

**COMPLETED ACQUISITION BY CAPITA GROUP PLC OF
IBS OPENSYSYSTEMS PLC**

Adoption of Initial Undertakings

On 19 November 2008, the Office of Fair Trading (OFT) made a reference to the Competition Commission (CC) under section 22 of the Enterprise Act (the Act) concerning the completed acquisition by Capita Group plc of IBS OPENSysystems plc.

The reference has not been finally determined.

On 11 September 2008 prior to making the reference, the OFT accepted the undertakings reproduced in the annex below (the Undertakings) from Capita Group plc in accordance with section 71(2) of the Act.

The Undertakings are still in force.

The CC adopts the Undertakings in accordance with section 80(3) of the Act for the purpose of ensuring that no action is taken which might prejudice the reference or impede the taking of any action by the CC under Part 3 of the Act which may be justified by the CC's decisions on the reference.

Signed by authority of the CC

Peter Freeman
Chairman
24 November 2008

INITIAL UNDERTAKINGS

COMPLETED ACQUISITION BY CAPITA GROUP PLC OF IBS OPENSYSYSTEMS PLC

UNDERTAKINGS GIVEN BY CAPITA GROUP PLC TO THE OFFICE OF FAIR TRADING PURSUANT TO SECTION 71 OF THE ENTERPRISE ACT 2002

Pursuant to section 71 of the Enterprise Act 2002, for the purpose of preventing pre-emptive action, Capita hereby gives to the OFT the following undertakings (the “undertakings”) in respect of its acquisition of IBS.

Management of the parties’ respective businesses until determination of proceedings

1. Except with the prior written consent of the OFT, Capita undertakes that it will not during the specified period take any action which might:
 - (a) lead to the integration of the IBS business with all or any part of Capita;
 - (b) transfer the ownership or control of IBS business or the Relevant Capita Business;
 - (c) otherwise impair the ability of the Relevant Capita Business or the IBS business to compete independently in any markets affected by the acquisition; or
 - (d) otherwise prejudice any reference to the CC or impede the taking of any action under the Act which may be justified by the CC’s decisions on any such reference.

2. Without prejudice to the generality of paragraph 1, except with the prior written consent of the OFT, Capita will, at all times during the specified period, procure that:
 - (a) the IBS business is carried on separately and under a separate brand identity from the Relevant Capita Business and separate sales of the IBS business are maintained;
 - (b) the IBS business and the Relevant Capita Business are each maintained as a going concern and sufficient resources are made available for the development of the IBS business and the Relevant Capita Business on the basis of their respective pre-merger plans;

- (c) no substantive changes are made to key staff of, or to the organisational structure of or the management responsibilities within, the IBS business or the Relevant Capita Business;
- (d) in relation to the assets of each of the IBS business and the Relevant Capita Business, and otherwise than in the ordinary course of business:
 - (i) the assets are maintained and preserved, including facilities and goodwill;
 - (ii) none of the assets is disposed of; and
 - (iii) no interest in the assets is created or disposed of;
- (e) the nature, description, range and standard of goods and/or services supplied in the United Kingdom by the IBS business and the Relevant Capita Business at the date of these undertakings are in all material respects maintained and preserved;
- (f) there is no integration of the information technology of the IBS business with the information technology of the Relevant Capita Business and the existing respective software and hardware platforms of the IBS business and the Relevant Capita Business shall remain unchanged, except for routine changes and maintenance;
- (g) the customer and supplier lists of each of the IBS business and Relevant Capita Business shall be operated and updated separately and any negotiations with the customers and suppliers in relation to the IBS business will be carried out by the IBS business alone and for the avoidance of doubt the Relevant Capita Business will not negotiate on behalf of IBS or enter into any joint agreements with IBS;
- (h) all existing contracts continue to be serviced by the business to which they were awarded;
- (i) all reasonable steps are taken to encourage all key staff of the IBS business and the Relevant Capita Business to remain with the business in relation to which they were employed prior to the merger;
- (j) no business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to the IBS business or the Relevant Capita Business (“Confidential Information”) shall pass directly or indirectly from the IBS business (or any of its employees, directors,

agents or affiliates) to the Relevant Capita Business (or any of its employees, directors, agents or affiliates) or vice versa, except:

- (i) where strictly necessary in the ordinary course of business and on the basis that, should the merger be prohibited, any records or copies (electronic or otherwise) of such information wherever they may be held will be returned to the relevant business and any copies destroyed other than as may be required for the purposes of regulatory compliance under applicable law; and
- (ii) the flow of Confidential Information from the IBS business (or any of its employees, directors, agents or affiliates) to the Relevant Capita Business (or any of its employees, directors, agents or affiliates) is permitted to the extent that such disclosure of information is strictly necessary for compliance with external regulatory and/or accounting obligations.

