of the Model Agreement.

#### Section 4.19. Employee Benefit Plans.

(a) Set forth in Section 4.19 of the Disclosure Schedule is an accurate and complete list of each material Employee Benefit Plan maintained or contributed to by Datasvar or Subsidiary.

(b) Except as set forth in Section 4.19 of the Disclosure Schedule, to the extent material, all amounts that Datasvar and Subsidiary are required to have contributed to any Employee Benefit Plan have been contributed within the time prescribed by applicable law and all benefits, expenses, and other amounts due and payable and all transfers or payments required to be made with respect to any Employee Benefit Plan have been paid within the time prescribed by the applicable documents and governing law.

(c) Except as set forth in Section 4.19 of the Disclosure Schedule, there are no material claims (other than routine claims for benefits) or lawsuits pending with respect to any Employee Benefit Plan.

(d) Except as set forth in Section 4.19 of the Disclosure Schedule, Sellers have previously delivered or made available to SEi true and complete copies of the plan documents for each Employee Benefit Plan identified in Section 4.19 of the Disclosure Schedule.

Section 4.20. Litigation. Except as set forth in Section 4.20 of the Disclosure Schedule, there are no material claims, actions, suits, or proceedings pending or, to the best knowledge of Sellers, threatened, against Datasvar or Subsidiary relating to this Agreement or the transactions contemplated hereby or to the business or property of Datasvar or Subsidiary, at law or in equity or before or by any federal, state, local, or foreign court or other governmental department, commission, board, agency, instrumentality or authority, nor any arbitration proceeding, in each case including, without limitation, any claims relating to environmental matters. Neither Datasvar nor Subsidiary is subject to any adverse judgment, order, writ, injunction or decree of any court or governmental body.

Section 4.21. Compliance with Laws. Except as set forth in Section 4.21 of the Disclosure Schedule, Datasvar and Subsidiary have conducted the Business so as to comply with, and are not in violation of, nor have they received any written notice claiming they are in violation of any order, law, ordinance, statute, rule or regulation applicable to it, or to the Business or any of the property or assets of Datasvar and Subsidiary, including, without limitations, any environmental or worker safety and protection laws and regulations, except to the extent that such non-compliance would not have a Material Adverse Effect. Datasvar and Subsidiary have all material licenses, permits, certificates of occupancy and authorizations necessary to conduct the Business.

Section 4.22. Books and Records. The books, accounts and records of Datasvar and Subsidiary (i) are located at Datasvar's headquarter at Vasagatan 36, Stockholm Sweden, (ii) are correct and complete in all material respects, (iii) have been maintained in accordance with good business practice and (iv) constitute all the books, accounts and records necessary to carry on the Business in the manner in which it is currently being conducted and has over the preceding twelve (12) months been carried on. Copies of the Articles of Incorporation and all amendments thereto and of the minutes of all shareholder and director meetings of Datasvar and Subsidiary hereto delivered by Sellers to SEi, are complete and correct.

Section 4.23. Disclosures. None of the representations or warranties by Sellers herein and no statement contained in any certificate, Schedule or other writing furnished by Sellers to SEi in connection herewith contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained herein or therein not misleading.

Section 4.24. Adequacy of Assets. Except as set forth in Section 4.24 of the Disclosure Schedule, the assets of Datasvar and the facilities, assets and services to which Datasvar has a contractual right of use include all rights, properties, assets, facilities and services necessary for the carrying on of the Business in a manner in which it is currently being and has over the immediately preceding twelve (12) months been carried on, and Datasvar does not depend in any material respect upon the use of assets owned by, or facilities or services provided by, Sellers or any affiliate of Sellers.

Section 4.25. Governmental Grants. Section 4.25 of the Disclosure Schedule sets forth a true, correct and complete description of all Grants received by Datasvar during the past five years, including, with respect to the employment development and relocation Grants, (i) all amounts paid to Datasvar to date, (ii) all amounts to be received by Datasvar during the next five years, and (iii) all conditions to the receipt of payments by Datasvar with respect to such Grants. The consummation of the transactions contemplated hereby will not affect Datasvar's right to retain the Grants on a going forward basis. Except as set forth in Section 4.25 of the Disclosure Schedule, Sellers are not aware of any facts or circumstances that could, directly or indirectly, (i) cause or contribute to the failure of Datasvar to remain eligible to receive the Grants, (ii) cause or contribute to the revocation of any of the Grants, (iii) cause or contribute to an obligation by Datasvar to repay any Grants or (iv) otherwise cause or contribute to the failure of Datasvar to receive the full amounts of the Grants.

Section 4.26. Accounts Receivable. Section 4.26 of the Disclosure Schedule sets forth a true and correct in all material respects list and aging of all unpaid accounts receivable owing to Datasvar as of May 31, 1996. The accounts receivable of Datasvar, including, without limitation, those reflected in Section 4.26 of the Disclosure Schedule, constitute or will constitute as of the respective dates thereof, legal, valid, binding and enforceable claims arising from bona fide transactions in the ordinary course of the Business and, except to the extent reserved against on the Interim Balance Sheet, are or will be as of the respective dates thereof collectible in the ordinary course of the Business and are not subject to any known counterclaims or set-offs. The reserves for doubtful accounts and allowances with respect to the accounts receivables generated after May 31, 1996 and prior to the Closing will be established on the basis of evaluation of specific accounts and age classifications in accordance with SGAAP.

Section 4.27. Brokers and Finders. No agent, broker, investment banker, person or firm acting on behalf of Datasvar, Subsidiary, the Sellers or any firm or entity affiliated with any of them is or will be entitled to any brokers' or finders' fee or any other commission or similar fee directly or indirectly from any of the parties hereto in connection with the transactions contemplated hereby.

Section 4.28. Investment Intent; Information Disclosures.

(a) Each of the Sellers acknowledge that the SEi Stock to be received by such Seller will be acquired for such Seller's own account and without any view to the distribution of any part thereof without registration under applicable federal and state securities laws. Each Seller represents that such Seller does not have any agreements or arrangements to sell, transfer or grant participations with respect to the Purchase Price Shares.



(b) Each Seller understands that the SEi Stock constituting the Purchase Price Shares are not registered under the United States federal or state securities laws on the ground that the transactions contemplated hereby are exempt from registration under the Securities Act of 1933 (the "1933 Act") pursuant to Section 4(2) thereof, and that SEi's and SEi's reliance on such exemption is predicated on each Seller's representations set forth herein.

(c) Each Seller represents that such Seller has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Purchase Price Shares, and has the ability to bear the economic risks of such investment. Each Seller further represents that such Seller has had

(i) access, prior to the Closing Date, to the SEi Filings (ii) the opportunity to ask questions of, and receive answers from, SEi concerning SEi and the Purchase Price Shares and (iii) the opportunity to obtain additional information (to the extent SEi possessed such information or could acquire it without unreasonable expense) necessary to verify the accuracy of any information received or to which such Seller had access.

(d) Each Seller understands and agrees that the Purchase Price Shares may not be sold, transferred or otherwise disposed of without registration under the 1933 Act and applicable state laws, unless exemptions from registration requirements are available, and that in the absence of an effective registration statement covering the Purchase Price Shares or an available exemption from applicable registration requirements, the Purchase Price Shares must be held indefinitely. In particular, the Purchase Price Shares may not be sold pursuant to Rule 144 promulgated under the 1933 Act unless all of the conditions of such rule are met.

(e) Each Seller agrees that such Seller will not offer, sell, mortgage, pledge or otherwise dispose of any of the Purchase Price Shares (other than pursuant to an effective registration statement under the 1933 Act) unless and until such Seller delivers an opinion of counsel satisfactory to SEi that registration under applicable federal or state securities laws is not required.

(f) Each Seller agrees that all certificates for Purchase Price Shares shall bear the following legend:

These securities have not been registered, qualified, recommended, approved or disapproved under United States federal securities law or state securities laws. The shares represented by this certificate may not be sold, transferred or otherwise disposed of by an investor without (i) registration under federal and state securities laws, or (ii) delivery of an opinion of counsel satisfactory to the corporation that neither the sale nor the proposed transfer constitutes a violation of any United States federal or state securities law.

## **ARTICLE V**

### **REPRESENTATIONS AND WARRANTIES OF SEI**

SEi hereby represents and warrants to Sellers as follows:

**Section 5.1. Corporate Organization.** SEi is a corporation duly organized, validly existing and in good standing under the laws of the Florida and has the full corporate right, power and authority to own, lease and operate all of its properties and assets and to carry out its business as it is presently conducted.

**Section 5.2. Capitalization of SEi.** All issued and outstanding shares of SEi Stock have been, and upon issuance the Purchase Price Shares, will be duly authorized and validly issued, fully paid and nonassessable. The issuance of the Purchase Price Shares is not subject to any preemptive right or right of first refusal that has not or will not be satisfied or waived.

