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City State Zip Phone

CORPORATION(S) NAME

600002786576--9
-02/25/99--01010--002
*****70.00 *****70.00

Cognos Incorporated
Braves Acquisition Corp
and
Lex 2000 Inc

Merger

600002786576--9
-02/25/99--01010--003
*****35.00 *****35.00

( ) Profit
( ) NonProfit
( ) Limited Liability Company
( ) Foreign

( ) Amendment
( ) Dissolution/Withdrawal

(✓) Merger
( ) Mark

( ) Limited Partnership
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Thanks, Melanie ☺

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CR2E031 (1-89)

Per Debra Thomas 100789 02277, 00544, 00672
Amended + Restated Articles will be Filed at a later time.

P96000053367

ARTICLES OF MERGER
Merger Sheet

MERGING:

BRAVES ACQUISITION CORP., a Delaware corporation not authorized to transact business in Florida

,

INTO

LEX2000 INC., a Florida corporation, P96000053367.

File date: February 24, 1999

Corporate Specialist: Annette Ramsey

FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

February 25, 1999

CT Corporation System
660 East Jefferson St.
Tallahassee, FL 32301

SUBJECT: LEX2000 INC.
Ref. Number: P96000053367

We have received your document for LEX2000 INC. and your check(s) totaling $105.00. However, the enclosed document has not been filed and is being returned for the following correction(s):

The articles of merger must contain the provisions of the plan of merger or the plan of merger must be attached.

The name and title of the person signing the document must be noted beneath or opposite the signature.

If you have any questions concerning the filing of your document, please call (850) 487-6907.

Annette Ramsey
Corporate Specialist

Letter Number: 099A00008721

* Please backdate filing date to February 24th.

Thanks!

99 FEB 26 AM 11:26

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

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99 FEB 24 PM 4:50
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF MERGER
of
BRAVES ACQUISITION CORP.
(a Delaware corporation)
and
LEX2000 INC.
(a Florida corporation)

Pursuant to the provisions of Section 607.1105 of the Florida Business Corporation Act, the undersigned corporations adopt these Articles of Merger for the purpose of merging Braves Acquisition Corp., a Delaware corporation, into LEX2000 Inc., a Florida corporation (the "Merger").

1. The Agreement and Plan of Merger dated as of January 25, 1999 by and among Cognos Incorporated, Braves Acquisition Corp., LEX2000 Inc. and certain stockholders listed on the signature pages thereto (the "Plan of Merger") is on file at an office of LEX2000 Inc. located at 2900 Delk Road, Suite 700-120, Marietta, GA 30067.

2. The name of the surviving corporation is LEX2000 Inc. (the "Surviving Corporation").

3. The Articles of Incorporation of the Surviving Corporation shall be amended and restated in their entirety to read as the Articles of Incorporation of Braves Acquisition Corp., as in effect immediately prior to the Merger, with the exception that the name of the Surviving Corporation shall continue to be "LEX2000 Inc."

4. The Merger shall become effective upon the filing of both these Articles of Merger with the Department of State of the State of Florida and the Certificate of Merger with the Department of State of Delaware.

5. The Plan of Merger was adopted by the shareholders of LEX2000 on February 23, 1999. The Plan of Merger was adopted by the sole shareholder of Braves Acquisition Corp. on January 21, 1999.

IN WITNESS WHEREOF, the undersigned have caused these Articles of Merger to be duly executed this 24th day of February, 1999.

BRAVES ACQUISITION CORP.
a Delaware corporation

By:_____
Name:_____
Title:_____

LEX2000 INC.
a Florida corporation

By: Robert Reisner
Name: Robert Reisner
Title: President

IN WITNESS WHEREOF, the undersigned have caused these Articles of Merger to be duly executed this 24th day of February, 1999.

BRAVES ACQUISITION CORP.
a Delaware corporation

By: _____
Name: W. John Tussup
Title: Director - Chairman

LEX2000 INC.
a Florida corporation

By: _____
Name: _____
Title: _____

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

COGNOS INCORPORATED,

BRAVES ACQUISITION CORP.

LEX2000 INC.,

AND

THE STOCKHOLDERS OF
LEX2000 INC. LISTED
ON THE SIGNATURE
PAGE HEREOF

Dated as of January 25, 1999

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Exhibit 6.2(e)	Form of Escrow Agreement
Exhibit 6.2(m)(i)	Form of Principal Stockholder Employment Agreement
Exhibit 6.2(m)(ii)	Form of Non-Competition and Non-Solicitation Agreement
Exhibit 6.2(n)	Form of Employment Agreement
Exhibit 6.3(c)(i)	Form of Opinion of Canadian Counsel to Parent
Exhibit 6.3(c)(ii)	Form of Opinion of U.S. Counsel to Parent

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of January 25, 1999 (this "**Agreement**"), among Cognos Incorporated, a Canadian corporation ("**Parent**"), Braves Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Parent ("**Merger Sub**"), LEX2000 Inc., a Florida corporation (the "**Company**"), and the stockholders of the Company listed on the signature page hereof (the "**Principal Stockholders**").

WITNESSETH:

WHEREAS, the Boards of Directors of Parent, Merger Sub and the Company have each determined that it is advisable and in the best interests of their respective stockholders for Parent to enter into a business combination with the Company upon the terms and subject to the conditions set forth herein;

WHEREAS, in furtherance of such combination, the Boards of Directors of Parent and Merger Sub have each approved the merger of the Merger Sub with and into the Company (the "**Merger**") in accordance with the applicable provisions of the Delaware General Corporation Law (the "**DGCL**") and the Florida Business Corporation Act (the "**FBCA**") and upon the terms and subject to the conditions set forth herein; and

WHEREAS, to induce Parent and Merger Sub to enter into this Agreement, simultaneously with the execution and delivery of this Agreement, the Company and the Principal Stockholders have entered into certain agreements with Parent and Merger Sub pursuant to which the Principal Stockholders have undertaken to take certain actions in connection with the transactions contemplated by this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Parent, Merger Sub, the Company and the Principal Stockholders hereby agree as follows:

ARTICLE I
THE MERGER

SECTION 1.1 ***The Merger.***

(a) ***Surviving Corporation.*** At the Effective Time (as defined in Section 1.2), and subject to and upon the terms and conditions of this Agreement, the DGCL and the FBCA, Merger Sub shall be merged with and into the Company, the separate corporate existence of Merger Sub shall cease, and the Company shall continue as the surviving corporation. The Company as the surviving corporation after the Merger is hereinafter sometimes referred to as the "**Surviving Corporation**."

(b) ***Closing.*** Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned pursuant to Article VII and subject to the

satisfaction or waiver of the conditions set forth in Article VI, the consummation of the Merger will take place as promptly as practicable (and in any event within two business days) after satisfaction or waiver of the conditions set forth in Article VI, at the offices of Testa, Hurwitz & Thibeault, LLP, unless another date, time or place is agreed to in writing by the parties hereto (the "**Closing Date**").

(c) ***Escrow***. At the Effective Time, Parent shall deliver to State Street Bank and Trust Company, or any successor escrow agent appointed pursuant to the Escrow Agreement (as hereinafter defined) (the "**Escrow Agent**") US $800,000 in cash of the total merger consideration to be issued in the Merger pursuant to Section 1.6 (the "**Escrow Account**"), such cash to be held and applied in accordance with the Escrow Agreement (the "**Escrow Funds**").

(d) ***Stockholder Representative***. All of the stockholders of the Company, by virtue of their approval of the Agreement, will be deemed to have irrevocably constituted and appointed, effective as of the Effective Time, Robert Reisner (together with his or its permitted successors, the "**Stockholder Representative**"), as their true and lawful agent and attorney-in-fact to enter into any agreement in connection with the transactions contemplated by this Agreement and any transactions contemplated by the Escrow Agreement, to exercise all or any of the powers, authority and discretion conferred on him or it under any such agreement, to waive or amend any terms and conditions of any such agreement (other than the Merger consideration), to give and receive notices on their behalf and to be their exclusive representative with respect to any matter, suit, claim, action or proceeding arising with respect to any transaction contemplated by any such agreement, including, without limitation, the defense, settlement or compromise of any claim, action or proceeding for which Parent or the Merger Sub may be entitled to indemnification and the Stockholder Representative agrees to act as, and to undertake the duties and responsibilities of, such agent and attorney-in-fact. This power of attorney is coupled with an interest and is irrevocable. The Stockholder Representative shall not be liable for any action taken or not taken by him or it in connection with his or its obligations under this Agreement (i) with the consent of stockholders owning at least 51% of the outstanding shares of the common stock of the Company at the Effective Time or (ii) in the absence of his own gross negligence or willful misconduct. If the Stockholder Representative shall be unable or unwilling to serve in such capacity, his successor shall be named by those persons holding at least 51% of the shares of common stock of the Company outstanding at the Effective Time who shall serve and exercise the powers of Stockholder Representative hereunder.

SECTION 1.2 ***Effective Time***. As promptly as practicable after the satisfaction or waiver of the conditions set forth in Article VI, the parties hereto shall cause the Merger to be consummated by filing a duly executed and delivered Certificate of Merger in the form attached hereto as Exhibit 1.2 as contemplated by the DGCL and the FBCA (the "**Certificate of Merger**"), with the Secretary of State of the States of Delaware and Florida, in such form as required by, and executed in accordance with the relevant provisions of, the DGCL and the FBCA (the time of such filing being the "**Effective Time**").

SECTION 1.3 ***Effect of the Merger***. At the Effective Time, the effect of the Merger shall be as provided in this Agreement, the Certificate of Merger and applicable law. Without

limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation.

SECTION 1.4 ***Certificate of Incorporation, By-Laws.***

(a) ***Certificate of Incorporation***. Unless otherwise determined by Parent prior to the Effective Time, at the Effective Time, the Certificate of Incorporation of the Surviving Corporation, as in effect immediately prior to the Effective Time, shall read in its entirety as did the Certificate of Incorporation of Merger Sub immediately prior to the Effective Time, except that the name of the Surviving Corporation shall be "LEX2000 Inc."