Compliance

- 3. Capita shall procure that each of its subsidiaries complies with these undertakings as if it had given them.
- 4. Capita shall forthwith provide to the OFT such information as the OFT may from time to time require for the purposes of monitoring compliance by Capita and its subsidiaries with these undertakings. In particular, on Tuesday 23rd September 2008 and subsequently every 10 working days thereafter (save where the obligation does not fall on a working day, in which case the first working day thereafter), the Executive Director of Capita responsible for Professional Services shall provide a statement to the OFT on behalf of Capita, confirming compliance with these undertakings in the form set out in the Appendix to these undertakings.
- 5. At all times, Capita will actively keep the OFT informed of any material development relating to the IBS business, which includes, but is not limited to:
 - (a) details of key staff who leave or join the IBS business or the Relevant Capita Business;
 - (b) any IBS or Relevant Capita Business IT shut downs which have halted supply for more than 24 hours or changes in IBS' or the Relevant Capita Business' supply arrangements which have affected the working pattern of more than five IBS business or Relevant Capita Business employees;

- (c) all substantial customer volumes won or lost by the IBS business or the Relevant Capita Business including any substantial changes in customers' demand; and
 - (d) substantial changes in the IBS business' or Relevant Capita Business' contractual arrangements or relationships with key suppliers.
6. Capita shall comply with such written directions as the OFT may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these undertakings.

Interpretation

7. The Interpretation Act 1978 shall apply to these undertakings as it does to Acts of Parliament.

8. For the purposes of these undertakings:

“the Act” means the Enterprise Act 2002;

“an affiliate” of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under the common control for the purposes of section 26 of the Act;

“business” has the meaning given by section 129(1) and (3) of the Act;

“Capita” means Capita Group plc;

“the CC” means the Competition Commission;

“control” shall be construed in accordance with section 26 of the Act and in the case of a body corporate, a person shall be deemed to control it if he holds, or has an interest in, shares of that body corporate which amount to 10 per cent or more of its issued share capital or which carry an entitlement to vote at meetings of that body corporate of 10 per cent or more of the total number of votes which may be cast at such meetings;

“the decisions” means the decisions of the CC on the questions which it is required to answer by virtue of section 35 of the Act;

“IBS” means IBS OPENSsystems plc;

“key staff” means staff in positions of executive or managerial responsibility and/or whose performance could materially affect the viability of the business;

“the merger” means the creation of the relevant merger situation between Capita and the IBS business;

“the OFT” means the Office of Fair Trading, provided that, should the CC adopt these undertakings pursuant to section 80(3) of the Act, references to “the OFT” in paragraphs 1 and 2 of these undertakings shall be taken as references to the CC, and references to “the OFT” in paragraphs 4, 5 and 6 of these undertakings shall be taken to include both the Office of Fair Trading and the CC;

“the ordinary course of business” means matters connected to the day to day supply of goods and/or services by IBS or the Relevant Capita Business and does not include matters involving significant changes to the organisational structure or related to the post-merger integration of IBS or the Relevant Capita Business;

"the Relevant Capita Business" means the business unit known as Capita Software Services which is a division of Capita Business Services Limited, and which is separately managed, organised and accounted for;

“the specified period” means the period beginning on the date of these undertakings and terminating either at the end of the period specified in section 71(5) or (6) of the Act or, should the CC adopt these undertakings pursuant to section 80(3) of the Act, the end of the period specified in section 80(7) or (8) of the Act;

“subsidiary”, unless otherwise stated, has the meaning given by section 736 of the Companies Act 1985 (as amended);

“working day” mean any day of the week other than a Saturday, Sunday or any other day that is a public holiday in England.

In these undertakings unless the context requires otherwise, the singular shall include the plural and vice versa.