**Section 5.3. Authority.** SEi has all requisite corporate right, power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement and the Related Agreements by SEi have been duly and validly authorized and approved by all necessary corporate action. All authorizations, approvals and consents of, or any notices to, any person, and all filings and registrations with, and consents, approvals and authorizations of, or any notices to, any domestic or foreign governmental agency or body, necessary for the execution and delivery by SEi of this Agreement, and/or the purchase of the Shares by SEi hereunder have been duly obtained, effected or given and are in full force and effect. This Agreement and the Related Agreements to which SEi is party have been duly and validly executed and delivered by SEi and constitute the legal, valid and binding obligations of SEi, enforceable against SEi in accordance with their respective terms. This Agreement has been duly and validly executed and delivered by SEi and, assuming this Agreement has been duly authorized, executed and delivered by Sellers, constitutes the legal, valid and binding obligation of SEi enforceable against it in accordance with its terms.

**Section 5.4. SEi's Consents and Approvals; No Violations.** Except as set forth in Section 5.4 of the Disclosure Schedule, the execution, delivery and performance of this Agreement by SEi will not (with or without the giving of notice or the passage of time, or both),

(i) violate any applicable provision of law or any rule or regulation of any administrative agency or governmental authority applicable to SEi, or any order, writ, injunction, judgment or decree of any court, administrative agency or governmental authority applicable to SEi, (ii) violate the Articles of Incorporation or Bylaws of SEi, (iii) require any consent under or constitute a default under any material agreement, indenture, mortgage, deed of trust, lease, license, or other instrument to which SEi is a party or by which SEi is bound, or any material license, permit or certificate held by SEi (other than any consents which will have been obtained on or prior to the Closing Date), or (iv) require any material consent or approval by, notice to or registration with any governmental authority.

**Section 5.5. Litigation.** Except as set forth in Section 5.5 of the Disclosure Schedule, there are no claims, actions, suits, or proceedings pending

or, to the best knowledge of SEi, threatened, against SEi relating to this Agreement or the transactions contemplated hereby or to the business or property of SEi, at law or in equity or before or by any federal, state, local, or foreign court or other governmental department, commission, board, agency, instrumentality or authority, or any arbitration proceeding, in each case which are likely to have a Material Adverse Effect. SEi is not subject to any judgment, order, writ, injunction or decree of any court or governmental body.

Section 5.6. Brokers and Finders. No agent, broker, investment banker, Person or firm acting on behalf of SEi or any entity affiliated with SEi is or will be entitled to any brokers' or finders' fee or any other commission or similar fee directly or indirectly from any of the parties hereto in connection with the transactions contemplated hereby.

Section 5.7. SEi Information. SEi has delivered to Sellers true and complete copies of the SEi Filings. SEi will deliver to Sellers true and complete copies of any and all other documents filed by SEi with the United States Securities and Exchange Commission (the "SEC") on or prior to the Closing Date (other than exhibits, which SEi will make available upon request). At the date hereof, the SEi Filings, taken as a whole, do not contain any untrue statement of a material fact or omit any material fact necessary to make the statements contained herein, in light of the circumstances in which they were made, not misleading. At the date of filing with the SEC of any such other filed document and at the Closing Date, such document, taken as a whole and considered in the context of other SEi Filings, will not contain any untrue statement of a material fact or omit any material fact necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading.

Section 5.8 No Material Adverse Change. Since March 31, 1996, there has been no material adverse change, nor any development or event involving a prospective material adverse change in the business, financial conditions or results of operations of SEi and its subsidiaries, taken as a whole.

Section 5.9. Undisclosed Liabilities. Except as set forth on Section 5.9 of the Disclosure Schedule, SEi has no liabilities (absolute, accrued, contingent or otherwise) required by US GAAP to be reflected or reserved against in the consolidated statement of assets and liabilities of SEi except (i) liabilities reflected or reserved against in the Form 10-Q Balance Sheet, and (ii) liabilities incurred since March 31, 1996 in the ordinary course of business, and which, in the aggregate, do not have a Material Adverse Effect.

Section 5.10. Compliance with Laws. Except as set forth in Section 5.10 of the Disclosure Schedule, SEi has conducted its business so as to comply with, and are not in violation of, nor have they received any written notice claiming they are in violation of, any order, law, ordinance, statute, rule or regulation applicable to it, or to its business or any of the property or assets of SEi, including, without limitations, any environmental or worker safety and protection laws and regulations, except to the extent that such non-compliance would not have a Material Adverse Effect. SEi has all material licenses, permits, certificates of occupancy and authorizations necessary to conduct its business.

## ARTICLE VI

### FURTHER COVENANTS AND AGREEMENTS

Section 6.1. Covenants of Sellers Pending the Closing. Sellers covenant and agree that, pending the Closing and prior to the termination of this Agreement, and except as otherwise agreed to in writing by SEi, Sellers shall or, as appropriate shall cause Datasvar to:

- (a) conduct the Business solely in the ordinary course and consistent with the past practices of Datasvar;
- (b) not take or intentionally omit to take any action which would result in a breach of any of Sellers' representations and warranties hereunder in any material respect;
- (c) continue to maintain and service the physical assets used by Datasvar in the conduct of the Business consistent with past practices;
- (d) use its and their reasonable efforts to preserve the businesses and organization of Datasvar, to keep available the services of Datasvar's present employees and agents and to maintain the relations and goodwill with the suppliers, customers (including the Customers), distributors and any others having business relations with Datasvar in connection with the Business;
- (e) use its and their reasonable efforts to cause all of the conditions to the obligations of SEi under this Agreement to be satisfied on or prior to the Closing Date and to obtain, prior to the Closing, all consents of all third parties and governmental authorities necessary for the consummation by Sellers, Datasvar and Subsidiary of the transactions contemplated hereby. All such consents will be in writing and executed counterparts will be delivered to SEi at or prior to the Closing.
- (f) cooperate with SEi in SEi's making arrangements to obtain licenses, permits and certificates required to conduct the Business or own the Shares at Closing;
- (g) provide SEi's officers, employees, counsel, accountants and other representatives with full access to, during normal business hours, all of the books and records of Datasvar and Subsidiary, make available to representatives of SEi, knowledgeable employees of Datasvar for

reasonable periods of time to answer inquiries of such representatives with respect to SEi's investigation of Datasvar and Subsidiary and permit such representatives of SEi to consult with the officers, employees, accountants and counsel of Sellers; provided that no such activities unreasonably interfere with the operation of the Business;

(h) not grant to any Person a power of attorney or similar authority to act for Datasvar or Subsidiary;

(i) not enter into any guarantee of the obligations of any Person to the extent such guarantee shall survive the Closing;

(j) not amend the Articles of Incorporation of Datasvar or Subsidiary;

(k) make no change in the amount of issued capital stock of Datasvar or Subsidiary or issue or create any option, warrant or any other security of Datasvar or Subsidiary;

(l) not increase the compensation payable or to become payable to any officer, employee or agent of Datasvar other than in the ordinary course of the Business, nor make any bonus payment or arrangement to or with any officer, employee or agent of Datasvar other than in the ordinary course of the Business;

(m) not sell, transfer, lease, abandon or otherwise dispose of (or commit to do so) any fixed assets; and

(n) not enter into any contract or commitment calling for payment to or by Datasvar or Subsidiary of an aggregate amount of more than US\$10,000, which is not terminable by Datasvar or Subsidiary on less than thirty (30) days' notice without penalty.

Section 6.2. Covenants of SEi Pending the Closing. SEi covenants and agrees that, pending the Closing and prior to the termination of this Agreement, and except as otherwise agreed to in writing by Sellers:

(a) SEi shall not take or intentionally omit to take any action which would result in a breach of any of SEi's representations and warranties hereunder in any material respect.

(b) SEi shall use its reasonable efforts to cause all of the conditions to the obligations of Sellers under this Agreement to be satisfied on or prior to the Closing Date and to obtain prior to the Closing, all consents of all third parties and governmental authorities necessary for the consummation by SEi of the transactions contemplated hereby. All such consents will be in writing and executed counterparts thereof will be delivered to Sellers at or prior to the Closing.

(c) SEi shall promptly disclose to Sellers any information relating to SEi's representations and warranties hereunder which, because of an event occurring after the date hereof, is incomplete or is no longer correct in any material respect.

Section 6.3. Filings. Promptly after the execution of this Agreement, each of the parties hereto shall prepare and make or cause to be made any required filings, submissions and notifications under the laws of any domestic or foreign jurisdictions to the extent that such filings are necessary to consummate the transactions contemplated hereby and will use its reasonable efforts to take all other actions necessary to consummate the transactions contemplated hereby in a manner consistent with applicable law. Each of the parties hereto will furnish to the other party such necessary information and reasonable assistance as such other party may reasonably request in connection with the foregoing.