(b) ***By-Laws***. Unless otherwise determined by Parent prior to the Effective Time, the By-Laws of the Surviving Corporation, as in effect immediately prior to the Effective Time, shall read in their entirety as set forth in the By-Laws of Merger Sub immediately prior to the Effective Time, except that the name of the Surviving Corporation shall be "LEX2000 Inc."

SECTION 1.5 ***Directors and Officers***. The directors of Merger Sub immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation, each to hold office in accordance with the Certificate of Incorporation and By-Laws of the Surviving Corporation, and the officers of Merger Sub immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation, in each case until their respective successors are duly elected or appointed and qualified.

SECTION 1.6 ***Merger Consideration***.

(a) At the Effective Time, each share of Common Stock, $.001 par value, of the Company ("**Common Stock**") issued and outstanding immediately prior to the effectiveness of the Merger (each such share of Common Stock referred to herein individually as a "**Share**" and collectively as the "**Shares**"), other than Shares held in treasury or which constitute Dissenting Shares (as defined), shall, by virtue of the Merger and without any action on the part of the holder thereof, automatically be canceled and extinguished and converted into the right to receive the merger consideration specified in Section 1.6(d).

(b) At the Effective Time, each share of Common Stock held in treasury immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, automatically be canceled and retired and all rights in respect thereof shall cease to exist.

(c) Any Dissenting Shares as defined in the FBCA (the "**Dissenting Shares**") shall not be converted into a right to receive the Merger Consideration (as defined) calculated on a per share basis in accordance with this Section 1.6 but shall be converted into the right to receive such consideration as may be determined to be due with respect to such Dissenting Shares pursuant to the laws of the State of Florida; provided, however, that if the status of any such shares as Dissenting Shares shall not be perfected, or if any such shares shall lose their status as

Dissenting Shares, then, as of the later of the Effective Time or the time of the failure to perfect, or loss of, such status, such shares shall automatically be converted into and shall represent only the right to receive (upon the surrender of the certificate or certificates representing such shares) the Merger Consideration. The Company shall give Parent prompt notice of any demand received by it for appraisal rights, and Parent shall have the right to participate in all negotiations and proceedings with respect to such demand. The Company agrees that, except with the prior written consent of Parent or as required under applicable law, it will not voluntarily make any payment with respect to, or settle or offer to settle, any such demand for appraisal.

(d) Subject to the terms and conditions specified in this Agreement, each Share issued and outstanding at the Effective Time (excluding any Dissenting Shares) shall automatically be canceled and extinguished and be converted into the right to receive the following:

i) a cash amount (the "**Closing Date Per Share Merger Consideration**") equal to the Aggregate Closing Date Merger Consideration divided by the Company Outstanding Common Equivalents; and

ii) a number of common shares of Parent, no par value (the "**Parent Shares**"), equal to the Parent Shares for Common Stockholders divided by the Company Outstanding Common Equivalents.

The following terms shall have the following meanings:

"**Aggregate Closing Date Merger Consideration**" means US $7.0 million minus (A) the Excess Liability Amount, if any, and (B) the Stockholder Expenses (as defined), plus the Surplus Amount, if any.

"**Company Outstanding Common Equivalents**" means the aggregate number of shares of Common Stock issued and outstanding at the Effective Time.

"**Excess Liability Amount**" means the aggregate amount, if any, of Net Debt in excess of the Liability Limit calculated as of the second business day prior to the Closing Date (the "**Determination Date**").

"**Liability Limit**" means US $300,000.

"**Net Debt**" means a dollar amount equal to the aggregate amount of indebtedness and all other liabilities of the Company, excluding deferred tax benefits and liabilities and unearned revenue ("**Debt**"), less the aggregate amount of cash, accounts receivable and cash equivalents of the Company ("**Cash Equivalents**") calculated as of the Determination Date.

"**Parent Shares for Common Stockholders**" means a number of Parent Shares equal to US $3.0 million divided by the Parent Stock Price.

"**Parent Stock Price**" means the average, rounded to the nearest one-thousandth of a US dollar (US $.001), of the daily closing bid and closing ask prices of Parent Common Shares as reported on NASDAQ for the thirty (30) consecutive full trading days during the period ending on and including the second business day prior to December 28, 1998. The parties acknowledge that such average stock price is equal to US $19.298.

"**Surplus Amount**" means: (i) if Net Debt is in excess of the Liability Limit, an amount equal to $0; (ii) if Net Debt is in excess of $0 but less than the Liability Limit, an amount equal to the Liability Limit less Net Debt; or (iii) if Net Debt is less than or equal to $0, an amount equal to the lesser of (A) (x) the sum of the amount of Cash Equivalents in excess of Debt plus (y) the Liability Limit or (B) U.S. $500,000, calculated as of the Determination Date; provided, however, that in no event the Surplus Amount exceed in the aggregate U.S. $500,000 for purposes of adjusting upward the Aggregate Closing Date Merger Consideration.

(e) Notwithstanding any other provision of this Agreement, neither certificates nor scrip for fractional Parent Shares shall be issued to any holder of Common Stock in the Merger and the holder thereof shall not be entitled to any voting or other rights of a holder of shares or a fractional share interest. Each holder of shares who otherwise would have been entitled to receive a fraction of a Parent share shall receive in lieu thereof cash, without interest, in an amount determined by multiplying such holder's fractional interest by the Parent Stock Price. All amounts of cash in respect of fractional interests which have not been claimed at the end of two years from the Effective Time by surrender of certificates for shares of Common Stock shall be repaid to the Surviving Corporation, subject to the provisions of applicable escheat or similar laws, for the account of the holders entitled thereto.

(f) Notwithstanding any other provision of this Agreement, in the event that any stockholder of the Company shall fail to deliver or shall be unable to deliver the accredited investor representation letter required pursuant to Section 1.7(h) to Parent on or before the Closing Date, such stockholder shall not be entitled to receive the Parent Shares pursuant to Section 1.6(d)(ii), but rather cash in an amount equal to the Exchange Ratio multiplied by the Parent Stock Price (the "**Per Share Consideration**") for each Share held by such stockholder. For purposes of this Agreement, "**Exchange Ratio**" means the Parent Shares for Common Stockholders divided by the Company Outstanding Common Equivalents.

SECTION 1.7 ***Exchange of Certificates***.

(a) ***Exchange and Paying Agent***. Promptly following the Effective Time, Parent shall supply, or shall cause to be supplied, to or for the account of a bank or trust company designated by Parent, which may in the Parent's sole discretion be Parent's transfer agent (the "**Exchange Agent**"), in trust for the benefit of the holders of the Shares (other than Dissenting Shares), for exchange or payment in accordance with this Section 1.7, through the Exchange Agent: (i) certificates evidencing the Parent Shares issuable pursuant to Section 1.6 and Section 1.7(h) in exchange for outstanding Shares plus cash in an amount sufficient for payment in lieu of fractional shares as provided in Section 1.6 and (ii) immediately available funds in an amount necessary for the payment of the Aggregate Closing Date Merger Consideration (but not

(A) the Deferred Principals Merger Consideration, which amount shall be paid by Cognos in accordance with Section 1.8, (B) the A/R Offset to be held by Parent pursuant to Section 1.8(c) or (C) the Escrow Funds, which funds shall be delivered to the Escrow Agent in accordance with Section 1.1(c)), and the Per Share Consideration, it being understood that all Escrow Funds shall be placed in the AIM Short-Term Investments Co.-Prime Portfolio Money Market Fund and all other such funds shall be placed in a non-interest bearing account.

(b) ***Exchange Procedures***. Promptly after the Effective Time, Parent shall cause the Exchange Agent to mail to each holder of record of a certificate or certificates (as of the record date designated by Board of Directors of the Company) which immediately prior to the Effective Time evidenced outstanding Shares (other than Dissenting Shares) (the "**Certificates**") (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as Parent may reasonably specify) and (ii) instructions to effect the surrender of the Certificates in exchange for the certificates evidencing Parent Shares and, in lieu of any fractional shares thereof, cash. As specified in Section 1.7(h) hereof, Parent Shares shall not be delivered to any holder of a Certificate that has not delivered the representation letter required by such Section on or prior to the Closing Date. Upon surrender of a Certificate for cancellation to the Exchange Agent together with such letter of transmittal, duly executed, and such other customary documents as may be required pursuant to such instructions, the Exchange Agent shall (A) deliver to the holder of such Certificate in exchange therefor an amount equal to the portion of the Aggregate Closing Date Merger Consideration to which such holder is entitled pursuant to Section 1.6 (after delivery of the Escrow Funds to the Escrow Agent pursuant to Section 1.1(c) and taking into account the Deferred Principals Merger Consideration to be paid by Parent pursuant to Section 1.8 and the A/R Offset to be held by Parent in accordance with Section 1.8(c)) and the Per Share Consideration, if applicable, (B) subject to Sections 1.6(f) and 1.7(h), issue in the name of the holder of such Certificate in exchange therefor certificates evidencing that number of whole Parent Shares which such holder has the right to receive in accordance with Section 1.6 in respect of Shares formerly evidenced by such Certificate and (C) cash in lieu of fractional shares to which such holder is entitled pursuant to Section 1.6, each to be delivered by the Exchange Agent to the holders of such Certificate (the cash described in clause (A), the Parent Shares described in clause (B) and the cash described in clause (C) being, collectively the "**Merger Consideration**"), and the Certificate so surrendered shall forthwith be canceled. In the event of a transfer of ownership of Shares which is not registered in the transfer records of the Company immediately prior to the Effective Time, cash may be issued and paid in accordance with this Section 1.7 to a transferee if the Certificate evidencing such Shares is presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer pursuant to this Section 1.7 and by evidence that any applicable stock transfer taxes have been paid. Until so surrendered, each outstanding certificate that, prior to the Effective Time, represented shares of Common Stock will be deemed from and after the Effective Time, for all corporate purposes, to evidence the right to receive cash in exchange therefor pursuant to Section 1.6, the ownership of the number of full Parent Shares into which such shares of Common Stock shall have been so converted and the right to receive an amount in cash in lieu of the issuance of any fractional shares in accordance with Section 1.6.