FOR AND ON BEHALF OF CAPITA GROUP PLC

.....Signature	Signature
.....Name	Name
.....Title	Title
.....Date	Date
(Director)		(Director/Company Secretary)

APPENDIX

COMPLIANCE STATEMENT FOR CAPITA GROUP PLC

I, Kevin Dady, confirm on behalf of Capita that:

- (a) Capita has complied with the undertakings given by it and accepted by the OFT on *[insert date]* (“the undertakings”) in the period from *[insert date]* to *[insert date]*.
- (b) Capita’s subsidiaries have also complied with the undertakings in the period from *[insert date]* to *[insert date]*.
- (c) No action has been taken by Capita or its subsidiaries in the period from *[insert date]* to *[insert date]* that would prejudice any reference to the CC or impede the taking of any action under the Act which may be justified by the CC’s decision on any such reference.
- (d) Capita and its subsidiaries remain in full compliance with the undertakings and will continue actively to keep the OFT informed of any material developments relating to the IBS business in accordance with paragraph 5 of the undertakings.
- (e) The IBS business and the Relevant Capita Business have each been maintained as a going concern and sufficient resources have been made available for the development of the IBS business and the Relevant Capita Business on the basis of their pre-merger business plans.
- (f) The IBS business’s customer and supplier lists have been operated and updated by the IBS business alone.
- (g) All customer and supplier negotiations for the IBS business have been carried out independently of Capita.
- (h) There have been no material changes to the nature, description, range and standard of goods and/or services currently supplied in the United Kingdom by the IBS business and the Relevant Capita Business.

Assets—including facilities and goodwill

- (i) Except in the ordinary course of business, none of the assets of the IBS business or the Relevant Capita Business have been disposed of.
- (j) Except in the ordinary course of business, no interest in the assets of the IBS business or the Relevant Capita Business has been created or disposed of.

- (k) Except in the ordinary course of business, all of the assets of the IBS business and the Relevant Capita Business have been maintained and preserved as they were before the merger.

Contracts

- (l) All existing contracts continue to be serviced by the business to which they were awarded.

Information technology systems

- (m) There have been no changes to the software and hardware platforms of the IBS business or the Relevant Capita Business, except for routine changes and maintenance.

Staff

- (n) No substantive changes have been made to or to the key staff or the organisational structure or to the management responsibilities within the IBS business or the Relevant Capita Business.

Material developments

- (o) Except as listed in paragraph (p) below there have been no:
 - (i) IT shut downs at the IBS business or the Relevant Capita Business which have halted supply for more than 24 hours or changes in the IBS business' or the Relevant Capita Business' supply arrangements which have affected the working pattern of more than five IBS business or Relevant Capita Business employees;
 - (ii) substantial customer volumes won or lost for the IBS business or the Relevant Capita Business and no substantial changes to the IBS business' or the Relevant Capita Business' customer contracts;
or
 - (iii) substantial changes in the IBS business' or the Relevant Capita Business' contractual arrangements with key suppliers.
- (p) [List of material developments]

Confidential information

- (q) No business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to the IBS business or the Relevant Capita Business has passed, directly or indirectly, from the IBS business (or any of its employees, directors, agents or affiliates) to the Relevant Capita

Business (or any of its employees, directors, agents or affiliates), or vice versa, except to the extent permitted by paragraph 2(j) of the Undertakings.

FOR AND ON BEHALF OF CAPITA GROUP PLC

Signature

Name

Title

Date

COMPLETED ACQUISITION BY CAPITA GROUP PLC OF IBS OPENSYSYSTEMS PLC

**DIRECTIONS ISSUED PURSUANT TO THE UNDERTAKINGS GIVEN BY CAPITA
GROUP PLC AND ADOPTED BY THE COMPETITION COMMISSION ON
24 NOVEMBER 2008**

On 19 November 2008, the Office of Fair Trading (OFT) made a reference to the Competition Commission (CC) under section 22 of the Enterprise Act (the Act) concerning the completed acquisition by Capita Group plc (Capita) of IBS OPENSysystems plc (IBS).

On 24 November 2008 the CC adopted undertakings given by Capita to the OFT (the Undertakings) for the purpose of ensuring that no action is taken pending final determination of the reference which might prejudice the reference or impede the taking of any action by the CC under Part 3 of the Act which might be justified by the CC's decisions on the reference.

The CC wishes to ascertain precisely the degree of integration which has occurred to date between the Capita and IBS businesses; to assess the current and proposed arrangements for managing the two businesses, including any changes to those arrangements which may be necessary; to supervise the establishment of mechanisms for ensuring compliance with the Undertakings; to monitor compliance by Capita with the Undertakings; and so far as possible, to ensure Capita's full and effective compliance.

The CC now issues written directions under paragraph 6 of the Undertakings that Capita shall appoint a Monitoring Trustee (MT) in accordance with the terms provided for in the Annex and Capita shall comply with the obligations set out in the Annex.