Section 6.4. Effective Time of Closing and Transfer. The Closing shall be effective for all purposes as of the close of business on the Closing Date.

Section 6.5. Announcements. Except as expressly contemplated by this Agreement, the parties will mutually agree as to the time, form and content before issuing any press releases or otherwise making any public statements or statements to third parties with respect to transactions contemplated hereby and shall not issue any press release or, except as necessary to perform their respective obligations hereunder, discuss the transactions contemplated hereby with any third party prior to reaching mutual agreement with respect thereto, except as may be required by law. Notwithstanding the foregoing, in the event prior to the Closing any party hereto is required by law or the rules of any stock exchange on which such party's securities are traded to make a statement with respect to the transactions contemplated herein, such party shall notify in writing the other party hereto as to the time, form and content of such statement.

Section 6.6. Costs and Expenses. Whether or not the transactions contemplated by this Agreement are consummated, each party hereto shall pay its own costs and expenses (including legal fees and expenses) incurred in connection with due diligence reviews, the preparation, negotiation and execution of this Agreement and all other agreements, certificates, instruments and documents delivered hereunder, and all other matters relating to the transactions contemplated hereby. All Swedish transfer and intangible taxes, if any, in connection with the sale and delivery of the Shares hereunder shall be paid by Seller. All transfer and intangible taxes, if any, in connection with the sale and delivery of the Purchase Price Shares hereunder shall be paid by SEi.

Section 6.7. Further Assurances. Subject to the terms and conditions herein provided, each of the parties hereto agrees to use its reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement. If at any time after the Closing Date any

further action is necessary or desirable to carry out the purposes of this Agreement, the parties hereto shall take or cause to be taken all necessary action, including, without limitation, the execution and delivery of such further instruments and documents as may be reasonably requested by the other party for such purposes or otherwise to consummate and give effect to the transactions contemplated hereby. If any consent or approval required for the consummation of the transactions contemplated hereby is not obtained prior to Closing, Sellers shall cooperate with SEi, and attempt in good faith, to obtain such consent or approval during the one year period immediately following the Closing.

Section 6.8. Certain Agreements. On or before the Closing Date the undersigned will execute, the following agreements to which they are party, to be effective upon the Closing:

- (a) A Registration Rights and Stockholders Agreement between SEi and Sellers in the form of Exhibit B attached hereto.
- (b) An Employment Agreement between Datasvar and Johan Holm in the form of Exhibit C attached hereto.
- (c) An Employment Agreement between Datasvar and Arne Weinz in the form of Exhibit D attached hereto.
- (d) A Non-competition Agreement between SEi and Institutional Seller in the form of Exhibit E attached hereto.

Section 6.9. Non-Disclosure; Covenant Not to Compete.

- (a) The parties hereto acknowledge that (i) the covenants contained in this Section 6.9 are a material inducement of the consummation by SEi of the transactions contemplated by this Agreement and (ii) SEi would not have entered into or performed this Agreement but for the covenants herein contained.

(b) Each of the Sellers (other than Institutional Seller) agrees that, unless acting with the prior consent of SEi, it will not, either alone or in conjunction with any other Person, or directly or indirectly through any entity that it now or in the future controls, for a period of three years from the Closing Date: (i) employ or solicit the employment of any Person who within the month preceding the Closing Date had been an employee of Datasvar or Subsidiary; (ii) directly or indirectly engage or participate, whether as officer, employee, director, agent, consultant, shareholder, partner, or otherwise, in the ownership, management, marketing or operation of Business within Sweden (other than through the ownership of five percent (5%) or less of the equity securities or equivalent interests of any entity whose shares are traded on any nationally recognized securities exchange); or (iii) conduct any business that is similar to any part of the Business with any Person that is a Customer of Datasvar or Subsidiary as of the Closing Date.

(c) It is stipulated and agreed that the Sellers have become acquainted with confidential and privileged information of Datasvar relating to customer files, customer lists, special customer matters, sales methods and techniques, merchandising concepts and plans, new site locations, business plans, sources of supply and vendors, special business relationships with vendors, agents and brokers, promotional materials and information, financial matters, mergers, acquisitions, selective personnel matters and confidential processes, designs, formulas, ideas, plans, devices or materials and other similar matters which are confidential (any and all such information being referred to herein as the Confidential Information); and that the use of the Confidential Information against Datasvar would seriously damage the Business. As a consequence of the above, each of the Sellers agrees that, unless acting with the prior written consent of SEi, such Seller shall, whether acting alone, in conjunction with any other Person, or directly or indirectly through any entity that such Seller now or in the future controls: not use, divulge, publish or otherwise reveal or allow to be revealed any aspect of the Confidential Information to any Person; refrain from any action or conduct which might reasonably or foreseeably be expected to compromise the confidentiality or proprietary nature of the Confidential Information; and have no right to apply for or to obtain any patent, copyright, or other form of intellectual property protection with regard to the Confidential Information.

(d) The parties hereto acknowledge and agree that any remedy at law for any breach of the provisions of this Section 6.9 would be inadequate and Sellers hereby consent to the granting by any court of competent jurisdiction of an injunction or other suitable relief and without the posting of any bond or the necessity of actual monetary loss being proved, in order that such breach may be effectively restrained.

Section 6.10. Pooling of interests. Sellers hereby acknowledge and agree that SEi intends to treat the acquisition of the Shares as "pooling of interests" for financial accounting purposes as permitted under Accounting Principles Board (APB) Opinion No 16; Sellers, Datasvar and Subsidiary have not taken, and Sellers shall not, and shall not permit Datasvar or Subsidiary to take, any action that (without giving effect to this Agreement, the transactions contemplated hereby, or actions relating thereto, or any action taken or agreed to be taken by SEi) would prevent SEi from accounting for the acquisition of the Shares as a "pooling of interests" including without limitation, (i) transferring shares of Datasvar's capital stock during the thirty (30) days prior to the Closing Date and (ii) selling, assigning or transferring, or agreeing or allowing to be created any rights or obligation for the sale, assignment or transfer of, any of the Purchase Price Shares before at least thirty days of combined operations of SEi and Datasvar have elapsed and the financial statements reflecting such operations have been prepared and published within the meaning of Section 201.01 of the SEC's Codification of Financial Reporting Policies, provided, however that nothing shall prevent Sellers from exercising their right, subject to the restrictions set forth in Section 4.28 and in the Registration Rights and Stockholders Agreement attached hereto as Exhibit B, to sell, assign or transfer the Purchase Price Shares. Except as disclosed in Section 6.10 of the Disclosure Schedule, none of the Sellers is a party to any contract, document, instrument or any written or oral agreement regarding the sale, assignment or transfer of, or has allowed to be created any rights or obligations for the sale, assignment or transfer of, or has explicitly or implicitly agreed to sell, assign or transfer any of the Shares held by any of the Sellers to any other Seller or any affiliate or family member of any other Seller. Except as disclosed in Section 6.10 of the Disclosure Schedule, Datasvar has not engaged in any transactions with respect to

its treasury shares during the two year period ending as of the Closing Date.

Section 6.11. Assumption of Nutek Guarantee. SEi agrees to assume the obligations of Individual Sellers under their guarantee of Datasvar's obligations to Nutek, up to a maximum of SEK 300,000, and to use its best efforts to obtain the release of Individual Sellers from such obligations at or as soon as possible following the Closing Date. Not later than the first anniversary of the Closing Date, SEi will assume the obligations of Institutional Seller under its guarantee to Nutek, up to a maximum of SEK 150,00, and will use its best efforts to obtain the release of Institutional Seller as of such date. Prior to such date, Institutional Seller agrees to maintain its guarantee with Nutek in support of Datasvar's obligations to Nutek.

## **ARTICLE VII**

### **TERMINATION**

Section 7.1. Termination. This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written agreement executed by Sellers and SEi;
- (b) by Sellers or SEi at any time after July 31, 1996 if, through no fault of the party seeking termination, the Closing shall not have occurred;
- (c) by Sellers or SEi, if any governmental or regulatory authority, agency or commission, including courts of competent jurisdiction, domestic or foreign, shall have issued an order, decree, or ruling or taken other action, restraining, enjoining or otherwise prohibiting the transactions contemplated hereby and such order, decree, ruling or other action shall have become final and nonappealable;
- (d) by SEi, if there has been a material violation or breach by Sellers of any agreement or any representation or warranty contained in this Agreement which (i) is not curable, (ii) has rendered the satisfaction of any condition to the obligations of SEi impossible, and (iii) has not been waived by SEi; or
- (e) by Sellers, if there has been a material violation or breach by SEi or SEi of any agreement, representation or warranty contained in this Agreement which (i) is not curable, (ii) has rendered the satisfaction of any condition to the obligations of Sellers impossible, and (iii) has not been waived by Sellers.