(c) ***Distributions with Respect to Unexchanged Shares***. No dividends or other distributions declared or made after the Effective Time with respect to Parent Shares with a record date after the Effective Time, shall be paid to the holder of any unsurrendered Certificate until the holder of such Certificate shall surrender such Certificate. Subject to applicable law, following surrender of any such Certificate, there shall be paid to the record holder of the certificates representing whole Parent Shares issued in exchange therefor, without interest, at the time of such surrender, the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole Parent Shares.

(d) ***Transfers of Ownership***. If any certificate for Parent Shares is to be issued in a name other than that in which the Certificate surrendered in exchange therefor is registered, it will be a condition of the issuance thereof that the Certificate so surrendered will be properly endorsed and otherwise in proper form for transfer and that the person requesting such exchange will have paid to Parent or any person designated by it any transfer or other taxes required by reason of the issuance of a certificate for Parent Shares in any name other than that of the registered holder of the certificate surrendered, or established to the satisfaction of Parent, or any agent designated by it that such tax has been paid or is not payable.

(e) ***Withholding Rights***. Parent shall be entitled to deduct and withhold from the Merger Consideration otherwise payable pursuant to this Agreement to any holder of Shares such amounts as Parent is required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by Parent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Shares in respect of which such deduction and withholding was made by Parent.

(f) ***Restrictions***. The Parent Shares issuable pursuant to Section 1.6:

(i) shall not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or the securities laws of any state of the United States;

(ii) shall be issued in a transaction not involving any public offering within the meaning of the 1933 Act, and, accordingly, shall be "restricted securities" within the meaning of Rule 144 under the 1933 Act ("**Rule 144**"), and therefore may not be offered or sold by the Company stockholders, directly or indirectly, in the United States without registration under United States federal and state securities laws;

(iii) shall not be sold, pledged or otherwise transferred except (a) subject to (d) below, outside the United States in accordance with Rule 904 of Regulation S under the 1933 Act, (b) in another transaction otherwise exempt from registration under the 1933 Act in compliance with Rule 144 and in compliance with any applicable state securities laws of the United States, (c) pursuant to another applicable exemption from such registration and applicable state securities laws; it being understood and acknowledged

by the Company that Parent is not obligated to file and has no present intention of filing with the United States Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resales of any of the Parent Shares issued hereunder in the United States, or (d) in Canada in accordance with applicable provincial securities laws.

(g) ***Legend***. Each certificate representing Parent Shares shall bear a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"). THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF COGNOS THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) SUBJECT TO (D) BELOW, OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, OR (B) INSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 144 UNDER THE 1933 ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (C) PURSUANT TO ANOTHER APPLICABLE EXEMPTION FROM SUCH REGISTRATION AND APPLICABLE STATE SECURITIES LAWS, OR (D) IN CANADA IN ACCORDANCE WITH APPLICABLE PROVINCIAL SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. A NEW CERTIFICATE, BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY", MAY BE OBTAINED FROM MONTREAL TRUST COMPANY OF CANADA UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO MONTREAL TRUST COMPANY OF CANADA AND THE CORPORATION, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH APPLICABLE SECURITIES LAWS.

(h) Subject to Section 1.6(f), Parent shall not be required to deliver any Parent Shares pursuant to Section 1.6 hereof, unless Parent or the Exchange Agent shall have received an accredited investor representation letter from such person in the form of Exhibit 1.7(h) hereto (the "**Accredited Investor Representation Letter**") on or prior to the Closing Date.

SECTION 1.8 ***Deferred Payments/Forfeiture/Surplus Amount***. (a) Notwithstanding anything to the contrary contained in this Agreement (and subject to the forfeiture provisions contained in Section 1.8(b) hereof, the A/R Offset referred to in Section 1.8(c) and Parent's right of offset contained in Section 8.1(c)), (A) (i) 40% of each of the Principal Stockholder's Closing Date Per Share Merger Consideration shall be payable promptly following the Closing Date

(after delivery of the Escrow Funds and the hold back of the A/R Offset) (the "**Principals Closing Date Merger Consideration**") in accordance with the exchange procedures described in Section 1.7, (ii) 30% of each of the Principal Stockholder's Closing Date Per Share Merger Consideration shall be payable on the second anniversary of the Closing date (subject to the indemnification obligation contained in Article VIII hereof) (the "**Second Anniversary Date Merger Consideration**"), and (iii) 30% of each of the Principal Stockholder's Closing Date Per Share Merger Consideration shall be payable on the third anniversary of the Closing Date (the "**Third Anniversary Date Merger Consideration**") and (B) (i) 50% of the Parent Shares which each Principal Stockholder is entitled to receive pursuant to Section 1.6(d) shall be delivered on the second anniversary of the Closing Date (the "**Second Anniversary Date Share Consideration**") and (ii) 50% of the Parent Shares which each Principal Stockholder is entitled to receive pursuant to Section 1.6(d) shall be delivered on the third anniversary of the Closing Date (the "**Third Anniversary Date Share Consideration**") (the Second Anniversary Date Merger Consideration, the Third Anniversary Date Merger Consideration, the Second Anniversary Date Share Consideration and the Third Anniversary Date Share Consideration being referred to collectively herein as the "**Deferred Principals Merger Consideration**").

(b) Notwithstanding anything to the contrary contained in this Agreement, each Principal Stockholder shall forfeit the Deferred Principals Merger Consideration (but not the Principals Closing Date Merger Consideration) if such Principal Stockholder voluntarily terminates his employment with Parent (or a subsidiary of Parent), or his employment with Parent (or a subsidiary of Parent) is terminated by Parent, at any time on or prior to the third anniversary of the Closing Date; provided, however, that such Principal Stockholder shall not forfeit his portion of the Merger Consideration if (i) such Principal Stockholder's employment is terminated due to such Principal Stockholder's death or disability, (ii) such Principal Stockholder's base salary or benefits as specified in his employment agreement with Parent are reduced without his prior written consent, (iii) such Principal Stockholder's employment is terminated by Parent without "cause" (as that term is defined in such Principal Stockholder's employment agreement), (iv) such Principal Stockholder is relocated by Parent, without such stockholder's written consent, after the Closing Date to a principal work location in excess of twenty (20) miles from such Principal Stockholder's principal work location on the Closing Date, or (v) such Principal Stockholder terminates his employment for Good Reason (as that term is defined in such Principal Stockholder's employment agreement). Any amounts so forfeited by such Principal Stockholder shall not be reallocated to, or penalize, the other Principal Stockholders.

(c) Notwithstanding anything to the contrary contained in this Agreement, an amount of the portion of the Aggregate Closing Date Merger Consideration payable to the Principal Stockholders equal to the Surplus Amount, if any (the "**A/R Offset**"), shall be held by Parent and not paid to the Principal Stockholders on the Closing Date to guarantee the collection of outstanding accounts receivable of the Company existing as of the Determination Date (the "**Closing Date A/R**"). At Closing, the Company's independent public accountants, Habif, Arogeti & Wynne, P.C., shall certify in writing the Closing Date A/R, which certification shall contain the following: that the Closing Date A/R was determined in accordance with U.S. generally accepted accounting principles applied on a consistent basis throughout the period

involved, and that the Closing Date A/R fairly presents in all material respects the outstanding accounts receivable of the Company as of the Determination Date. The Closing Date A/R shall consist of: (i) all amounts of accounts receivable of the Company existing as of the Determination Date up to a maximum amount equal to Debt less: (A) the Liability Limit and (B) all other Cash Equivalents (excluding accounts receivable) of the Company existing as of the Determination Date (the "**Base A/R**"), (ii) any amounts of accounts receivable of the Company existing as of the Determination Date in excess of the amount of the Base A/R up to a maximum amount equal to the Surplus Amount (the "**Surplus A/R**"), and (iii) any amounts of accounts receivable of the Company existing as of the Determination Date in excess of the aggregate amount of the Base A/R and Surplus A/R (the "**Surplus Surplus A/R**"); *provided, however,* that the Surplus A/R, if any, shall include accounts receivable of the Company related to the Company's provision of product and services to the General Electric Company and its businesses; and *provided, further, however,* that the Surplus Surplus A/R, if any, shall only consist of accounts receivable of the Company recognized by the Company in connection with unearned or deferred revenue of the Company and not in connection with the realization of revenue by the Company for purposes of its statement of income for any period ending on or prior to the Closing Date. On each of the ninety (90) day, one hundred eighty (180) day, one year and two year anniversaries of the Closing Date, the A/R Offset (as of such date) shall be reduced (until the A/R Offset equals $0) by a dollar amount equal to the dollar amount of any Closing Date A/R collected by the Company for such period in excess of the aggregate amount of Base A/R and any other Closing Date A/R previously collected and applied to the A/R Offset as provided herein and such amount, if any, shall be paid promptly to the Principal Stockholders by Parent; *provided, however,* that under no circumstances shall (x) any amount of A/R Offset be paid to the Principal Stockholders until the entire amount of the Base A/R has been collected by the Company and (y) any amount in excess of the A/R Offset be paid to the Principal Stockholders pursuant to this Section 1.8(c). For purposes of the determination of the Company's collection of the Base A/R portion of the Closing Date A/R and the subsequent payment of any A/R Offset to the Principal Stockholders under this Section 1.8(c), the Closing Date A/R shall be fungible and the Company shall not distinguish among specific accounts receivable with respect to any amounts of the Closing Date A/R collected. Any Amount of A/R Offset remaining after the two year anniversary reduction and corresponding payment to the Principal Stockholders shall be forfeited by the Principal Stockholders and held by Parent (the "**Surplus Amount Subject to Repayment**").

SECTION 1.9 ***Stock Transfer Books***. At the Effective Time, the stock transfer books of the Company shall be closed, and there shall be no further registration of transfers of Common Stock thereafter on the records of the Company.

SECTION 1.10 ***No Further Ownership Rights in Common Stock***. The Merger Consideration delivered upon the surrender for exchange of Shares in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such Shares, and there shall be no further registration of transfers on the records of the Surviving Corporation of Shares which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be canceled and exchanged as provided in this Article I.