Christopher Clarke
Group Chairman
16 December 2008

1. In order to ascertain precisely the degree of integration which has occurred to date between the Capita and IBS businesses; to assess the current and proposed arrangements for managing the two businesses, including any changes to those arrangements which may be necessary, if any, to preserve the possibility for the CC taking any remedial action, if required; to supervise the establishment of mechanisms for ensuring compliance with the Undertakings; and to monitor compliance by Capita with the Undertakings; Capita shall appoint an MT. The functions of the MT shall be as set out below. The MT shall act on behalf of the CC and shall be under an obligation to the CC to carry out his functions to the best of his abilities.
2. Capita shall cooperate fully with the MT, in particular as set out below. Capita shall use its reasonable endeavours to ensure that the terms and conditions of appointment of the MT shall reflect and give effect to the functions and obligations of the MT and Capita as set out in this document.

General

3. The MT shall possess appropriate qualifications and experience to carry out his functions.
4. The MT shall neither be nor become exposed to a conflict of interest that impairs the MT's objectivity and independence in discharging his duties under these Directions, unless it can be resolved immediately and with the prior approval of the CC.
5. The MT shall be remunerated and reimbursed by Capita for all reasonable costs properly and lawfully incurred in accordance with the terms and conditions of his appointment. This shall be done in such a way that does not impede his independence or his ability to effectively carry out his functions.
6. The MT shall be appointed by Capita as soon as is reasonably practicable and in any event by 5pm on Tuesday 23 December 2008 and shall continue to act until the CC has finally determined the reference (within the meaning of section 79 of the Enterprise Act 2002).
7. The appointment of an MT by Capita shall be subject to the approval of the CC as to the identity of the MT and his terms and conditions of appointment in their entirety (ie the CC shall have the right of veto). Capita shall inform the CC as soon as is reasonably practicable and in any event by 5pm on Wednesday 17 December 2008 of the identity of the MT that Capita proposes to appoint and provide the CC with draft terms and conditions of appointment. Once the MT has been appointed, Capita shall provide the CC with a copy of the agreed terms and conditions of appointment.

Functions

8. The functions of the MT (Functions) shall be to ascertain precisely the degree of integration which has occurred to date between the Capita and IBS businesses, the current and proposed arrangements for managing the two businesses, and what changes to those arrangements, if any, are necessary to preserve the possibility of the CC taking any remedial action, if required. The MT may also be required: (i) to supervise the establishment of mechanisms for ensuring compliance with the Undertakings; (ii) to monitor compliance by Capita and its subsidiaries, as appropriate, with the Undertakings; and (iii) to answer any questions Capita and its

subsidiaries may have in relation to compliance with the Undertakings, in consultation with the CC as necessary.

9. The MT shall take such steps as he reasonably considers necessary in order for him to effectively carry out his Functions. Those steps may include, but shall not be limited to, the monitoring of communications within the merged business of Capita and IBS, including written and electronic communications, telephone conversations and attending meetings.
10. The MT shall comply with any requests made by the CC for the purpose of ensuring the full and effective compliance by Capita with the Undertakings.

Obligations of Capita

11. Capita, its subsidiaries and their employees, officers, directors, advisers and consultants, shall cooperate fully with the MT, in particular by providing the MT with all cooperation, assistance and information as the MT may reasonably require in order to discharge his Functions, including but not limited to:
 - (a) the provision of such facilities as an office equipped with a workstation, telephone, fax machine and computer with Internet access at any and all premises of the merged Capita and IBS business as the MT may reasonably require; and
 - (b) the provision of full and complete access to all personnel, books, records, documents, facilities and information of the merged Capita and IBS business as the MT may reasonably require access to.
12. If Capita or any of its subsidiaries is in any doubt as to whether any action would infringe the Undertakings, they should contact the MT for clarification.
13. If Capita or any of its subsidiaries has any reason to suspect that the Undertakings might have been breached, they should notify the MT and the CC immediately.

Reporting functions

14. The MT is required to provide a report to the CC no later than Friday 16 January 2009. This report should set out, in detail, the degree of integration which has occurred between Capita and IBS, the current and proposed arrangements for managing the two businesses, and recommend what changes to those arrangements, if any, are necessary. This report should provide detailed information as to the mechanisms which have been or should be put in place to ensure compliance with the Undertakings.
15. Following provision of the report referred to in paragraph 14 above, the MT shall provide every month after that (or otherwise as required by the CC) a statement to the CC certifying whether or not, in his view, Capita and its subsidiaries have complied with the Undertakings. At the same time, the MT shall provide the CC with a report setting out his views in relation to the following:
 - (a) The basis for the MT's view that the Undertakings have, or have not as the case may be, been complied with. In particular, the MT should set out and explain whether: (i) anything has caused him to be concerned as to whether Capita has complied with the Undertakings, and if it has, why he was satisfied of compliance; (ii) he has any remaining doubts or uncertainties as to whether Capita has