Section 7.2. Procedure and Effect of Termination. In the event of termination of this Agreement pursuant to Section 7.1 hereof, written notice thereof shall forthwith be given to the other parties hereto and this Agreement (other than Section 6.6 hereof and as provided in paragraph (b) below) shall terminate and the transactions contemplated hereby shall be abandoned without further action by the parties hereto. If this Agreement is terminated as provided herein:

- (a) all information with respect to the Business, Datasvar or Subsidiary received by and in the possession of SEi or any Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with SEi shall be returned to Sellers or destroyed by SEi;
- (b) any termination pursuant to subparagraph (b), (c), (d), or (e) of Section 7.1 shall not be deemed a waiver of any rights or remedies otherwise available under this Agreement, by operation of law or otherwise; and
- (c) all filings, applications and other submissions made pursuant to Section 6.3 hereof or prior to the execution of this Agreement in contemplation thereof shall, to the extent practicable, be withdrawn from the agency or other Person to which made.

## **ARTICLE VIII**

### **CONDITIONS TO SEI'S OBLIGATIONS**

Each and every obligation of SEi to consummate the transactions described in this Agreement shall be subject to the fulfillment, on or before the Closing Date, of the following conditions precedent:

Section 8.1 Sellers' Closing Deliveries. Sellers shall have delivered, or caused to be delivered, to SEi at or prior to the Closing, unless specifically waived by Sellers in their sole discretion, each of the following:

- (i) certificate(s) representing the Shares, duly endorsed in blank, or accompanied by a duly endorsed stock transfer power;
- (ii) the Registration Rights and Stockholders Agreement referenced in Section 6.8(a) executed by Sellers;
- (iii) the Employment Agreements referenced in Sections 6.8(b) and 6.8(c) executed by Joha Holm and Arne Weinz, respectively;

(iv) The Non-Competition Agreement referenced in Section 6.8 (d), executed by Institutional Seller;

(v) a copy of the Articles of Incorporation of each of Datasvar and Subsidiary as in effect on the Closing Date;

(vi) the minutes of all shareholder and director meetings of Datasvar and Subsidiary, certified by an officer of Datasvar to be true, complete and correct;

(vii) the resignations of those officers and directors of Datasvar and Subsidiary as are identified in Section 8.1(viii) of the Disclosure Schedule;

(viii) valid and binding consents of all Persons whose consent or approval is required to be set forth in Sections 4.5 and 4.6 of the Disclosure Schedule;

(ix) the certificates referenced in Section 8.2 and 8.3;

(x) certificate(s) representing all outstanding shares of Subsidiary, and.

(xi) written confirmation, in form and substance reasonably satisfactory to SEi, from Nutek that the Grants will not be adversely affected by the purchase and sale of the Shares.

**Section 8.2. Representations and Warranties True.** The representations and warranties of Sellers contained in this Agreement, as modified by the Disclosure Schedule, shall have been true on the date hereof, and shall be true on the Closing Date with the same effect as though such representations were made as of such date and Sellers shall have delivered to SEi on the Closing Date a certificate, dated the Closing Date, to such effect.

**Section 8.3. Performance.** Sellers shall have, in all material respects, performed and complied with all covenants required by this Agreement to be performed or complied with by them prior to or at the Closing and Sellers shall have delivered to SEi on the Closing Date a certificate, dated the Closing Date, to such effect.

**Section 8.4. Legal Opinion.** Counsel for Sellers shall have delivered to SEi its opinion dated the Closing Date and substantially in the form of Exhibit F attached hereto.

**Section 8.5. Governmental Consents and Approvals.** All necessary and appropriate governmental consents, approvals and filings shall have been obtained or made and all applicable waiting periods (including any extensions thereof) relating thereto shall have expired or otherwise terminated.

**Section 8.6. No Injunction or Proceeding.** No governmental or regulatory authority, agency or commission, including courts of competent jurisdiction, domestic or foreign, shall have issued an order, decree, or ruling or taken other action, restraining, enjoining or otherwise prohibiting the transactions contemplated hereby, which order, decree, ruling or other action remains in effect.

## **ARTICLE IX**

### **CONDITIONS TO SELLERS' OBLIGATIONS**

Each and every obligation of Sellers to consummate the transactions described in this Agreement shall be subject to the fulfillment, on or before the Closing Date, of the following conditions precedent:

**Section 9.1. Delivery of Purchase Price Shares.** SEi shall have delivered or caused to be delivered the certificates representing the Purchase Price Shares in accordance with Article III hereof.

**Section 9.2. SEi's Closing Deliveries.** SEi shall deliver, or cause to be delivered, to Sellers at the Closing, unless specifically waived by Sellers in their sole discretion, each of the following:

(i) valid and binding consents of all Persons, if any, whose consent or approval is required to be set forth in Section 5.4 of the Disclosure Schedule;

(ii) the Registration Rights Agreement referenced in Section 6.8(a), executed by SEi;

(iii) the Employment Agreements referenced in Section 6.8(b) and 6.8(c), executed by an SEi officer on behalf of Datasvar;

(iv) a certified copy of the resolutions of the Board of Directors of SEi authorizing the execution, delivery and performance of this Agreement

and the Related Agreements and the issuance and delivery of the Purchase Price Shares;

(v) the certificates referenced in Sections 9.3 and 9.4 hereof.; and

(vi) provided that Datasvar's auditor so approves, release of each resigning director of the Board of Datasvar from liability for the period up to the next general shareholders' meeting.

**Section 9.3. Representations and Warranties True.** The representations and warranties of SEi contained in this Agreement, as modified by the Disclosure Schedule, shall have been true on the date hereof in all material respects and shall be true on the Closing Date in all material respects, with the same effect as though such representations were made as of such date, and SEi shall have delivered to Sellers on the Closing Date a certificate, dated as of the Closing Date, to such effect.

**Section 9.4. Performance.** SEi shall have, in all material respects, performed and complied with all covenants required by this Agreement to be performed or complied with by it prior to or at the Closing and SEi shall have delivered to Sellers on the Closing Date a certificate, dated as of the Closing Date, to such effect.

**Section 9.5. Legal Opinion.** Counsel for SEi shall have delivered to Sellers its opinion dated the Closing Date in substantially the form of Exhibit G attached hereto.

**Section 9.6. Governmental Consents and Approvals.** All necessary and appropriate governmental consents, approvals and filings shall have been obtained or made and all applicable waiting periods (including any extensions thereof) relating thereto shall have expired or otherwise terminated.

**Section 9.7. No Injunction or Proceeding.** No governmental or regulatory authority, agency or commission, including courts of competent jurisdiction, domestic or foreign, shall have issued an order, decree, or ruling or taken other action, restraining, enjoining or otherwise prohibiting the transactions contemplated hereby, which order, decree, ruling or other action remains in effect.

## **ARTICLE X**

### **INDEMNIFICATION**

#### **Section 10.1. Indemnification by Sellers.**

(a) Sellers shall jointly and severally (except as to breaches of the representations and warranties set forth in Sections 4.3 through 4.5, for which liability shall be several), reimburse, indemnify and hold SEi and its officers, directors, shareholders, employees and agents harmless from and against any and all demands, claims, actions, suits, liabilities, damages, losses, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees) but excluding any claims for punitive damages or consequential damages relating to, resulting from or arising out of:

- (i) any breach or inaccuracy of the representations or warranties made hereunder by Sellers; or .
- (ii) any breach or violation of any covenant or agreement made hereunder by Sellers.

#### **Section 10.2. Indemnification by SEi.**

(a) SEi shall reimburse, indemnify and hold Sellers and Institutional Seller's officers, directors, shareholders, employees and agents harmless from and against any and all demands, claims, actions, suits, liabilities, damages, losses, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees) but excluding any claims for punitive damages or consequential damages relating to, resulting from or arising out of:

- (i) any breach or inaccuracy of the representations or warranties made hereunder by SEi; or .
- (ii) any breach or violation of any covenant or agreement made hereunder by SEi.

**Section 10.3. Survival of Representations.** The representations and warranties set forth in Section 4.7, 4.8, 4.11, 4.14, 4.22, 4.24 and 4.26 shall survive until and through the first anniversary of the Closing Date, at which time such representations and warranties shall expire. All other representations and warranties made pursuant to this Agreement including, without limitation, all representations and warranties made in any exhibit or schedule or certificate delivered thereunder shall survive until and through the third anniversary of the Closing Date at which time such representations and warranties shall expire.

