DRAFT FOR DISCUSSION PURPOSES ONLY

PRELIMINARY OFFER

[**ON LETTERHEAD PURCHASER**]

<u>CONFIDENTIAL</u> **<u>DRAFT</u>**

[___________________]

[________], [__] [_______]

Dear Sirs,

[_____________]

[_____________] ("**Purchaser**") is pleased to submit this letter which outlines its preliminary non-binding offer (the "**Preliminary Offer**") to acquire [_____] % of the shares in [_______________] (the "**Company**") from [________________] ("[_____]"). This proposal is based on the information provided to us in the information memorandum dated [_____] 20[__] and is further outlined below as per the information you requested to be included.

The Company, together with its group companies will hereinafter be referred to as the "**Group**", as set forth in the structure chart attached as <u>Annex 1</u> to this letter.

1 Price

Purchaser or a subsidiary thereof is prepared to acquire [_____] % of the outstanding share capital of the Company for a purchase price of EUR/USD[1] [___________________] in cash. [This offer is not conditioned upon obtaining financing.]

[valuation method employed in calculation of price]

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[1] Currency-risks / hedging arrangements should be taken into account.

2 Business Plan

2.1 Similar to the Group, Purchaser is active in the field of [_________________]. Purchaser envisages strengthening its market position both by autonomous growth and acquisitions.

2.2 The position, integration and opportunities of the Group within Purchaser's group of companies are further described in the summary business plan attached as Annex 2 to this letter.

3 Principal Conditions

3.1 The principal conditions attached to this Preliminary Offer are the following:

(a) satisfactory outcome of our due diligence investigation (into financial, tax, legal, environmental, commercial and technical issues);

(b) sufficient comfort that the present management of the Group will support the envisaged transaction and will remain with the respective Group-companies on terms to be agreed upon and acceptable to us;

(c) signing of a share purchase agreement on terms acceptable to us including usual warranties and other formal documentation as may be required;

(d) receipt of all necessary regulatory consents and approvals (including ex WOR, NMA, [Merger Task Force DG IV of the European Commission] [DNB, STE, OPTA] and due notification to the SER merger committee and competent trade unions;

(e) none of the Group's major clients having announced to cease doing business with the Group after its acquisition by Purchaser or having indicated that they shall (wish to) amend the terms on the basis of which such business is done and prior to such acquisition [_____________] and [_____________] having confirmed in writing to continue doing business with the Group after the acquisition by Purchaser, on terms acceptable to Purchaser;

(f) the business of the Group remaining in the ordinary course and consistent with past practice until the date of transfer of shares;

(g) the Company has not declared dividend since [____];

(h) [*Name*] entering into non-compete obligations relating to the field in which the Group is active;

(i) [*Name*] entering into a transitional services agreement relating to [administration, controlling, billing and salary administration, IT,insurance,staff] and all further services currently provided by [*Name*] to the Group [for an interim period of [____________], on terms acceptable to Purchaser;

(j) [*Name*] entering into a license agreement relating to computer software currently used by the Group, on terms acceptable by Purchaser;

(k) the Company's [consolidated] accounts as per closing of the transaction [as per *date*] showing a minimum equity of [_____], maximum indebtedness of [______] and EBIT[D][A] reaching at least [______] for the period [_________] up to [_________].

4 Time Table

4.1 We propose the following time table:

ultimately [___________]	-	start of our due diligence;
ultimately [___________]	-	submission of our binding offer;
ultimately [___________]	-	execution of letter of intent and start of confirmatory due diligence;
ultimately [___________]	-	exclusive negotiations on and execution of sale and purchase agreement.

4.2 The time schedule indicated above is of an indicative nature and can be influenced by factors outside the control of Purchaser, such as the timely availability of due diligence information and the receipt of the required regulatory approvals.

5 Confidentiality

In accordance with our confidentiality undertaking we trust the contents of this letter and all previous and future correspondence to remain confidential. This confidentiality undertaking includes employees of [_________],[_________], and the Group.

Purchaser is looking forward to conducting the due diligence and finalising this transaction and would like to thank the management of [__________] as well as its advisers for providing us with the opportunity to act as a bidder in this transaction.

Yours sincerely,

[Purchaser]