- complied with the Undertakings; and (iii) anything causes him to be concerned about a possible future breach of the Undertakings (whether deliberate or inadvertent).
- (b) The extent and nature of any communication that has taken place between the merger parties since the last report.
 - (c) The performance of the IBS business, including any factors that might indicate deterioration (eg losing important personnel or important contracts).
 - (d) Whether appropriate steps are being taken to maintain the IBS business as a going concern.
 - (e) Any current or anticipated requests for consent to vary the Undertakings.
 - (f) The extent to which the MT considers that he is in a good position to monitor Capita's compliance with the Undertakings.
 - (g) The extent to which Capita has cooperated with the MT in his task of monitoring their compliance with the Undertakings. The MT should provide details of any aspects of the cooperation of Capita that he considers could be improved.
 - (h) The extent to which the MT considers that he is in a good position to monitor Capita's compliance with the Undertakings. The MT should set out and explain if there is anything that he considers would assist him in monitoring Capita's compliance.
 - (i) The information used to compile the report, including discussions that have been held by the MT, any sites visits and participation in meetings with customers.
16. When providing his reports to the CC the MT must ensure that he does not disclose any information or documents to the CC which Capita would be entitled to withhold from the CC on the grounds of legal privilege.
17. The MT should notify the CC immediately if he forms a reasonable suspicion that the Undertakings have been breached, or if he considers that he is not in a position to effectively carry out his Functions. In that situation, the MT should set out the reasons for his view and attach any relevant supporting evidence available to him (unless doing so would infringe his obligations referred to in paragraph 16 above).
18. All communications between the MT and the CC (including the statements and reports referred to in paragraph 17) shall be confidential and should not be disclosed to Capita, save with the express written permission of the CC. In relation to the possibility of disclosure of such communications to third parties, the CC shall act in accordance with the provisions of Part 9 of the Enterprise Act 2002. The MT shall not disclose such communications to third parties.

Interpretation

19. In these directions references to 'the Undertakings' are references to the Undertakings given by Capita and adopted by the CC on 24 November 2008. Terms and expressions defined in the Undertakings shall have the same meaning in these directions, unless the content requires otherwise.
20. To the extent that the Undertakings are addressed to a person's conduct outside the UK, it shall only apply to the extent that that person is carrying on business in the UK.

**COMPLETED ACQUISITION BY CAPITA GROUP PLC OF
IBS OPENSYSYSTEMS PLC**

**DIRECTIONS ISSUED PURSUANT TO THE UNDERTAKINGS GIVEN BY
CAPITA GROUP PLC AND ADOPTED BY THE COMPETITION COMMISSION
ON 24 NOVEMBER 2008**

On 19 November 2008, the Office of Fair Trading (OFT) made a reference to the Competition Commission (CC) under section 22 of the Enterprise Act 2002 (the Act) concerning the completed acquisition by Capita Group plc (Capita) of IBS OPENSysystems Plc (IBS);

On 24 November 2008 the CC adopted undertakings originally accepted by the OFT on 11 September 2008 from Capita (the Undertakings) for the purpose of ensuring that no action is taken pending final determination of the reference which might prejudice that reference or impede the taking of any action by the CC under Part 3 of the Act which might be justified by the CC's decision on the reference;

The CC now issues written directions under paragraph 6 of the Undertakings, that for the purpose of preventing pre-emptive action (within the meaning of section 80(10) of the Act), Capita shall make changes to the arrangements currently in place for the management of IBS in accordance with the terms provided for in the Annex and the parties shall comply with the obligations set out in the Annex.