**Section 10.4. Indemnification Claims Procedures.** All claims for indemnification by any party seeking indemnification (the "Indemnified Party") from another party (the "Indemnifying Party") under Sections 10.1 and 10.2 shall be asserted and resolved as follows:

(a) In the event that any claim or demand for which the Indemnifying Party would be liable to any Indemnified Party hereunder is asserted against or sought to be collected from any Indemnified Party by a third party, the Indemnified Party shall promptly notify the Indemnifying Party (and any pertinent insurance carrier) in reasonable detail of such claim or demand and the amount or the estimated amount thereof to the extent then feasible (which estimate shall not be conclusive of the final amount of such claim and demand) (the "Claim Notice"). The Indemnifying Party shall have thirty (30) days from the personal delivery or mailing of the Claim Notice (the "Notice Period") to notify the Indemnified Party whether or not the Indemnifying Party desires to defend the Indemnified Parties against such claim or demand. All costs and expenses incurred by the Indemnifying Party in defending such claim or demand shall be a liability of, and shall be paid by, the Indemnifying Party. In the event that the Indemnifying Party notifies Indemnified Party within the Notice Period that it desires to defend the Indemnified Parties against such claim or demand and except as hereinafter provided, the Indemnifying Party shall have the right to defend the Indemnified Parties by counsel of the Indemnifying Party's own choosing, either in the Indemnifying Party's name, or in one or more of the Indemnified Parties' names by appropriate proceedings. If any Indemnified Party desires to participate in, but not control, any such defense or settlement it may do so at its sole cost and expense and, in any event, each of the Indemnified Parties shall cooperate with the Indemnifying Party and such counsel. To the extent the Indemnifying Party shall control or participate in the defense or settlement of any third party claim or demand, the Indemnified Party shall give to the Indemnifying Party and its counsel access to, during normal business hours, the relevant business records and other documents, and shall permit them to consult with the employees and counsel of the Indemnified Party, to the extent consistent with the application of relevant evidentiary privileges. The Indemnifying Party shall keep the Indemnified Parties reasonably apprised of the course of any negotiations or proceedings and the Indemnifying Party shall not settle any claim or demand without the consent of the affected Indemnified Parties, which consent shall not be unreasonably withheld or unduly delayed. As soon as reasonably practicable after the Indemnifying Party has reached a final decision as to whether or not all or any portion of the obligations related to such claim or demand are obligations for which the Indemnifying Party is required to indemnify such Indemnified Parties hereunder and, in any event, prior to entering into any such settlement or other final resolution of any claim or demand, the Indemnifying Party shall notify the Indemnified Parties in writing of its position as to whether or not all or any portion of the obligations related to such claim or demand are obligations for which the Indemnifying Party is required to indemnify such Indemnified Parties in accordance with this Article X.

(b) If the Indemnifying Party elects or is deemed to have elected not to take over the defense of any such claim or demand, the Indemnified Parties shall have the right to defend, compromise and settle such claim or demand on such terms as the Indemnified Parties in their discretion may determine, subject to the prior consent of the Indemnifying Party, which consent shall not be unreasonably withheld or unduly delayed, and the Indemnifying Party shall continue to be bound to indemnify the Indemnified Party in accordance with and to the extent provided under the terms of this Article X. The Indemnified Party shall or shall direct in writing its counsel to deliver to the Indemnifying Party copies of all correspondence and other matters relating to such claim or demand. Notwithstanding the foregoing, to the extent that the claim or demand involves or could result in claims against, or potential liability of, the Indemnifying Party the extent or nature of which were not known by the Indemnifying Party as of the date the Indemnifying Party elects or is deemed to have elected not to take over the defense of such claim or demand, the Indemnifying Party shall, by written notice to the Indemnified Parties, be entitled to take over the defense of such claim or demand.

(c) In the event an Indemnified Party should have a claim against the Indemnifying Party hereunder which does not involve a claim or demand being asserted against or sought to be collected from it by a third party, the Indemnified Party shall promptly send a Claim Notice with respect to such claim to the Indemnifying Party.

(d) the Indemnified Party's failure to give reasonably prompt notice to the Indemnifying Party of any actual, threatened or possible claim or demand which may give rise to a right of indemnification hereunder shall not relieve the Indemnifying Party of any liability which it may have to an Indemnified Party except to the extent the failure to give such notice prejudiced the Indemnifying Party.

Section 10.5. Right of Set-Off. In addition to any other remedy available in equity or at law, the Indemnified Party shall be entitled to set off the amount of any obligation for which it is entitled to be indemnified under this Article X against any amounts payable to the Indemnifying Party hereunder or under any other agreement contemplated hereby.

Section 10.6. Limitations on Liability.

(a) The maximum aggregate liability of SEI on the one hand, and Sellers on the other hand, shall not exceed SEK 44,000,000; provided that the maximum aggregate liability of Institutional Seller shall not exceed SEK 14,670,000.

(b) For purposes of computing liability of Sellers under this Agreement, any losses arising in Datasvar or affecting the value of Datasvar will be valued dollar for dollar without consideration of the purchase price paid for the Shares hereunder.

## ARTICLE XI

### MISCELLANEOUS

Section 11.1. Dispute Resolution; Jurisdiction. Any dispute, controversy or claim arising out of or relating to this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the Stockholm Chamber of Commerce as in force and effect on the date of this Agreement which are deemed to be incorporated by reference into this clause. There shall be one arbitrator, and the appointing authority for the purposes of the Rules of the Stockholm Chamber of Commerce The arbitrator shall be a person authorized to practice law in the United States or in England. Where the Rules do not provide for a particular situation the arbitrator shall determine what cause or action should be followed. The place of arbitration



shall be Stockholm, Sweden and the English language shall be used throughout the arbitration proceedings. The jurisdiction of the United States or Swedish courts to rule on any questions of law affecting the arbitration, or to hear any appeal from or entertain any judicial review of the arbitration award, is hereby excluded. The parties agree to waive their right to appeal to the United States or Swedish courts.

Section 11.2. Entire Understanding, Waiver, Etc. This Agreement sets forth the entire understanding of the parties and supersedes any and all prior or contemporaneous agreements, arrangements and understandings relating to the subject matter hereof, and the provisions hereof may not be changed, modified, waived or altered except by an agreement in writing signed by the party entitled to the benefit of the provision(s) to be waived hereto. A waiver by any party of any of the terms or conditions of this Agreement, or of any breach thereof, shall not be deemed a waiver of such term or condition for the future, or of any other term or condition hereof, or of any subsequent breach thereof.

Section 11.3. Severability. If any provision of this Agreement or the application of such provision shall be held by a court of competent jurisdiction to be unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

Section 11.4. Captions. The captions herein are for convenience only and shall not be considered a part of this Agreement for any purpose, including, without limitation, the constructions or interpretation of any provision hereof.

Section 11.5. Notices. All notices, requests, demands and other communications (collectively, "Notices") that are required or may be given under this Agreement shall be in writing. All Notices shall be deemed to have been duly given or made: if by hand, immediately upon delivery; if by telecopier or similar device, immediately upon sending, provided notice is sent on a Business Day during the hours of 9:00 a.m. and 6:00 p.m. at the location of the party receiving the Notice, but if not, then immediately upon the beginning of the first Business Day after being sent; if by FedEx, Express Mail or any other reputable overnight delivery service, two Business Days after being placed in the exclusive custody and control of said courier; and if mailed by certified mail, return receipt requested, five Business Days after mailing.

Notwithstanding the foregoing, with respect to any Notice given or made by telecopier or similar device, such Notice shall not be effective unless and until (i) the telecopier or similar advice being used prints a written confirmation of the successful completion of such communication by the party sending the Notice, and (ii) a copy of such Notice is deposited in first class mail to the appropriate address for the party to whom the Notice is sent. In addition, notwithstanding the foregoing, a notice of a change of address by a party hereto shall not be effective until received by the party to whom such notice of a change of address is sent. All notices are to be given or made to the parties at the following addresses (or to such other address as either party may designate by notice in accordance with the provisions of this Section):

(a) If to Sellers:

Norhold Invest AB Kopmangatan 10,  
852 31 Sundsvall, Sweden Fax Number: 46 60 15 03 40

Johan Holm  
Vintervagen 30  
182 74 Stocksund, Sweden Fax Number: 46 8 622 64 74

Arne Weinz  
Strakvagen 7D  
191 43 Sollentuna, Sweden Fax Number: 46 8 358 211

(b) If to SEi:

Sykes Enterprises, Incorporated 100 North Tampa Street Suite 3900  
Tampa, Florida 33602 Attention: Chief Financial Officer

Fax Number:\_(813) 273 0148

Section 11.6. Successors and Assigns. Neither this Agreement nor any of the rights or obligations arising hereunder shall be assignable without the prior written consent of the parties hereto; provided, however, that notwithstanding the foregoing SEi may assign its rights and obligations under this Agreement to any wholly owned subsidiary of SEi which agrees in writing to be bound by and to perform fully all of SEi's obligations hereunder and, provided that in the event of any such assignment by SEi, SEi shall remain liable hereunder for the performance of SEi's obligations hereunder notwithstanding such assignment.