SECTION 1.11 ***Taking of Necessary Action; Further Action***. Each of Parent, Merger Sub, the Company and the Principal Stockholders will take all such reasonable and lawful action as may be necessary or appropriate in order to effectuate the Merger in accordance with this Agreement as promptly as possible. If, at any time after the Effective Time, any such further action is necessary or desirable to carry out the purposes of this Agreement and to vest the Surviving Corporation with full right, title and possession to all assets, property, rights, privileges, powers and franchises of the Company and Merger Sub, the officers and directors of the Company and Merger Sub immediately prior to the Effective Time are fully authorized in the name of their respective corporations or otherwise to take, and will take, all such lawful and necessary action.

SECTION 1.12 ***Stock Options***. Prior to the Closing Date, the Company shall obtain all necessary consents or releases from holders of options to purchase Common Stock of the Company (the "**Company Options**") as may be necessary to terminate all outstanding Company Options.

SECTION 1.13 ***Participation Agreement***. Upon execution of this Agreement, the Company shall deliver to Parent a copy of the Participation Agreement in the form of Exhibit 1.13 hereto (the "**Participation Agreement**") duly executed and delivered by the Company and each of the Principal Stockholders.

SECTION 1.14 ***Material Adverse Effect***. When used in connection with the Company or Parent or any of their respective subsidiaries, the term "**Material Adverse Effect**" means any change, effect or circumstance that, individually or when taken together with all other such changes, effects or circumstances that have occurred prior to the date of determination of the occurrence of the Material Adverse Effect, (a) is or is reasonably likely to be materially adverse to the business, assets (including intangible assets), prospects, financial condition or results of operations of the Company and its subsidiaries taken as a whole or the Parent and its subsidiaries taken as a whole, as the case may be, or (b) is or is reasonably likely to materially delay or prevent the consummation of the transactions contemplated hereby.

SECTION 1.15 ***Knowledge***. The terms "**knowledge**" and "**known**" when not capitalized shall be construed, except as specifically otherwise provided, to qualify the matter referred to as being to the actual knowledge after diligent inquiry of the executive officers (and in the case of the Company, after diligent inquiry of the Principal Stockholders), of the party making the statement or representation. The executive officers of the Company are Robert F. Reisner, Eric Baelen and David Schankler. The executive officers of Parent are Renato Zambonini, Robert G. Ashe, Terry Hall, Donnie M. Moore and Alan Rottenberg.

SECTION 1.16 ***Parent Warrant to Acquire Stock of Company***. At the Effective Time, the Company shall issue to Parent, for and in consideration of the payment of all amounts paid or to be paid by Parent pursuant to this Agreement, including without limitation the Merger Consideration and the Deferred Principals Merger Consideration, a warrant (the "**Warrant**") exercisable without limitation of time to purchase, for an aggregate exercise price of U.S. $1,000, a number of shares of Common Stock of the Company equal to the number of such shares of the

Company issued and outstanding immediately prior to the Effective Time. Parent acknowledges and agrees that, by virtue of the issuance of the Warrant to Parent by the Company as provided herein, Parent shall not be considered a stockholder of the Company for purposes of receiving any amounts of Merger Consideration under this Agreement.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Parent and Merger Sub that, except as set forth in the written disclosure schedule delivered on or prior to the date hereof by the Company to Parent that is arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this Article II (the "**Company Disclosure Schedule**"):

SECTION 2.1 ***Organization and Qualification; Subsidiaries***. Each of the Company and each of its subsidiaries is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, as the case may be, and has the requisite power and authority necessary to own, lease and operate the properties it purports to own, operate or lease and to carry on its business as it is now being conducted, except where the failure to be so organized, existing and in good standing or to have such power and authority could not reasonably be expected to have a Material Adverse Effect. Each of the Company and each of its subsidiaries is duly qualified or licensed as a foreign corporation or limited liability company to do business, and is in good standing, in each jurisdiction listed on Section 2.1 of the Company Disclosure Schedule, which includes each jurisdiction where the character of its properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except for such failures to be so duly qualified or licensed and in good standing that could not reasonably be expected to have a Material Adverse Effect. Except as indicated on Section 2.1 of the Company Disclosure Schedule, the Company has no subsidiaries and does not directly or indirectly own any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity or similar interest in, any corporation, partnership, limited liability company, joint venture or other business association or entity.

SECTION 2.2 ***Certificate of Incorporation and By-Laws***. The Company has heretofore furnished to Parent a complete and correct copy of its and each of its subsidiaries' Certificate of Incorporation and By-Laws, as amended to date, or limited liability company operating agreement, as amended to date, as the case may be. Each such Certificate of Incorporation and By-Laws, are in full force and effect. Each such limited liability company operating agreement is in full force and effect. The Company and each of its subsidiaries is not in violation of any of the provisions of its Certificate of Incorporation and By-Laws or limited liability company operating agreement, as the case may be.

SECTION 2.3 ***Capitalization***. The authorized capital stock of the Company consists of 20,000,000 shares of Common Stock, $.001 par value. As of January 25, 1999, [15,307,001] shares of Common Stock are issued and outstanding. The stockholders of record and holders of

subscriptions, warrants, options, convertible securities, and other rights (contingent or other) to purchase or otherwise acquire equity securities of the Company, and the number of shares of Common Stock and the number of such subscriptions, warrants, options, convertible securities, and other such rights held by each, are as set forth in Section 2.3 of the Company Disclosure Schedule. All of the outstanding shares of Common Stock are duly authorized, validly issued, fully paid and nonassessable. No shares of Common Stock have been issued in violation of any preemptive right of first refusal, or other subscription rights of any securityholder of the Company or any other person, and no shares of Common Stock are held in treasury. The Company has no authorized preferred stock.

All shares of Common Stock subject to issuance, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, shall be duly authorized, validly issued, fully paid and nonassessable. Except as disclosed in Section 2.3 of the Company Disclosure Schedule, there are no obligations, contingent or otherwise, of the Company to repurchase, redeem or otherwise acquire any shares of Common Stock or to provide funds to or make any investment (in the form of a loan, capital contribution, guaranty or otherwise) in any other entity.

On the date of this Agreement, (i) 1,000,000 shares of Common Stock are available and reserved for issuance under the Company's stock option plans (the "**Company Stock Plans**"), (ii) no shares are subject to outstanding options and reserved for issuance under the Company Stock Plans, and held of record by Company option holders, as set forth and identified (by name of optionee, date of grant, number of shares, vesting schedule and whether such option is an incentive stock option or non-qualified stock option) on Section 2.3 of the Company Disclosure Schedule and (iii) no shares of Common Stock are subject to outstanding warrants or reserved for issuance under any warrant. As of the Closing Date, each optionholder of the Company shall have agreed to terminate all of such holder's options.

All of the outstanding shares of capital stock of or membership interests in, as the case may be, each of the Company's subsidiaries are duly authorized, validly issued, fully paid and nonassessable, and all such shares or membership interests are owned by the Company free and clear of all security interests, liens, claims, pledges, agreements, limitations in the Company's voting rights, charges or other encumbrances of any nature whatsoever.

SECTION 2.4 ***Authority Relative to this Agreement.***

(a) The Company has all necessary corporate power and authority to execute and deliver this Agreement and each agreement required to be delivered hereunder to which it is a party (the "**Transaction Documents**") and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action, and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the Transaction Documents or to consummate the transactions so contemplated. The Board of Directors of the

Company has determined that it is advisable and in the best interest of the Company's stockholders for the Company to enter into a business combination with Parent upon the terms and subject to the conditions of this Agreement, and has unanimously recommended that the Company's stockholders approve and adopt this Agreement and the Merger. This Agreement and the Transaction Documents have been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery by Parent and Merger Sub, as applicable, constitute legal, valid and binding obligations of the Company enforceable against the Company in accordance with their terms.

(b) The affirmative vote of the holders of at least 75% of the outstanding shares of Common Stock determined as of the record date set by the Company's Board of Directors set for purposes of the stockholders' meeting to act upon the Merger (collectively, the "**Merger Approval**") shall approve this Agreement and the Merger.

SECTION 2.5 ***No Conflict, Required Filings and Consents.***

(a) The execution and delivery of this Agreement by the Company does not, and the performance of this Agreement by the Company and the consummation of the transactions contemplated hereby will not, (i) conflict with or violate the Certificate of Incorporation or By-Laws of the Company or any of its subsidiaries, (ii) conflict with or violate any federal, foreign, state or provincial law, rule, regulation, order, judgment or decree (collectively, "**Laws**") applicable to the Company or any of its subsidiaries or by which their properties are bound or affected, or (iii) except as indicated on Section 2.5 of the Company Disclosure Schedule, result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default under), or impair the Company's or any of its subsidiaries' rights or alter the rights or obligations of any third party under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a security interest, lien, claim, pledge, agreement, charge or other encumbrance (collectively, "**Liens**") on any of the properties or assets of the Company or any of its subsidiaries pursuant to any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or any of their properties are bound or affected.

(b) The execution and delivery of this Agreement by the Company does not, and the performance of this Agreement by the Company will not, require any consent, approval, authorization or permit of, or filing with or notification to, any federal, state or provincial governmental or regulatory authority except for applicable requirements, if any, of federal, foreign, state or provincial securities laws and the recordation of appropriate merger or other documents as required by applicable state law.

SECTION 2.6 ***Compliance, Permits.***

(a) The Company and each of its subsidiaries is not in conflict with, or in default or violation of, (i) any Law or (ii) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any of its subsidiaries is a party or by which the Company or its properties is bound or affected, except in

each case described in subsection (i) and (ii) where such conflict, default or violation could not reasonably be expected to have a Material Adverse Effect.

(b) The Company and each of its subsidiaries holds all permits, licenses, easements, variances, exemptions, consents, certificates, orders and approvals from governmental authorities which are material to the operation of the business of the Company as it is now being conducted (collectively, the "**Company Permits**"). The Company and each of its subsidiaries is in compliance with the terms of the Company Permits, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

SECTION 2.7 ***Financial Statements***.

(a) Attached to Section 2.7 of the Company Disclosure Schedule is the audited consolidated balance sheet of the Company and its subsidiaries as of December 31, 1997, together with the related statements of income and cash flows for the period then ended, all audited by Habif, Arogeti & Wynne, P.C., the Company's independent public accountants (the "**Audited Financial Statements**"). The unaudited consolidated balance sheet of the Company and its subsidiaries as of December 31, 1998 and the related statements of income and cash flows for the period ended (the "**Unaudited Financial Statements**", and together with the Audited Financial Statements, collectively the "**Financial Statements**") have been delivered to Parent.