Signed by authority of the CC

CHRISTOPHER CLARKE
Group Chairman
13 February 2009

1. Within seven days of the date of these directions Capita shall ensure that the following arrangements will apply for the management structure of the IBS business for the specified period:
 - (a) Bill Loughrey will fulfil the role of Managing Director of IBS (the Managing Director);
 - (b) [REDACTED], [REDACTED] and [REDACTED] will report solely to the Managing Director;
 - (c) [REDACTED] will be relieved of all his current responsibilities in relation to the IBS business and will not have any access to information in relation to IBS for the specified period;
 - (d) a person with appropriate expertise and with no knowledge or involvement with the Capita CSS business will be appointed Finance Director of IBS for the specified period and the Finance Director's sole reporting line in relation to IBS matters will be to the Managing Director. The Finance Director will not discuss any matters relating to IBS with Capita officers or staff. An effective Confidentiality Agreement will be in place with the Finance Director in respect of any Confidential Information they receive in relation to the role and copies provided to the CC and the Monitoring Trustee; and
 - (e) [REDACTED] will be relieved of all his current responsibilities in relation to the IBS business and shall have no further involvement with IBS during the specified period (this does not preclude [REDACTED] from continuing to have a role in relation to Capita's submissions to and engagement with the CC for the purposes of this inquiry).
2. The primary function of the Managing Director will be to exercise day-to-day management and control of the IBS business so as to preserve the possibility of restoring effective competition in the markets affected by the merger through the separation from Capita of a viable, saleable, competitive IBS business. The Managing Director will exercise management and control of the IBS business in such a way as to ensure that it is held separate from the Capita business in line with the Undertakings.
3. In addition to the primary function, the Managing Director will also:
 - (a) provide the CC with compliance statements as set out in paragraph 13 below;
 - (b) assist the CC (at the request of the CC) to respond to any request that may be made by Capita to the CC for a consent under the Undertakings; and
 - (c) otherwise assist the CC to prevent Capita taking pre-emptive action within the Specified Period;and the 'Managing Director's functions' shall include the performance of the primary function, the performance of the functions in this paragraph 3, and the performance of any other act or task necessary for the performance of those functions of the Managing Director including the performance of the reporting obligations at paragraph 11 below.
4. Other than as provided in paragraph 5 the Managing Director shall carry out his functions independently of Capita.

5. The Managing Director (or in his absence an alternate selected by the Managing Director from among the key staff members of IBS) shall report to Capita on the overall performance of IBS and to the extent necessary to fulfil Capita's financial reporting obligations and to comply with any legal, regulatory or insurance requirements (including any requirements resulting from the Undertakings (including any directions)). All communications (including verbal) between the Managing Director and Capita shall be monitored by the Monitoring Trustee and logged by Capita. The log will be submitted to the CC with the fortnightly compliance statements provided for in the Undertakings and copied to the Monitoring Trustee.
6. Capita shall ensure that the Managing Director is granted all such rights, powers and authorities as are necessary for the performance of the Managing Director's functions.
7. Capita shall take all reasonable steps including offering reasonable additional incentives to encourage all key staff to remain with the IBS business, in particular the following staff are key to the ongoing operation of the IBS business and best efforts will be made to retain these staff:
 - (a) Bill Loughrey (Managing Director, IBS);
 - (b) [REDACTED];
 - (c) [REDACTED]; and
 - (d) [REDACTED].
8. Capita shall continue to provide human resources, invoicing and credit control functions on IBS's behalf in accordance with the current procedure in place and until final determination of the reference, and shall ensure effective Confidentiality Agreements are in place with all relevant Capita staff in respect of any Confidential Information they receive in relation to their respective roles and copies are provided to the CC and the Monitoring Trustee.
9. Capita shall ensure that effective protocols or procedures for the handling of confidential information and other working practices are in place at appropriate levels for all staff of IBS and Capita whose roles may be affected by the Undertakings (including these directions) and copies are provided to the CC and the Monitoring Trustee. Capita will maintain a log recording all communications (including verbal) between IBS and Capita. The log will be submitted to the CC with the fortnightly compliance statements provided for in the Undertakings and copied to the Monitoring Trustee.
10. Any IBS Confidential Information which has passed to Capita since the acquisition on 26 June 2008 and is currently in Capita's offices or systems shall be destroyed or returned. Electronic copies of Confidential Information shall be destroyed and hard copies of any Confidential Information shall be returned to IBS within 14 days of the date of these directions.
11. The Managing Director should notify the CC or the Monitoring Trustee immediately on the formation by the Managing Director of a reasonable suspicion that the Undertakings have been breached, or if the Managing Director is unable effectively to carry out the Managing Director's functions.
12. All communications between the Managing Director and the CC or the Monitoring Trustee (including the statements and reports of the Managing Director referred to in

paragraphs 3 and 11) shall be confidential and shall not be disclosed to Capita by the Managing Director without the express written permission of the CC. In relation to the possibility of disclosure of such communications to persons other than Capita, the CC shall act in accordance with the provisions of Part 9 of the Act. The Managing Director shall not disclose such communications to third parties.