Section 11.7. Parties in Interest. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, shall confer upon any Person, other than the parties hereto, and their successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

Section 11.8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

Section 11.9. Construction of Terms. Any reference herein to the masculine or neuter shall include the masculine, the feminine and the neuter,

and any reference herein to the singular or plural shall include the opposite thereof. The parties to this Agreement acknowledge that each party and counsel to each party has participated in the drafting of this Agreement and agree that this Agreement shall not be interpreted against one party or the other based upon who drafted it.

Section 11.10. Governing Law. This Agreement shall be controlled, construed and enforced in accordance with the laws of Florida applicable to agreements made and to be performed in that jurisdiction.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the day and year first above written.

**SELLERS:**

**JOHAN HOLM**

*/s/ Johan Holm*

*ARNE WEINZ*

*/s/ Arne Weinz*

*NORHOLD INVEST AB*

By: Mikael Ericsson Its: President

**SEI:**

**SYKES ENTERPRISES, INCORPORATED**

By: John Crites  
Its: Vice President

**DISCLOSURE SCHEDULE**

Section 4.1. Corporate Organization  
Section 4.2. Capitalization of Datasvar  
Section 4.5. Sellers' Consents and Approvals; No Violations  
Section 4.6. Datasvar's Consents and Approvals; No Violations  
Section 4.7. Financial Statements  
Section 4.8. Undisclosed Liabilities  
Section 4.9. Taxes  
Section 4.10. Title to Properties  
Section 4.11. Absence of Changes  
Section 4.12. Patents, Trademarks, Trade Names  
Section 4.13. Leases  
Section 4.14(a). Bank Accounts  
Section 4.14 (b). Investments  
Section 4.15. Material Contracts and Customers  
Section 4.16. Related Transactions  
Section 4.17. Insurance  
Section 4.18(a). Labor Disputes  
Section 4.18(b). Employees  
Section 4.19. Employee Benefit Plans  
Section 4.20. Litigation  
Section 4.21. Compliance with Laws  
Section 4.24. Adequacy of Assets  
Section 4.25. Governmental Grants  
Section 4.26. Accounts Receivable  
Section 5.4. SEI's Consents and Approvals; No Violations  
Section 5.5. Litigation  
Section 6.10. Agreements for Share Transfers, etc.  
Section 8.1(viii). Resignations of Officers and Directors of Datasvar

**SYKES  
ENTERPRISES NEWS RELEASE  
INCORPORATED**

**SYKES ENTERPRISES, INCORPORATED TO ACQUIRE DATASVAR SUPPORT AB**

Swedish Acquisition to Boost  
Sykes Global Expansion

TAMPA, FL -- (JULY 2, 1996) Sykes Enterprises, Incorporated (SEi - Nasdaq:SYKE), a diverse information technology company providing a variety of computer-related outsourcing services, announced today that it has entered into an agreement to purchase Datasvar Support AB of Stockholm, Sweden, in exchange for approximately 165,000 shares of SEi common stock. SEi intends to account for the acquisition as a pooling of interest.

"The Datasvar acquisition further enhances SEi's position as a leader in international technical support," said John H. Sykes, SEi's President and CEO. "Datasvar's reputation as a market leader and their innovative use of advanced technology make the company a perfect match for SEi."

"We're excited to become a part of Sykes Enterprises," said Datasvar chairman Johan Holm. "We will gain substantial additional resources to serve our existing customers, and look forward to making a significant contribution to SEi's provision of technical support to the international business community." Holm and Arne Weinz, Datasvar's president, will continue in their respective positions to manage a smooth transition.

Datasvar had 1995 revenues of 5.489 million and after-tax earnings of \$996,000 (adjusted to U.S. Gaap). With 90 employees, Datasvar operates state-of-the art Customer Support Centers in Svea and Jarvso, Sweden, providing technical support throughout Sweden, Norway, Denmark and Finland. The rapid growth in personal computer use in Scandinavia, and the accompanying need for support, has made Datasvar one of the fastest growing support firms in the region.

The company won a 1995 award of distinction from Datavärlden, Sweden's leading information technologies magazine, because of its rapid growth and innovative approach to information technology.

SEi already has a European presence. Its Customer Support Center in Amsterdam provides support in 12 languages to 20 European countries. SEi has five Customer Support Centers in the United States, with two additional ones scheduled to open this year.

SEi, a diverse information technology company, with more than 2,400 employees, provides a variety of computer-related outsourcing services to Fortune 500 companies. SEi's business includes third party hardware and software technical support, help desk services, systems consulting, documentation development and foreign language localization.

Visit SEi's Web Site: [www.sykes.com](http://www.sykes.com)

**FOR MORE INFORMATION:  
Marcia Quinn 813 - 274 - 1000**

100 N. Tampa Street, Suite 3900  
Tampa, FL, U.S.A. 33602-5089  
813-274-1000

FAX 813-273-0148

## REGISTRATION RIGHTS AND STOCKHOLDERS AGREEMENT

THIS REGISTRATION RIGHTS AND STOCKHOLDERS AGREEMENT (this "Agreement") dated as of July 16, 1996, is entered into by and among SYKES ENTERPRISES, INCORPORATED, a Florida corporation (the "Company"), JOHAN HOLM, an individual residing in Sweden ("Holm"), ARNE WEINZ, an individual residing in Sweden ("Weinz"), (and together with Holm, the "Individual Stockholders") and NORHOLD INVEST AB, a corporation organized under the laws of Sweden ("Norhold", and together with the Individual Stockholders, the "Stockholders").

WHEREAS, this Agreement is made in connection with the sale by the Stockholders to the Company of all the outstanding shares (the "Shares") of the capital stock, nominal value SEK 100 per share, of Datasvar Support AB, a corporation organized under the laws of Sweden ("Datasvar"), pursuant to the Stock Purchase Agreement dated July 1, 1996 among the Company and the Stockholders (the "Purchase Agreement").

WHEREAS, in order to induce the Stockholders to enter into the Purchase Agreement, the Company has agreed to provide the Stockholders the registration rights set forth in this Agreement.

WHEREAS, in order to induce the Company to enter into the Purchase Agreement, the Stockholders have agreed to certain restrictions on the transfer of the securities received by them pursuant to the Purchase Agreement as set forth in this Agreement.

WHEREAS, the execution and delivery of this Agreement is a condition to the sale of the Shares to the Company.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

### 1. Definitions.

**Common Stock:** The common stock, par value \$.01 per share, of the Company.

**Holder:** A Stockholder so long as such Stockholder owns any Registrable Securities and any of such Stockholder's respective successors and assigns who acquire rights in accordance with this Agreement with respect to Registrable Securities directly or indirectly from such Stockholder, or from such other successor and assign, and who agree in writing, in form and substance satisfactory to the Company, to be bound hereby.

**Percentage Interest:** A percentage equal to a fraction, the numerator of which is the number of shares of Subject Common Stock at any given time held by the Stockholders as a group or by the Individual Stockholder, as applicable, and the denominator of which is the aggregate number of shares of Subject Common Stock held at such time or previously held by the Stockholders as a group or the Individual Stockholder, as applicable. For purposes of determining Percentage Interest, there shall be excluded any Subject Common Stock held by an Individual Stockholder not subject to the restrictions in Section 3(a)(ii) by reason of termination of his employment.

**Registration Expenses:** Any and all reasonable expenses actually incurred incident to performance of or compliance with this Agreement other than underwriting discounts and commissions and transfer taxes, if any, but including up to \$5,000 in the aggregate of the legal expenses of the Holders, incurred with respect to the Registrable Securities.

**Registrable Securities:** All or part of the Subject Common Stock; provided, however, that specific shares of the Subject Common Stock shall not be Registrable Securities if and to the extent that (i) a Registration Statement with respect to such Subject Common Stock shall have been declared effective under the Securities Act and such shares of Subject Common Stock shall have been disposed of in accordance with such Registration Statement, (ii) such shares of Subject Common Stock shall have been distributed to the public in accordance with Rule 144 (or any successor provision) promulgated under the Securities Act, or (iii) such shares of Subject Common Stock shall have been otherwise transferred in accordance with the provisions of this Agreement and the Purchase Agreement, and new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company.

**Registration Statement:** Any registration statement of the Company filed with the SEC which provides for the registration for sale or other transfer of the Registrable Securities (in whole or in part), including the prospectus included therein, all amendments and any supplements to such Registration Statement, including post-effective amendments, all exhibits and all material incorporated by reference in such Registration Statement.