(b) The Financial Statements (including, in each case, any related notes thereto) were prepared in accordance with U.S. generally accepted accounting principles ("**GAAP**"), applied on a consistent basis throughout the period involved (except as may be indicated in the notes thereto), and fairly present in all material respects the financial position of the Company and its subsidiaries as of the date thereof and the results of its operations and cash flows and stockholder equity for the period indicated.

SECTION 2.8 ***Absence of Certain Changes or Events***. Since December 31, 1998 the Company has conducted its business in the ordinary course, and there has not occurred: (a) any Material Adverse Effect; (b) any amendments or changes in the Certificate of Incorporation or Bylaws of the Company; (c) any damage to, destruction or loss of any asset of the Company (whether or not covered by insurance) which would have a Material Adverse Effect; (d) any material change by the Company in its accounting methods, principles or practices other than in the ordinary course of business; (e) any revaluation by the Company of any of its assets, including, without limitation, writing down the value of inventory or writing off notes or accounts receivable other than in the ordinary course of business; (f) any other action or event that would have required the consent of Parent pursuant to Section 4.1 had such action or event occurred after the date of this Agreement; (g) any sale of the property or assets of the Company or any of its subsidiaries except in the ordinary course of business consistent with past practice; or (h) any issuance of Common Stock, or any option, warrant or other convertible security exercisable for Common Stock.

SECTION 2.9 ***No Undisclosed Liabilities***. Except as is disclosed in the balance sheet of the Company as of December 31, 1998 previously delivered to Parent or in Section 2.9 of the

Company Disclosure Schedule, the Company and its subsidiaries do not have any liabilities (absolute, accrued, contingent or otherwise).

SECTION 2.10 ***Absence of Litigation***. Except as disclosed in Section 2.10 of the Company Disclosure Schedule, there are no claims, actions, suits, proceedings or investigations pending or, to the knowledge of the Company, threatened against the Company or any of its subsidiaries, directors or officers or any properties or rights of the Company or its subsidiaries, or any events of which the Company is aware which may give rise to any such claims, actions, suits, proceedings or investigations, before any federal, foreign, state or provincial court, arbitrator or administrative, governmental or regulatory authority or body. The foregoing sentences include, without limiting their generality, actions pending or threatened (or any basis therefor known to the Company) involving the prior employment or engagement of any of the Company's officers or employees or their use in connection with the Company's business of any information or techniques allegedly proprietary to any of their former employers or to any other person.

SECTION 2.11 ***Employee Benefit Plans, Employment Agreements***.

(a) Section 2.11(a) of the Company Disclosure Schedule lists all employee pension plans (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), all employee welfare plans (as defined in Section 3(1) of ERISA), and all other bonus, stock option, stock purchase, incentive, deferred compensation, supplemental retirement, severance and other similar fringe or employee benefit plans, programs or arrangements, and any current employment, executive compensation, consulting or severance agreements, written or otherwise, for the benefit of, or relating to, any present or former employee (including any beneficiary of any such employee) of, or any present or former consultant (including any beneficiary of any such consultant) to the Company, any trade or business (whether or not incorporated) which is a member of a controlled group including the Company or which is under common control with the Company (an "**ERISA Affiliate**") within the meaning of Section 414 of the Code, or any subsidiary of the Company, (all such plans, practices and programs are referred to as the "**Company Employee Plans**"). There have been delivered to Parent copies of (i) the most recent annual report on Form 5500 series, with accompanying schedules and attachments, filed with respect to each Company Employee Plan required to make such a filing, and (ii) the most recent Internal Revenue Service determination letter with respect to each Company Employee Plan intended to be qualified under Section 401(a) of the Code.

(b) (i) Except in each case as set forth in Section 2.11(b) of the Company Disclosure Schedule, none of the Company Employee Plans promises or provides retiree medical or other retiree welfare benefits to any person, and neither the Company nor any ERISA Affiliate has ever maintained, contributed to, or been required to contribute to, any plan that is or was a "multi-employer plan" as such term is defined in Section 3(37) of ERISA, a pension plan subject to Title IV of ERISA or a plan subject to Part 3 of Title I of ERISA; (ii) there has been no "prohibited transaction" as such term is defined in Section 406 of ERISA and Section 4975 of the Code, with respect to any Company Employee Plan, which could result in any material

liability of the Company or any of its subsidiaries; (iii) all Company Employee Plans are in compliance with the requirements prescribed by any and all Laws (including ERISA and the Code), currently in effect with respect thereto (including all applicable requirements for notification to participants or the Department of Labor, Internal Revenue Service (the "**IRS**") or Secretary of the Treasury), and the Company and each of its subsidiaries have performed all obligations required to be performed by them under, are not in any material respect in default under or violation of, and have no knowledge of any default or violation by any other party to, any of the Company Employee Plans; (iv) each Company Employee Plan intended to qualify under Section 401(a) of the Code and each trust intended to qualify under Section 501(a) of the Code is the subject of a favorable determination letter from the IRS, and nothing has occurred which may reasonably be expected to impair such determination; and (v) there are no lawsuits or other claims (other than claims for benefits in the ordinary course) pending or, to the best knowledge of the Company, threatened with respect to any Company Employee Plan where such lawsuits or claims could reasonably be expected to result in a Material Adverse Effect.

(c) Section 2.11(c) of the Company Disclosure Schedule sets forth a true and complete list of all written and, to the Company's knowledge, all oral: (i) employment agreements with employees of the Company or any subsidiary of the Company; (ii) agreements with consultants; (iii) noncompetition agreements with employees or consultants of the Company or any subsidiary of the Company; (iv) severance agreements, programs and policies of the Company or any subsidiary of the Company with or relating to its employees; and (v) plans, programs, agreements and other arrangements of the Company or any subsidiary of the Company with or relating to its employees which contain change in control provisions.

SECTION 2.12 ***Labor Matters***. (i) There are no controversies pending or, to the knowledge of the Company, threatened, between the Company and any of its employees or any subsidiary of the Company and any of its employees; (ii) neither the Company nor any subsidiary of the Company is a party to any collective bargaining agreement or other labor union contract applicable to persons employed by the Company or any subsidiary of the Company, nor does the Company know of any activities or proceedings of any labor union to organize any such employees; and (iii) the Company has no knowledge of any strikes, slowdowns, work stoppages, lockouts, or threats thereof, by or with respect to any employees of the Company or subsidiaries of the Company.

SECTION 2.13 ***Restrictions on Business Activities***. There is no agreement or judgment, injunction, order or decree binding upon the Company or any subsidiary of the Company which has or could reasonably be expected to have the effect of prohibiting or impairing any business practice of the Company or any subsidiary of the Company, any acquisition of property by the Company or any subsidiary of the Company or the conduct of business by the Company or any subsidiary of the Company as currently conducted or as proposed to be conducted by the Company or any subsidiary of the Company.

SECTION 2.14 ***Title to Property***. Each of the Company and each of its subsidiaries has good and defensible title to all of its properties and assets, free and clear of all Liens, except Liens for ad valorem property taxes not yet due and payable and such Liens or other

imperfections of title, if any, as do not materially detract from the value of or interfere with the present use of the property affected thereby or which could not reasonably be expected to have a Material Adverse Effect; and, to the knowledge of the Company, all leases pursuant to which the Company or any subsidiary of the Company leases from others real or personal property, are in good standing, valid and effective in accordance with their respective terms, and there is not, to the knowledge of the Company, under any of such leases, any existing default or event of default (or event which with notice or lapse of time, or both, would constitute a material default). Neither the Company nor any subsidiary of the Company owns any real property.

SECTION 2.15 *Taxes*.

(a) For purposes of this Agreement, "**Tax**" or "**Taxes**" shall mean taxes, fees, levies, duties, tariffs, imposts, and governmental impositions or charges of any kind in the nature of (or similar to) taxes, payable to any federal, state, local or foreign taxing authority, including (without limitation) (i) income, franchise, profits, gross receipts, ad valorem, net worth, value added, sales, use, service, real or personal property, special assessments, capital stock, license, payroll, withholding, employment, social security (or similar), workers' compensation, unemployment compensation, severance, production, excise, stamp, occupation, premiums, windfall profits, transfer and gains taxes, including interest, penalties, additional taxes and additions to tax imposed with respect thereto; and "**Tax Returns**" shall mean returns, reports, declarations, forms and information returns or statements relating to Taxes including any schedule or attachment thereto or amendment thereof, and the term "Tax Return" means any one of the foregoing Tax Returns.

(b) Except as set forth on Section 2.15 of the Company Disclosure Schedule, (i) the Company and each of its subsidiaries has timely filed all Tax Returns required to be filed by it and all such Tax Returns were correct and complete in all material respects; (ii) the Company and each of its subsidiaries has paid and discharged all Taxes due in connection with or with respect to the periods or transactions covered by such Tax Returns and have paid all other Taxes as are due (whether or not shown as due on such Tax Returns); (iii) no Tax Return referred to in clause (i) has been the subject of examination by the IRS or the appropriate state, local or foreign taxing authority; (iv) no deficiencies have been asserted or assessments made as a result of any examinations of the Tax Returns referred to in clause (i) by the IRS or the appropriate state, local or foreign taxing authority; and (v) no action, suit, proceeding, audit, claim, deficiency or assessment has been claimed or raised by any governmental authority or is pending with respect to any Taxes. There are no Tax liens on or security interests in any assets of the Company or any subsidiary and none will arise as a result of the transactions contemplated by this Agreement. None of the Tax Returns filed by or on behalf of the Company or any subsidiary contains a disclosure statement under former Section 6661 of the Code or Section 6662 of the Code (or any similar provision of state, local or foreign Tax law). All Taxes that have been withheld (or any such Taxes that were required to be withheld) by or on behalf of the Company or any subsidiary from any amounts payable to any person have been timely remitted to the appropriate governmental authority. Neither the Company nor any subsidiary is currently the beneficiary of any extension of time within which to file any Tax Return, and has not granted any waiver of any statute of limitations with respect to, or any extension of a period for the assessment of, any Tax.

