

4499567

Amended Shareholders Agreement

(to correct previous document dated 29th August 2002)

Dated February 2003



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Between:

Lee Wade, of 14 Conrad Close, North Grays, Essex RM16 2TW ("LFW")
Nigel Atkinson, of 50 Galveston Road, Putney, London SW15 2SA ("NGA")
Adrian Hobbins, of The Hawthorns, Longwater Lane Finchampstead, Wokingham
RG40 4NX ("AH")
Mukesh Bavisi, of 26 Swansea Court, London E16 2RT ("MB")
Michael Field, of 56 Westcroft Sq. London W6 0TA ("MRF")
Norman Milne, of The Limes Edith Weston LE15 8EY ("NM")
Manjit Sidhu, of 90 Gants Hill Cresc. Ilford Essex IG2 6TT ("MS")
Stephen Cooper 212 Southend Lane Stanford-le-Hope Essex SS17
Nick Wade of 48 Wenlock Ct. Murray Grove London N1 7QF
Exponential-e.com Ltd of 14 Conrad Close, North Grays Essex RM16 2TW
together the Investment Group
Exponential-e Limited, company Registered Number 4499567 with its Registered
Office at Frazer House 32/38 Leman Street, London E1 8EW ("the Company")
Exponential-e.Com Limited, company Registered Number 04006696 with its
Registered Office at 14 Conrad Avenue, North Grays, Essex RM16 2TW ("Dotcom")

Other Definitions

Business Plan The launch version (EE502L) of the Exponential-e business
plan (Schedule 3)
The Founders LFW, NGA, AH, MB, MRF and MS

Whereas

1. The company is a private company limited by shares incorporated in England on 31st July 2002. It has not traded prior to this agreement.
2. Exponential-e Ltd is a company set up to exploit the market for Ethernet connections using Fibre Optic technology and its own backbone network. The technologies used shall not be limited to fibre optic, but will utilise other technologies as they evolve.
3. The company intends to set up offices in the City of London and market these technologies from 1st September 2002.
4. Exponential-e Ltd will assume certain assets and initial set up costs borne by the company 'Exponential-e.com Ltd' and by certain shareholders upon completion of the shareholder agreement. (Schedule 2). These will be billed to the company on VAT invoices, or recharged on expense forms.



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5. The agreement is bound by UK law, and comes into effect when all monies referred to in the shareholding table, other than shares in lieu of salary, have been cleared into the company's bank account. (Schedule 1). The agreement can comprise multiple copies.
6. The Company has authorized share capital of £100 split into 100 shares of £1 each. One subscriber share has been issued to Michael Field.

Share Capital

1. The company agrees to increase its authorized share capital to £75,000 split into 1,275,000 'A' ordinary shares of 5 pence each and 225,000 'B' Ordinary shares of 5 pence each. MRF agrees as subscriber shareholder to procure that the Company will implement such capital increase and share split within 15 days hereof.
2. 229,042 A Shares of 5 pence each will be issued at par to the founder shareholders in accordance with Schedule 1 thereby raising £11,452.10 of new capital (less any amount subscribed at incorporation).
3. 331,990 A shares of 5 pence will be issued at a price of £1 each (representing a premium of 95 pence) to the Investment Group in accordance with Schedule 1, thereby raising £331,990 of new capital.
4. 129,715 A shares of 5 pence each will be issued at a price of £1 each (representing a premium of 95 pence) to certain of the Founders and Dotcom in accordance with Schedule 2 in payment (net of VAT) of intangible and tangible assets acquired by them on behalf of the Company and pre-incorporation expenses incurred by them as set out in Schedule 2.
5. 225,416 A shares of 5 pence each will be issued at a price of £1 to LFW, AH, NGA, MS, MB, NM, and MRF together with James Dolan in accordance with Schedule 1. These shares shall accrue in lieu of salary or consultancy fees for the period from 1st August 2002 to 31st January 2003 and be issued on or before 31st March 2003.

If any individual ceases to be an employee of the Company during this period by reason of redundancy, long term illness or death, this allocation will be pro-rated based on the number of working days in the period up to the date of termination of his contract of employment divided by the number of available working days in the period from 1st August 2002 to 31st January 2003. In the case of consultants whose contract is terminated by the Company, this share allocation will be pro-rated by reference to the number of days they have actually worked compared to the number of days they have contracted to work in the period. In any event, the issue of these shares will be dependant on the corresponding period of service being made available to the company, and evidenced as such.