**SEC:** The United States Securities and Exchange Commission.

**Securities Act:** The Securities Act of 1933, as amended from time to time, or any successor statute, and the rules and regulations of the SEC thereunder, all as in effect at the time.

**Subject Common Stock:** The shares of Common Stock issued to the Stockholders pursuant to the Purchase Agreement and any additional shares issued in respect of such shares, by way of stock splits, stock dividends, or otherwise.

## 2. Registration under the Securities Act

### (a) Registration on Demand.

(i) Request for Registration. At any time during the period beginning August 30, 1996 and ending on the second anniversary of the date of issuance of the Subject Common Stock (the "Date of Issuance") and subject to Sections 2(c) , 2(d) and 3, the Holder or Holders of a majority of the Registrable Securities then outstanding may request by written notice to the Company that the Company effect the registration under the Securities Act of Registrable Securities (a "Demand Registration"); provided, however that the Company shall not be required to effect a Demand Registration under this Section 2(a):

(A) after the Company has delivered notice of a Piggyback Registration pursuant to Section 2(b) and for so long as such Piggyback Registration is pending; provided, that such notice is delivered prior to receipt by the Company of the notice requesting a Demand Registration;

(B) for Registrable Securities owned by any Holder that did not, by delivering of the requisite notice, exercise its right to register such Registrable Securities in a Piggyback Registration when so offered by the Company under Section 2(b), unless the Demand Registration is requested at a time when the Company is eligible to register its Common Stock with the SEC on Form S-3 or any similar form promulgated by the SEC; or

(C) if the Demand Registration covers Registrable Securities with an aggregate market value of less than \$ 250,000 or which represent less than a majority of the Registrable Securities then outstanding and eligible for Transfer under Section 3.

The notice requesting a Demand Registration shall specify the method of distribution of the Registrable Securities to be covered. Upon receipt of such notice, the Company will promptly give written notice of such requested registration ( a "Section 2(a) Notice") to any and all other Holders who hold of record any Registrable Securities and thereupon will file a Registration Statement in form and scope sufficient to permit under the Securities Act, and any other applicable law and regulations, the Registrable Securities to be registered in accordance with the methods of distribution specified in such requests (the "Demand Registration Statement"). The Company shall use its best efforts to have the Demand Registration Statement declared effective as promptly as practicable (but in no event later than 90 days after such request) and to keep the Demand Registration Statement continuously effective for a period of at least one

(1) year following the date on which the Demand Registration Statement is declared effective or, if shorter, until such time as all the Registrable Securities covered by the Demand Registration Statement have been sold pursuant thereto. Notwithstanding the provisions of the preceding sentence, if a request for Demand Registration pursuant to this Section 2(a) is received by the Company on or after August 30, 1996 and on or before September 5, 1996, the Company will file a Demand Registration Statement with the SEC on or before October 1, 1996. The Company will use its reasonable best efforts to have such Demand Registration Statement declared effective on or before November 15, 1996, or, if the filing date is postponed pursuant to this Section, within 45 days after filing. If a request for Demand Registration is received promptly following the Company's decision not to complete a Piggyback Registration pursuant to Section 2(b), then the Company will use its reasonable best efforts to have the Demand Registration Statement with respect to such request declared effective within 45 days after filing. The Demand Registration Statement shall provide for the registration under the Securities Act of:

(A) the Registrable Securities which the Company has been so requested to register by such Holder or Holders, and

(B) all other Registrable Securities which the Company has been requested to register by any other Holders of Registrable Securities by written request (specifying the intended method of distribution thereof) given to the Company within 15 days after the giving of the Section 2(a) Notice.

The Company may postpone filing a Demand Registration Statement under this Section 2(a) for a reasonable period (not in excess of 60 days) if in its reasonable judgment such filing would require the disclosure of material information that the Company has a bona fide business purpose for preserving as confidential. The Company shall be obligated to effect a Demand Registration pursuant to this Section 2(a) only once and shall not be obligated to effect any such Demand Registration for Registrable Securities to the extent that such Registrable Securities are not eligible for Transfer pursuant to Section 3.

(ii) Registration Statement Form. Registrations under this Section 2(a) shall be on such appropriate registration forms of the SEC as shall be selected by the Company, be reasonably acceptable to the Holder or Holders who are the registered holders of at least a majority of the Registrable Securities to be registered pursuant to this Section 2(a) and permit the disposition of Registrable Securities in accordance with the intended method or methods of disposition specified in the requests for registration relating thereto.

(iii) Expenses. The Company shall pay all Registration Expenses in connection with the registration pursuant to this Section 2(a) and the Holder or Holders requesting registration pursuant to this Section 2(a) shall pay all underwriting discounts and commissions, any transfer taxes and any expenses of counsel for any Holder or Holders not expressly included in Registration Expenses relating to the sale or disposition of such Holder's Registrable Securities pursuant to such Registration Statement.

(iv) Effective Registration Statement. A registration requested pursuant to Section 2(a) hereof will not be deemed to have been effected unless it has been declared effective by the SEC and not less than eighty- five percent (85%) of the Registrable Securities covered thereby are sold in accordance with the terms and conditions set forth therein; provided, however, that if, after it has been declared effective, the offering of

Registrable Securities pursuant to such registration is interfered with by a stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, such registration will be deemed not to have become effective or to have been effected.

(v) Selection of Underwriter. If any of the Registrable Securities covered by the Demand Registration are to be sold in an underwritten offering, the Company shall select the underwriter or underwriters, subject to the reasonable approval of the Holders of a majority of the shares subject to the demand. The Company and the Holders will take all reasonable steps to cooperate with the underwriter or underwriters so selected to conduct the offering in a manner customary for such underwritten offering, including without limitation entering into an underwriting agreement with such underwriters.

(b) Piggyback Registrations.

(i) Right to Piggyback. Subject to Sections 2(c), 2(d) and 3 hereof, if at any time the Company proposes to file a Registration Statement under the Securities Act with respect to any offering of the Common Stock by the Company for its own account and/or on behalf of any of its security holders (other than (i) a registration on Form S-8 or S-4 or any successor form, (ii) a registration relating to a transaction subject to Rule 145 under the Securities Act, or (iii) any registration of securities as it relates to an offering and sale to management of the Company pursuant to any employee stock plan or other employee benefit plan arrangement) then, as soon as practicable (but in no event less than twenty (20) days prior to the proposed date of filing such Registration Statement), the Company shall give written notice of such proposed filing to the Holders, and such notice shall offer the Holders the opportunity to register such number of Registrable Securities as the Holders may request (a "Piggyback Registration"). Subject to subsection 2(d), the Company shall include in such Registration Statement all Registrable Securities requested within fifteen (15) days after the receipt of any such notice (which request shall specify the Registrable Securities intended to be disposed of by the Holders to be included in the registration for such offering pursuant to a Piggyback Registration), provided, however, that if, at any time after giving written notice of its intention to register Common Stock and prior to the effective date of the Registration Statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such Common Stock, the Company may, at its election, give written notice of such determination to the Holder of Registrable Securities and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities, for the same period as the delay in registering such Common Stock.

(ii) Piggyback Expenses. The Registration Expenses of the Holders of Registrable Securities will be paid by the Company in a Piggyback Registration. Underwriting discounts and commissions and transfer taxes, if any, incurred with respect to the Registrable Securities shall be borne by the Stockholders.

(c) Underwriter's Cutback. Notwithstanding Sections 2(a) and 2(b), if a Demand Registration or a Piggyback Registration is an underwritten offering being made on behalf of the Company, and the managing underwriter or underwriters advise the Company in writing that in their opinion the number of shares of Common Stock requested to be included in such registration exceeds the number which can be sold in such offering or would be reasonably likely to adversely affect the price or distribution of the Common Stock offered in such offering or the timing thereof, then the shares of Common Stock to be included in such registration shall be the number of shares of Common Stock, adjusted on a pro rata basis, that, in the opinion of such underwriter or underwriters, can be sold without an adverse effect on the price, timing or distribution of the Common Stock to be included.

(d) Registration Not Required. Notwithstanding Sections 2(a) and 2(b), in the event the Holder or Holders request that any of the Registrable Securities covered by this Agreement be sold in an underwritten offering or otherwise request registration pursuant to this Agreement, the Company shall not be required to take the action required or contemplated herein to accommodate or permit such underwritten offering or other registration of the shares subject to the request if either the Company or other Holders have received, and provided to the other parties hereto, an opinion of counsel knowledgeable in Securities Act matters to the effect that all of such Registrable Securities may immediately be sold by such Holders under Rule 144 during any ninety (90) day period without registration under the Securities Act and applicable state securities laws.