13. On 23 February 2009 and fortnightly after that on alternate Mondays (unless the obligation falls on a Bank Holiday in which case the working day after that) the Managing Director (or in his absence an alternate selected by the Managing Director from among the key staff members of IBS) shall provide a fortnightly statement to the CC in the form set out in Appendix 1 to these directions confirming compliance with the Undertakings.
14. The Managing Director of IBS will at all times actively keep the CC informed of any material developments relating to the IBS business which includes, but is not limited to:
 - (a) any material developments concerning financial and other resources made available to the IBS business;
 - (b) details of changes in the number of employees and details of key staff who leave or join the IBS business;
 - (c) all substantial customer volumes won or lost by the IBS business including any substantial changes in customers demand and details of tenders bid for; and/or
 - (d) substantial changes in the IBS business contractual arrangements or relationships with key suppliers.
15. In these directions, references to the 'Undertakings' are references to the undertakings adopted by the CC on 24 November 2008 which were originally accepted by the OFT on 11 September 2008 from Capita and any directions issued pursuant to those. Terms and expressions defined in the Undertakings (and any directions issued pursuant to those) shall have the same meaning in these directions, save as the context otherwise requires.

Compliance Statement for IBS OPENSystems Plc

I, *[insert name]*, confirm on behalf of IBS that since the issuing by the CC on 13 February of directions pursuant to the undertakings given by Capita and adopted by the CC on 24 November 2008 (the Undertakings):

- (a) The IBS business has been maintained as a going concern and sufficient resources have been made available for the maintenance of the IBS business as a going concern.
- (b) The IBS business's customer and supplier lists have been operated and updated purely for the purposes of the IBS business without any involvement of Capita.
- (c) The IBS business has been managed independently of Capita and all customer and supplier negotiations for the IBS business have been carried out independently of Capita or otherwise in accordance with the Undertakings.
- (d) There have been no substantive changes to the nature, description, range and quality of any goods and/or services currently supplied by the IBS business.

Assets-including facilities and goodwill

- (e) Except in accordance with the Undertakings, none of the assets of the IBS business have been disposed of.
- (f) Except in accordance with the Undertakings, no interest in the assets of the IBS business has been created or disposed of.
- (g) Except in accordance with the Undertakings, all of the assets of the IBS business have been maintained and preserved as they were before the merger.

Staff

- (h) No substantial changes have been made to the key staff or the organizational structure of the IBS business or to the management responsibilities within the IBS business.

Contracts

- (i) All existing contracts awarded to the IBS business continue to be serviced for their duration by IBS.

Information technology systems

- (j) There have been no changes to the software and hardware platforms of the IBS business other than routine changes and maintenance.

Material developments

- (k) Except as detailed in the table below there have been no:
 - (i) material developments concerning financial and other resources made available to the IBS business;

- (ii) changes to the total number of employees or the identities of key staff employed by the IBS business;
- (iii) substantial changes in the IBS business contractual arrangements or relationships with key suppliers;
- (iv) substantial customer volumes won or lost for the IBS business and no substantial changes to the IBS business's customer contracts and details of tenders bid for;
- (v) other material developments affecting the IBS business.

<i>Issue</i>	<i>Comment</i>
Material developments concerning financial and other resources	
Total number of employees	
Changes in key staff	
Changes in contractual arrangements or relationships with key suppliers	
Customer volumes won or lost	
Tenders bid for	
Other material developments	

Confidential information

- (l) No business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to the two businesses has passed, directly or indirectly, from IBS (or any of its employees, directors, agents or affiliates) to Capita (or any of its employees, directors, agents or affiliates), or vice versa save as permitted by the Undertakings.

Interpretation

(m) Words used in this Compliance Statement have the meaning given by the Undertakings.

I attach a record of the action points agreed at all meetings of the IBS management team since the last compliance statement was provided on *[insert date]*

FOR AND ON BEHALF OF IBS OPENSYSYSTEMS

Signature:.....

Name:.....

Title: Managing Director

Date:.....

**COMPLETED ACQUISITION BY CAPITA GROUP PLC
OF IBS OPENSYSYSTEMS PLC**

**Consent to Capita Group plc for certain action in relation to the sale of the IBS
OPENSYSYSTEMS Revenues & Benefits business**

On 19 November 2008, the Office of Fair Trading (OFT) made a reference to the Competition Commission (CC) under section 22 of the Enterprise Act (the Act) concerning the completed acquisition by Capita Group plc (Capita) of IBS OPENSYSYSTEMS plc (IBS).

The reference has not been finally determined in accordance with section 79(1) of the Act.

On 24 November 2008, the CC, in accordance with section 80(3) of the Act, adopted the initial undertakings (the Undertakings) given by Capita to the OFT on 11 September 2008 and issued Directions (the Directions) pursuant to those Undertakings on 13 February 2009, for the purpose of ensuring that no action is taken pending the determination of the reference which might prejudice that reference or impede the taking of any action by the CC under Part 3 of the Act (the Undertakings).