Section 2.15 of the Company Disclosure Schedule contains a list of each state, local or foreign jurisdiction with which the Company is required to file any Tax Return. Neither the Company nor any subsidiary has taken any action that would have the effect of deferring any material liability for Taxes from any period ending at or before the Closing Date to any period thereafter. Neither the Company nor any of its subsidiaries are a party to any joint venture, partnership, or other arrangement or contract which could be treated as a partnership for Tax purposes. Neither the Company nor any of its subsidiaries has or has had a permanent establishment in any foreign country, as defined in the applicable Tax treaty or convention between the United States and the foreign country. None of the Common Stock of the Company is subject to forfeiture based on any employment-related condition.

(c) Neither the Company nor any subsidiary is, or has ever been, a United States real property holding corporation (as defined in Section 897(c)(2) of the Code). The Company and its subsidiaries, do not own any property of a character, the indirect transfer of which, pursuant to this Agreement, would give rise to any material documentary, stamp or other transfer tax and no such tax applies to the transactions contemplated by this Agreement. Neither the Company nor any subsidiary is a party to any agreement, contract, arrangement or plan that has resulted or would result, separately or in the aggregate, in the payment of (i) any "excess parachute payments" within the meaning of Section 280G of the Code (without regard to the exceptions set forth in Sections 280G(b)(4) and 280G(b)(5) of the Code) or (ii) any amount for which a deduction would be disallowed under Section 162 or Section 404 of the Code. Except as set forth on Section 2.15 of the Company Disclosure Schedule, neither the Company nor any subsidiary has agreed to make any adjustment under Section 481(a) of the Code (or any corresponding provision of state, local or foreign Tax law) by reason of a change in accounting method or otherwise, and will not be required to make such an adjustment as a result of the transactions contemplated by this Agreement. No portion of the Merger Consideration is subject to the tax withholding provisions of Section 3406 of the Code, or of Subchapter A of Chapter 3 of the Code or of any other provision of law. Neither the Company nor any subsidiary has ever filed a consent pursuant to Section 341(f) of the Code, relating to collapsible corporations.

(d) Neither the Company nor any subsidiary is a party to any Tax sharing agreement or similar arrangement. Neither the Company nor any subsidiary has been a member of a group filing a consolidated federal income Tax Return other than the group consisting of the Company and the subsidiaries in Section 2.1 of the Company Disclosure Schedule, and none has liability for the Taxes of any other person under Treasury Regulation Section 1.1502-6 (or any corresponding provision of state, local or foreign Tax law), as a transferee or successor, by contract, or otherwise. Neither the Company nor any subsidiary has net operating losses or other tax attributes presently subject to limitation under Sections 382, 383 or 384 of the Code, or the federal consolidated return regulations.

(e) The unpaid Taxes of the Company and its subsidiaries will not, as of the Closing Date, exceed the reserve for actual Taxes (as opposed to any reserve for deferred Taxes established to reflect timing differences between book and Tax income) as shown on the unaudited Financial Statements dated December 31, 1998.

(f) Neither Parent nor the Surviving Corporation will incur any net federal, state, local or foreign Tax liability as a result of reporting the transactions in accordance with the first sentence of Section 8.15.

(g) Financial Reporting Software & Consulting Company, LLC ("**FRS**") is a Georgia limited liability company whose separate existence is properly ignored for federal and state income tax purposes.

SECTION 2.16 ***Environmental Matters***. The Company: (i) has obtained all approvals which are required to be obtained under all applicable federal, state, foreign or local laws or any regulation, code, plan, order, decree, judgment, notice or demand letter issued, entered, promulgated or approved thereunder relating to pollution or protection to the environment, including laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, or hazardous or toxic materials or wastes into ambient air, surface water, ground water, or land or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants or hazardous or toxic materials or wastes by the Company or its subsidiaries or their respective agents ("**Environmental Laws**"); (ii) is in compliance with all terms and conditions of such required Approvals, and also is in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in applicable Environmental Laws; (iii) is not aware of nor have received notice of any past or present violations of Environmental Laws or any event, condition, circumstance, activity, practice, incident, action or plan which is reasonably likely to interfere with or prevent continued compliance with or which would give rise to any common law or statutory liability, or otherwise form the basis of any claim, action, suit or proceeding, against the Company based on or resulting from the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge or release into the environment, of any pollutant, contaminant or hazardous or toxic material or waste; and (iv) have taken all actions necessary under applicable Environmental Laws to register any products or materials required to be registered by the Company (or any of its agents) thereunder.

SECTION 2.17 ***Intellectual Property***.

(a) The Company owns, or has rights to use, all patents, trademarks, trade names, service marks, copyrights, and any applications for the registration therefor, technology, trade secrets, research and development, know-how, technical data, computer software programs or applications (in both source code and object code form) including the data, documentation, copies and tangible embodiments of such computer software, and any other tangible or intangible proprietary information or material that are used in the business of the Company or any subsidiary of the Company as currently conducted (the "**Company Intellectual Property Rights**"). All current employees, consultants and agents have entered into agreements with the Company assigning all right, title and interest in such intellectual property to the Company and waiving all moral rights therein for the benefit of the Company and any one claiming through the Company. To the knowledge of any of the Company, its directors or officers (and employees with responsibility for Company Intellectual Property Rights matters), no prior employee,

consultant or agent of the Company or any of its subsidiaries or other person that participated in the development of the Company Intellectual Property Rights has asserted any claim alleging any ownership interest in the Company Intellectual Property Rights.

(b) Section 2.17(b) of the Company Disclosure Schedule sets forth a complete list of all patents, trademarks, copyrights, trade names and service marks, and any applications therefor, relating to the Company Intellectual Property Rights, together with all licenses, sublicenses and other agreements to which the Company or any subsidiary of the Company is a party and pursuant to which the Company, or any other person, is authorized to use any Company Intellectual Property Right or other trade secret or is required to make payment of any royalty, fee or other payment and includes the identity of all parties thereto and sets forth the royalty rate and expiry date for all such agreements. The Company is not in breach or default of any license, sublicense or agreement described on such list. The execution and delivery of this Agreement by the Company, and the consummation of the transactions contemplated hereby, will neither cause the Company to be in violation or default under any such license, sublicense or agreement, nor entitle any other party to any such license, sublicense or agreement to terminate or modify such license, sublicense or agreement.

(c) Schedule 2.17(c) of the Company Disclosure Schedule accurately identifies all Company Intellectual Property rights that consist of computer software relating to the business of the Company (the "**Company Software**"). Except as set forth on Schedule 2.17(c) of the Company Disclosure Schedule:

(i) Parent has been provided with a copy of all documentation, manuals, flow charts, schematics that currently exist relating to the Company Software;

(ii) Except for certain residual rights retained by (x) GE Information Services, Inc. ("**GEIS**") pursuant to Sections 2.04 and 2.05 of the Purchase and Sale Agreement dated April 6, 1995 between FRS and GEIS, (y) General Electric Company ("**GE**") pursuant to Sections V.C. and VI. of the LEX Software Support Services and Upgrade Products Agreement dated April 17, 1995 between GE and FRS and (z) Manugistics, Inc. ("**Manugistics**") pursuant to Sections 7.03 and 7.08 of the Asset Purchase and Sale Agreement dated October 20, 1995 between APL2000, Inc. ("**APL2000**"), FRS and Manugistics, the Company has not disclosed the source code for any of the Company Software or other confidential or proprietary information constituting, embodied in or pertaining to the Company Software to any person and has taken reasonable measures to prevent such disclosure, other than disclosure of such source code to employees or independent contractors of the Company;

(iii) The Company has not distributed the Company Software except pursuant to and in compliance with license agreements for the benefit of the Company. To the knowledge of Seller, no third party (other than GE and its business units as disclosed in Section 2.17(c)(ii) above) has any right to use the Company Software except pursuant to a written license agreement or sublicense agreement. The Company has supplied Parent with a correct and complete copy of each such license or sublicense agreement (as

amended to date), all of which are listed on Schedule 2.17(c) of the Company Disclosure Schedule; and

(iv) Neither the Company nor, to the knowledge of the Company, any other party to such a license or sublicense agreement is in breach or default, and no event has occurred which with notice or lapse of time would constitute a breach or default or permit termination, modification or acceleration of any such license or sublicense agreements, except as set forth on Schedule 2.17(c) of the Company Disclosure Schedule.

Schedule 2.17(c) of the Company Disclosure Schedule also identifies each item of computer software that is owned by a party other than the Company and is embedded in or necessary for the use of any of the Company Software (collectively, the "**Third Party Software**"). The Company has supplied Parent with a correct and complete copy of all licenses, sublicenses or other agreements (as amended to date) pursuant to which the Company uses such Third Party Software, all of which are listed on Schedule 2.17(c) of the Company Disclosure Schedule. Except as set forth on Schedule 2.17(c) of the Company Disclosure Schedule, with respect to each such item of Third Party Software:

(w) The license, sublicense or other agreement covering such item is in full force and effect and shall not be breached or terminated as a result of the consummation of the transactions contemplated by this Agreement;

(x) Neither the Company nor, to the knowledge of the Company, any other party to such license, sublicense or other agreement, is in breach or default, and no event has occurred which with notice or lapse of time would constitute a breach or default or permit termination, modification or acceleration of any such agreements; and

(y) To the knowledge of the Company, no Third Party Software is subject to any outstanding judgment, order, decree, stipulation or injunction.

(d) The Company is the owner or licensee of, with all right, title and interest in and to (free and clear of any Liens) the Company Intellectual Property Rights, and has sole and exclusive rights (and is not contractually obligated to pay compensation or royalties to any third party in respect thereof) to the use thereof or the material covered thereby in connection with the services or products in respect of which the Company Intellectual Property Rights are being used. The Company has not interfered with, infringed upon, misappropriated, or otherwise come into conflict with any intellectual property rights of third parties. The Company and the directors and officers (and employees with responsibility for Company Intellectual Property Rights matters) of the Company have not at any time received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that the Company must license or refrain from using any intellectual property rights of any third party). To the knowledge of any of the Company, its directors or officers (and employees with responsibility for Company Intellectual Property Rights matters), no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Company Intellectual Property Rights. All registered trademarks, service marks and copyrights held by the Company are valid and subsisting. No Company Intellectual Property Right or

product of the Company is subject to any outstanding decree, order, judgment, injunction or stipulation restricting in any manner the licensing thereof by the Company; and the Company has not entered into any agreement under which the Company is restricted from selling, licensing or otherwise distributing any of its products to any class of customers, in any geographic area, during any period of time or in any segment of the market.