(e) Non Pro-Rata Registration. Notwithstanding the provisions of Sections 2(a) and 2(b), the Company shall not be required to honor any request from a Stockholder that the Company register shares in excess of the maximum number that would be available to such Stockholder if the restrictions under Section 3(a) (ii) were applied on a pro rata basis unless such request has been consented to by each other Stockholder whose shares are subject to such restrictions.

3. Lock-Up Agreements.

(a) Restrictions on Transfer. No Stockholder shall, directly or indirectly, sell, assign, pledge, encumber, hypothecate or otherwise transfer (a "Transfer") any Subject Common Stock unless:

(i) such Transfer occurs after November 15, 1996 or pursuant to a Demand Registration or a Piggyback Registration effected under Section 2 hereof; and

(ii) after giving effect to such Transfer the Stockholders will own as a group, and the Individual Stockholders will each own, a Percentage Interest in the Subject Common Stock which is not less than:

(A) during the period ending on the first anniversary of the Issue Date, 16 2/3%; and

(B) during the period ending on the second anniversary of the Issue Date, 10%.

(b) Terminated Individual Stockholders. The restrictions on Transfer set forth in paragraph (ii) above shall not apply to Registrable Securities owned by an Individual Stockholder whose employment relationship with the Company has been terminated by reason of death, permanent disability or by the Company other than for cause amounting to willful misconduct. In the event of any such termination, the percentages in paragraph (ii) above will be adjusted so that the minimum number of shares required to be retained that was applicable immediately prior to such termination will be the same for the group and the Individual Stockholder who remain subject to the restrictions on Transfer in such paragraph (ii).

#### 4. Hold-Back Agreements.

(a) Restrictions on Public Sale by the Holders. In the event Registrable Securities are covered by a Registration Statement filed pursuant to Section 2 of this Agreement, the Holders agree not to effect any public sale or distribution of Common Stock, including a sale pursuant to Rule 144 under the Securities Act, during the 15-day period prior to, and during the 90-day period beginning on, the effective date of such Registration Statement (except pursuant to such Registration Statement), if, and then only to the extent, so requested in writing by the Company, in the case of a non-underwritten public offering, or by the managing underwriter or underwriters, in the case of an underwritten offering.

(b) Restrictions on Public Sale by the Company. The Company agrees not to effect any public sale or distribution of or purchase any Common Stock (other than any such sale or distribution of such Common Stock in connection with any transaction subject to Rule 145 under the Securities Act or in connection with offers and sales to employees under employee benefit plans) during the 15-day period prior to, and during the 90-day period beginning on, the effective date of any Registration Statement filed pursuant to Section 2 hereof.

5. Registration Procedures. In connection with the Company's obligations under Section 2 hereof, the Company shall use its best efforts to effect or cause to be effected the registration of the Registrable Securities under the Securities Act to permit offers and sales in accordance with the intended method or methods of distribution thereof. The Company may require the Holders to use their best efforts to furnish to the Company such information regarding the distribution of the Registrable Securities as the Company may from time to time reasonably request in writing.

#### 6. Indemnification.

(a) The Company agrees to indemnify, to the extent permitted by law, each Holder of Registrable Securities, its officers and directors and each person or entity who controls such Holder (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of material fact contained in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, (in the case of a prospectus, always in light of the circumstances under which the statements are made) except insofar as the same are caused by or contained in any information furnished in writing to the Company by such Holder or its affiliate expressly for use therein or by such Holder's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Company has furnished such holder with a sufficient number of copies of the same. In connection with an underwritten offering, the Company will indemnify such underwriters, their officers and directors and each person or entity who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Holders of Registrable Securities.

(b) In connection with any registration statement in which a Holder of Registrable Securities is participating, each such Holder will furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, will indemnify the Company, its directors and officers and each person or entity and entity who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, (in the case of a prospectus, always in light of the circumstances under which the statements are made) but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Holder or its affiliate; provided that the obligation to indemnify will be several, not joint and several, among such Holders of Registrable Securities and the liability of each such Holder of Registrable Securities will be in proportion to and limited to the net amount received by such Holder from the sale of Registrable Securities pursuant to such registration statement.

(c) Any person or entity entitled to indemnification hereunder will

(i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification; provided, however, that failure to give such notice will not prejudice such person's or entity's right to indemnification from the indemnifying party, except as to any losses suffered by such person or entity which are attributable to such person's or entity's failure to promptly give such notice to such indemnifying party and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. The indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties

indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim.

(d) The indemnification provided for under this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling person or entity of such indemnified party and will survive the transfer of securities and the termination of this Agreement. The Company also agrees to make such provisions as are reasonably requested by any indemnified party for contribution to such party in the event the Company's indemnification is unavailable or unenforceable for any reason.

## 7. Stock Certificate Legends.

Each of the Holders hereby agrees that each outstanding certificate representing Registrable Securities shall bear an endorsement reading substantially as follows until the transfer restrictions with respect to such Registrable Securities contained in Section 3 of this Agreement are no longer effective, at which time the Company will use its reasonable best efforts to cause the Transfer Agent, upon request of a Holder, to issue new certificates to the Holders without any such endorsement.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN TRANSFER RESTRICTIONS SET FORTH IN A REGISTRATION RIGHTS AND STOCKHOLDERS AGREEMENT DATED AS OF JULY 16, 1996, A COPY OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICE AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF WITHOUT COMPLYING WITH THE TERMS AND CONDITIONS OF SUCH AGREEMENT.

8. Regulation S Offering. The Stockholders agree that none of the Registrable Securities will be offered for sale pursuant to Regulation S (as promulgated by the SEC) without the prior written consent of the Company.

## 9. Miscellaneous.

(a) No Inconsistent Agreements. The Company has not entered into and will not on or after the date of this Agreement enter into any agreement with respect to the Common Stock which is inconsistent with the rights granted in this Agreement to the Stockholders or otherwise conflicts with the provisions hereof.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent to such amendment, modification, or supplement or waiver or consents to the departure of the Holders.

(c) Notices. All notices and other communications provided for or permitted under this Agreement shall be in writing and given by personal delivery, or, if mailed, by certified first-class mail, postage prepaid, or by telex or telecopier with transmission confirmed by telephone:

(i) if to the Holders, at the address set forth in the Purchase Agreement, or at the most current address given by the Holders to the Company by means of a notice given in accordance with the provisions of this Section 6(c).

(ii) if to the Company, at the address set forth in the Purchase Agreement, or at the most current address given by the Company to the Stockholders by means of a notice given in accordance with the provisions of this Section 6(c).

(d) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(e) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(f) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida.

(g) Dispute Resolution; Jurisdiction. Any dispute, controversy or claim arising out of or relating to this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the Stockholm Chamber of Commerce as in force and effect on the date of this Agreement (the "Rules"), which are deemed to be incorporated by reference into this clause. There shall be one arbitrator and the appointing authority for the purposes of the Rules shall be the Stockholm Chamber of Commerce. The arbitrator shall be a person authorized to practice law in the United States or in England. Where the Rules do not provide for a particular situation the arbitrator shall determine what course of action should be followed. The place of arbitration shall be Stockholm, Sweden and the English language shall be used throughout the arbitration proceedings. The jurisdiction of the United States or Swedish courts to rule on any questions of law affecting the arbitration, or to hear any appeal from or entertain any judicial review of the arbitration award, is hereby excluded. The parties agree to waive their right to appeal to the United States or Swedish courts.

(h) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.



(i) Successors and Assigns. All covenants and agreements in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective permitted successors and assigns of the parties hereto whether so expressed or not. In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of purchasers or other permitted holders of Registrable Securities are also for the benefit of, and enforceable by, any subsequent permitted Holder of Registrable Securities. The registration rights of the Holders under this Agreement may be transferred to any transferee who lawfully acquires at least fifteen thousand (15,000) shares of the Registrable Securities; provided, however, that the Company is given written notice by the Holder at the time of such transfer stating the name and address of the transferee and identifying the securities with respect to which the rights under this Agreement are being assigned; and provided further, that such transferee is a person who is reasonably satisfactory to the Company and executes an agreement in writing agreeing to be bound by the provisions of this Agreement.

Signatures begin on the following page

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**SYKES ENTERPRISES, INCORPORATED**

*By: /s/ John Crites  
Name: John Crites  
Title: Vice President*

**NORHOLD INVEST AB**

*By: /s/ Mikael Ericsson  
Name: Mikael Ericsson  
Title: President*

*/s/ Johan Holm  
Johan Holm*

*/s/ Arne Weinz  
Arne Weinz*

---

**End of Filing**

Powered By  EDGAR<sup>®</sup>  
Online

© 2005 | EDGAR Online, Inc.