The Undertakings are still in force.

On 30 April 2009 the CC determined pursuant to section 39(3) of the Act that there were special reasons why its report could not be prepared and published within the initial statutory reference period, and that the reference period therefore be extended by a period of eight weeks to 30 June 2009.

In accordance with and without prejudice to the generality of paragraphs 1 and 2 of the Undertakings and the Directions, the CC gives the following consent.

Consent 1: Due diligence information protocol

1. In order for Capita to commence the due diligence process which might be necessary to sell the IBS Revenue and Benefits (R&B) business, the following three people ('the Capita ring-fenced team') shall be permitted to perform specific roles for the duration of the sale process:
 - (a) [X] shall be appointed M&A Manager to manage and negotiate the sale of the IBS R&B business.
 - (b) [X] will be the sole report within Capita for [X] role as M&A Manager.
 - (c) [X] will fulfil the role of M&A Manager, in [X] absence.
2. The Capita ring-fenced team shall be privy to due diligence information (DDI) which will be used solely for the purpose of managing and negotiating the sale of the IBS R&B business.
3. Effective confidentiality agreements (as set out in paragraph 4) will be put in place with each member of the Capita ring-fenced team in respect of any DDI they receive in relation to their respective roles and copies shall be provided to the CC and the Monitoring Trustee.

Confidentiality agreements

4. All IBS management involved in the sale process and who it is proposed will be retained by Capita in the event of a partial divestment of the IBS business, together with Capita/IBS advisers and members of the Capita ring-fenced team, shall sign an effective confidentiality agreement restricting them from passing information to Capita. The agreement would require the relevant IBS and Capita ring-fenced individuals to:
 - (a) identify IBS commercially sensitive information which the agreement applies to and undertake not to share this information with the Capita R&B business managers or any other person;
 - (b) notify the CC or the Monitoring Trustee immediately on the formation of a reasonable suspicion that commercially sensitive information has been shared with Capita R&B business managers or any other person;
 - (c) agree to not being involved in the Capita R&B business, for a period of six months from the date of the sale of the IBS R&B business;
 - (d) acknowledge that they ceased to have any responsibility within the Capita R&B business, at least three months prior to assuming any role within the IBS R&B business sale process; and
 - (e) undertake to consult with Capita's legal advisers [X] and/or the Monitoring Trustee for guidance where necessary, so Capita's legal advisers or the Monitoring Trustee can regulate any necessary contact with the Capita R&B business management.
5. The Monitoring Trustee will monitor the process to ensure that Capita R&B business managers are not involved in detailed discussions concerning the sale of the IBS R&B business.

Requests for due diligence information

6. Any potential bidder may send DDI requests to Capita's M&A advisers [X] who will simultaneously by email advise the Monitoring Trustee and the Capita ring-fenced team of the request.
7. Capita's M&A advisers will then send the request to Capita's accounting services provider [X] if the request relates to financial due diligence or to IBS for any other DDI.
8. IBS/Capita's accounting services provider shall complete the response and return it to Capita's M&A advisers who will forward it to the Capita ring-fenced team to assess for relevance, completeness and coherence. The IBS/Capita accounting services provider response must also be copied to the Monitoring Trustee.
9. Following their assessment, the Capita ring-fenced team will confirm with Capita's M&A advisers that the requested DDI can be sent to the bidder or they may ask Capita's M&A advisers to request further information from IBS/Capita's accounting services provider.

Confidential information not to be passed to the Capita ring-fenced team

10. Without the prior written consent of the CC, the following information shall not be passed to the Capita ring-fenced team but shall be provided to any potential purchaser when necessary in the process:
 - (a) sales prospects, including value;
 - (b) any oral discussions between IBS R&B management and any potential purchaser;
 - (c) plans for any new IBS R&B products developed since 11 September 2008;
 - (d) customer/user focus group minutes since 11 September 2008; and
 - (e) action points from Board of Management meetings since 11 September 2008.

Retention of due diligence information

11. At the conclusion of the due diligence process, the Monitoring Trustee will advise Capita of any DDI which must be removed from Capita's systems or destroyed within two working days of notification from the Monitoring Trustee.
12. The Capita ring-fenced team will retain the DDI until the transaction has been completed, at which time the DDI shall be destroyed.
13. Capita's legal advisers will retain the DDI for the sole purpose of defending Capita against any potential warranty claims and shall be held by the legal advisers for the duration of the warranty period as set out in the sale and purchase agreement.

[✂]

14. [✂]

15. [✂]

16. [✂]

17. [✂]

21 May 2009