(e) The Company has taken reasonable measures to protect the proprietary nature of each item of Company Intellectual Property Rights, and to maintain in confidence all trade secrets and other confidential information that it owns or uses.

(f) No third party has asserted any claim, or to the knowledge of the Company, has any reasonable basis to assert any valid claim, against the Company with respect to (i) the continued employment by, or association with, the Company of any of the present officers, employees of or consultants to the Company or (ii) the use by the Company or any of such persons in connection with their activities for or on behalf of the Company or any information which the Company or any of such persons would be prohibited from using under any prior agreements or arrangements or any laws applicable to unfair competition, trade secrets or proprietary information.

(g) All of the Company's software is in good operating condition and functions substantially in accordance with the specifications described in the manual described in and attached to Section 2.17(g) of the Company Disclosure Schedule and is free from material design errors and operating defects. Except as hereinafter provided, the Company's software does not contain or otherwise make use of any encryption, enciphering or other similar technology, have any encryption capability or perform any encryption function. No portion of the Company's software contains any disabling mechanism or protection feature designed to prevent its use, computer virus, worm, software lock, drop dead device, Trojan-horse routine, trap door, time bomb or any other codes or instructions that may be used to access, modify, delete, damage or disable any of the Company's software or any computer system on which any of the Company's software is installed or in connection with which it may operate; provided, however, that: (i) the Company Software does contain security protocols; (ii) the Company Software does encrypt security files; (iii) the Company Software does contain processing routines that structure and compact data files in such a manner that the data contained therein is either unusable, unavailable, or both, without access routines provided by the Company; (iv) use of the Company Software does require security files and data maps supplied by the Company; and (v) the Company Software does contain multiple access entries for Company computer software programmers to use in the development and installation of the Company Software, most or all of which access entries are either unavailable to customers, unknown by customers, or both.

(h) The Company's software is "Year 2000 Compliant." In this Agreement, "Year 2000 Compliant" means that such software was designed to store four-digit years and to accurately process (calculate, compare and sequence) date/time data between the twentieth and twenty-first centuries, and, if used in combination with other software, firmware or data, will so accurately process date/time if such other software, firmware or data is Year 2000 Compliant and properly exchanges four-digit date/time data with it.

SECTION 2.18 ***Employees***. Section 2.18 of the Company Disclosure Schedule sets forth a true and complete list of the names, titles, annual salaries, fees and other compensation (including bonus amounts, if any) of all directors, employees and consultants of the Company and each subsidiary of the Company.

SECTION 2.19 ***Affiliate Agreements***. Section 2.19 of the Company Disclosure Schedule lists all agreements entered into by the Company and any subsidiary of the Company with any stockholder, officer, director, consultant or employee of the Company or any subsidiary of the Company.

SECTION 2.20 ***Insurance***. Section 2.20 of the Company Disclosure Schedule sets forth an accurate and complete list of all insurance policies and fidelity bonds covering the assets, business, equipment, properties, operations, employees, officers and directors of the Company and each subsidiary of the Company. There is no claim by the Company pending under any of such policies or bonds as to which, to the Company's knowledge, coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. All premiums payable under all such policies and bonds have been paid, and the Company has otherwise complied in all material respects with the terms and conditions of all such policies and bonds. Such policies of insurance and bonds (or other policies and bonds providing substantially similar insurance coverage) remain in full force and effect. The Company believes that such insurance is adequate to cover all reasonably foreseeable risks associated with the business of the Company and each subsidiary of the Company and is in such amounts, with such deductibles and with such other terms as is prudent for a business such as that of the Company. The Company does not know of any threatened termination of, or has received written notice of, any premium increase with respect to any of such policies or bonds.

SECTION 2.21 ***Accounts Receivable***. The accounts receivable of the Company at December 31, 1998 as reflected in Section 2.21 of the Company Disclosure Schedule, to the extent uncollected on the date hereof and the accounts receivable reflected on the books of the Company are in all material respects valid and existing and represent monies due, are current and collectible and will be collected in accordance with their terms at their recorded amounts, subject only to the reserve for receivables not collectible in the ordinary course of business as reflected on Section 2.21 of the Company Disclosure Schedule and (subject to the aforesaid reserves) are subject to no refunds or other adjustments and to no defenses, rights of setoff, assignments, restrictions, encumbrances or conditions enforceable by third parties on or affecting any thereof.

SECTION 2.22 ***Brokers***. Except as indicated in Section 2.22 of the Company Disclosure Schedule, no broker, finder, financial advisor or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company or its affiliates.

SECTION 2.23 ***Change in Control Payments***. Except as indicated on Section 2.23 of the Company Disclosure Schedule, the Company does not have any plans, programs or agreements to which they are parties, or to which they are subject, pursuant to which payments

may be required or acceleration of benefits may be required upon a change of control of the Company.

SECTION 2.24 ***Software Recognition***. The Company recognizes revenue in accordance with the provisions of the American Institute of Certified Public Accountants (AICPA) Statement of Position No. 97-2 "Software Recognition." The Company records its research and development expenses in accordance with Statement No. 86 of the Financial Accounting Standards Board of the United States ("**FAS 86**"). In applying FAS 86, the Company has not recapitalized any software expenses and the Financial Statements do not include any assets which consist of capitalized software expenses.

SECTION 2.25 ***Property and Equipment***. (a) Neither the Company nor any subsidiary of the Company owns any real property. The Company and each of its subsidiaries leases or subleases all real property used by it in its business (the "**Leased Real Property**"). Section 2.25 of the Company Disclosure Schedule specifies the leases or subleases to which the Company and each subsidiary of the Company is a party, the name of the lessor or sublessor, the lease term and basic annual rent.

(b) The Leased Real Property includes all real property, and only such real property, as is used or held for use in connection with the conduct of its business and the operations of its business as presently conducted.

(c) There exists no default or any event that, with notice or lapse of time or both, would constitute a default under any lease of personal property or any lease of Leased Real Property.

(d) There are no developments affecting any of the Leased Real Property or any of the Company's properties or assets or, to the knowledge of the Company threatened, which might materially detract from the value of such property or assets, materially interfere with any present or intended use of any such property or assets or materially adversely affect the marketability of such properties or assets such as to cause a Material Adverse Effect.

(e) The equipment owned by the Company and each subsidiary of the Company (other than equipment which does not have in the aggregate a fair market value of U.S. $5,000) has no material defects, is in good operating condition and repair (ordinary wear and tear excepted), and is substantially adequate for the uses to which it is being put.

(f) The assets owned, leased or licensed by the Company and each subsidiary of the Company constitute all of the assets held for use or used in connection with its business and are substantially adequate to conduct such business as currently conducted.

SECTION 2.26 ***Contracts***. (a) Except for agreements, contracts, plans, leases, arrangements or commitments disclosed in Section 2.26 of the Company Disclosure Schedule, neither the Company nor any subsidiary of the Company is a party to or subject to (whether written or oral):

(i) any lease for real or personal property;

(ii) any contract for the purchase of materials, supplies, goods, services, equipment or other assets in excess of U.S. $10,000;

(iii) any sales agreement, distribution agreement which is not terminable upon 45 days' notice by the Company without liability to the Company, or other similar agreement providing for the sale by the Company, or any other party to such agreement, of materials, supplies, goods, services, equipment or other assets;

(iv) any partnership, joint venture or other similar contract arrangement or agreement;

(v) any contract relating to indebtedness for borrowed money or the deferred purchase price of property (whether incurred, assumed, guaranteed or secured by any asset) other than obligations to reimburse employees for normal business expenses incurred by the Company in the ordinary course of business;

(vi) any license agreement, franchise agreement or agreement in respect of similar rights granted to or held by the Company or any subsidiary of the Company;

(vii) any agency, dealer, sales representative, distribution or other similar agreement (all such agreements which are exclusive are specifically identified as such);

(viii) any contract or other document that limits the freedom of the Company or any subsidiary of the Company to compete in any line of business or with any person or in any area or which would so limit the freedom of the Company or any subsidiary of the Company after the Closing Date;

(ix) any agreements which provide for special warranties which deviate from the Company's standard form license agreement, a copy of which is attached to Section 2.26 of the Company Disclosure Schedule; or

(x) any other contract or commitment requiring payment by the Company or any subsidiary of the Company in excess of U.S. $10,000.

(b) Each such agreement, contract, plan, lease, arrangement and commitment disclosed on Section 2.26 of the Company Disclosure Schedule is a valid and binding agreement of the Company or such subsidiary of the Company and is in full force and effect, and neither the Company, nor, to the knowledge of the Company, any other party thereto is in default under the terms of any such agreement, contract, plan, lease, arrangement or commitment.

SECTION 2.27 ***Significant Customers and Suppliers***. Section 2.27 of the Company Disclosure Schedule identifies each customer that for the fiscal year ended December 31, 1998 represented at least 5% of annual revenues of the Company for such year and each supplier of the Company and each subsidiary of the Company and in the case of each such customer, indicates

the amount of earned revenue recognized in accordance with GAAP by the Company and each subsidiary of the Company from such customer for the fiscal year ended December 31, 1998. Except as indicated in Section 2.27 of the Company Disclosure Schedule, no customer or supplier which was significant to the Company or any subsidiary of the Company during the period covered by the Financial Statements or which has been significant to the Company or any subsidiary of the Company thereafter, has, to the Company's knowledge, terminated or materially reduced or threatened to terminate or materially reduce its purchases from or provision of products or services to the Company or any subsidiary of the Company, as the case may be.

SECTION 2.28 ***Bank Accounts***. Section 2.28 of the Company Disclosure Schedule sets forth the names and locations of all banks, trust companies, savings and loan associations and other financial institutions at which the Company or any subsidiary of the Company maintains safe deposit boxes or accounts of any nature, the names of all persons authorized to draw thereon, make withdrawals therefrom or have access thereto and the numbers of all such safe deposit boxes or accounts.

SECTION 2.29 ***SS&C Agreement***. Other than the agreement (the "**SS&C Agreement**") dated October 14, 1998 between the Company and SS&C Technologies, Inc. ("**SS&C**"), the Company has no agreement of any nature with SS&C, other than agreements in the ordinary course of business relating to the sale of products and services. The Company is not currently, and never has been in default under the SS&C Agreement, it has no liability or obligation to SS&C under the SS&C Agreement, including, without limitation, any obligation to pay the "cancellation fee", and it is not otherwise obligated to SS&C, other than liabilities or obligations not related to the transactions contemplated by the SS&C Agreement that may arise out of the ordinary course of business relationship between SS&C and the Company.

SECTION 2.30 ***Manugistics and Other Agreements***. The Company has no financial obligations or liabilities to Manugistics under: (i) the Asset Purchase and Sale Agreement dated as of October 20, 1995, (i) the License and Royalty Agreement dated as of October 20, 1995, (ii) the Security Agreement dated as of October 20, 1995, (iii) the Promissory Note of the APL2000, a wholly-owned subsidiary of the Company, dated as of October 20, 1995 payable to Manugistics, (iv) the Guaranty and Suretyship Agreement dated as of October 20, 1995 or (v) any other agreement with Manugistics. The Company has no obligations or liabilities to (x) International Technologies and Finance, L.L.C. ("**ITF**") under the Letter Agreement dated as of May 1, 1997 between the Company and ITF and (y) The Ocean Group ("**Ocean**") under the Consulting Agreement dated as of February 20, 1997 between the Company and Ocean.

SECTION 2.31 ***Full Disclosure***. No representation or warranty made by the Company contained in this Agreement and no statement contained in any certificate or schedule furnished or to be furnished by the Company to Parent or Merger Sub in, or pursuant to the provisions of, this Agreement, including the Company Disclosure Schedule, contains or shall contain any untrue statement of a material fact or omits or will omit to state any material fact necessary, in the light of the circumstances under which it was made and based upon the facts and circumstances existing at the time it was made, in order to make statements herein or therein not misleading in any material respect.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Parent and Merger Sub hereby, jointly and severally, represent and warrant to the Company that:

SECTION 3.1 ***Organization and Qualification***. The Parent is a corporation duly incorporated under the laws of Canada and has the requisite corporate power and authority necessary to own, lease and operate the properties it purports to own, operate or lease and to carry on its business as it is now being conducted, except where the failure to be so organized, existing and in good standing or to have such power and authority could not reasonably be expected to have a Material Adverse Effect. The Parent is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of its properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except for such failures to be so duly qualified or licensed and in good standing that could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.2 ***Authority Relative to this Agreement***. Each of Parent and Merger Sub has all necessary corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Parent and Merger Sub and the consummation by Parent and Merger Sub of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Parent and Merger Sub, and no other corporate proceedings on the part of Parent or Merger Sub are necessary to authorize this Agreement or to consummate the transactions contemplated thereby. This Agreement has been duly and validly executed and delivered by Parent and Merger Sub and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of Parent and Merger Sub enforceable against each of them in accordance with its terms.

SECTION 3.3 ***No Conflict, Required Filings and Consents***.

(a) The execution and delivery of this Agreement by Parent and Merger Sub do not, and the performance of this Agreement by Parent and Merger Sub will not, (i) conflict with or violate the Articles of Incorporation or By-Laws of Parent or Merger Sub, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Parent or any of its subsidiaries or by which its or their respective properties are bound or affected, or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or impair Parent's or any of its subsidiaries' rights or alter the rights or obligations of any third party under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or encumbrance on any of the properties or assets of Parent or any of its subsidiaries pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Parent or any of its subsidiaries is a party or by which Parent or any of its subsidiaries or its or any of their respective properties are bound or affected.

(b) The execution and delivery of this Agreement by Parent and Merger Sub does not, and the performance of this Agreement by Parent and Merger Sub will not, require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign, except for the requirements, if any, of applicable U.S. federal or state or Canadian provincial securities laws, and the requirements of The Toronto Stock Exchange and the Nasdaq National Market.

SECTION 3.4 ***No Prior Activities***. As of the date hereof and the Effective Time, except for obligations or liabilities incurred in connection with its incorporation or organization and the transactions contemplated by this Agreement and except for this Agreement and any other agreements or arrangements contemplated by this Agreement, Merger Sub has not and will not have incurred, directly or indirectly, through any subsidiary or affiliate, any obligations or liabilities or engaged in any business activities of any type or kind whatsoever or entered into any agreements or arrangements with any person.

SECTION 3.5 ***Issuance of Parent Shares***. Upon Parent receiving the consideration for the Parent Shares as provided for and in accordance with this Agreement and the Merger, the Parent Shares will be validly authorized and issued and will be outstanding as fully paid and non-assessable. The authorized capital stock of Parent consists of an unlimited number of common shares, no par value.

SECTION 3.6 ***Litigation***. No litigation (including any arbitration, investigation or other proceeding of or before any court, arbitrator or governmental or regulatory official, body or authority) which is likely to cause a Material Adverse Effect is pending or, to the knowledge or Parent or Merger Sub, threatened against Parent or Merger Sub or which relates to the assets or Parent or Merger Sub or the transactions contemplated by this Agreement. Parent and Merger Sub are not a party to or subject to the provisions of any judgment, order, writ, injunction, decree or award of any court, arbitrator or governmental or regulatory official body or authority which is likely to have a Material Adverse Effect.

SECTION 3.7 ***SEC Filings***. Parent has previously furnished to the Company true and complete copies of Parent's Quarterly Report on Form 10-Q for the fiscal quarters ended May 30, 1998 and August 31, 1998 and its Current Report on Form 10-K for the fiscal year ended February 28, 1998, in each case as filed with the SEC (collectively, the "**SEC Filings**"). The financial statements and schedules contained in the SEC Filings were prepared in accordance with U.S. GAAP applied on a consistent basis throughout the periods involved (except as specifically disclosed therein and subject, in the case of unaudited statements to normal year-end audit adjustments) and fairly presented the information purported to be shown therein. As of their respective dates, each SEC Filing complied in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC thereunder and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 3.8 ***Completeness of Disclosure***. No representation or warranty by Parent or

Merger Sub in this Agreement nor in any certificate, schedule, statement, document or instrument required to be furnished by Parent or Merger Sub to the Company pursuant hereto, or in connection with the negotiation, execution or performance of this Agreement, contains or will contain any untrue statement of a material fact required to be stated herein or therein or necessary to make any statement herein or therein not misleading.

ARTICLE IV
CONDUCT OF BUSINESS PENDING THE MERGER

SECTION 4.1 ***Conduct of Business by the Company Pending the Merger***. The Company covenants and agrees that, during the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement or the Effective Time, unless Parent, acting through its Chief Financial Officer and any successor thereto, shall otherwise agree in writing, the Company shall conduct its business and shall cause the businesses of its subsidiaries to be conducted only in, and the Company and its subsidiaries shall not take any action except in, the ordinary course of business and in a manner consistent with past practice other than actions taken by the Company or its subsidiaries in contemplation of the Merger. By way of amplification and not limitation, except as contemplated by this Agreement, neither the Company nor any of its subsidiaries shall, during the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement or the Effective Time, directly or indirectly do, or propose to do, any of the following without the prior written consent of Parent:

(a) amend or otherwise change the Charter or By-Laws of the Company or any of its subsidiaries which would impair the transactions contemplated by this Agreement;

(b) issue, sell, pledge, dispose of or encumber, or authorize the issuance, sale, pledge, disposition or encumbrance of, any shares of capital stock of any class, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of capital stock, or any other ownership interest (including, without limitation, any phantom interest) in the Company, any of its subsidiaries or affiliates.

(c) sell, pledge, dispose of or encumber any assets of the Company or any of its subsidiaries (except for (i) sales of assets in the ordinary course of business and in a manner consistent with past practice, (ii) dispositions of obsolete or worthless assets, and (iii) sales of immaterial assets not in excess of U.S. $20,000 in the aggregate);

(d) (i) declare, set aside, make or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of any of its capital stock, except that a wholly owned subsidiary of the Company may declare and pay a dividend to its parent, (ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or (iii) amend the terms or change the period of exercisability of, purchase, repurchase, redeem or otherwise acquire, or permit any subsidiary to purchase, repurchase, redeem or otherwise acquire, any of its securities or any securities of its subsidiaries, including, without limitation, shares of Common Stock or any option, warrant or right, directly or indirectly, to acquire shares of Common Stock, or propose to do any of the foregoing;

(e) (i) acquire (by merger, consolidation, or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof; (ii) incur any indebtedness for borrowed money (other than the factoring of receivables in the ordinary course of business) or issue any debt securities or assume, guarantee or endorse or otherwise as an accommodation become responsible for, the obligations of any person or make any loans or advances; (iii) enter into or amend any material contract or agreement calling for payments in excess of U.S. $20,000; (iv) authorize any capital expenditures or purchase of fixed assets in excess of U.S. $10,000 per transaction and outside of the ordinary course of business; or (v) enter into or amend any contract, agreement, commitment or arrangement to effect any of the matters prohibited by this Section 4.1 (e) other than as contemplated by Sections 6.02(t) and 6.02(u);

(f) increase the compensation payable or to become payable to its executive officers or to any of its employees outside the ordinary course of business and in excess of 15% of any such employee's annual salary for the year ended December 31, 1998, or grant any options, severance or termination pay to, or enter into any employment, option or severance agreement with any director, officer or other employee of the Company or any of its subsidiaries, or establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any current or former directors, officers or employees, except, in each case, as may be required by law;

(g) take any action to materially change accounting policies or procedures (including, without limitation, procedures with respect to revenue recognition, payments of accounts payable and collection of accounts receivable);

(h) make any tax election inconsistent with past practice or settle or compromise any federal, state, local or foreign tax liability or agree to an extension of a statute of limitations;

(i) pay, discharge or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction in the ordinary course of business and consistent with past practice of liabilities reflected or reserved against in the Financial Statements or incurred in the ordinary course of business and consistent with past practice; or

(j) take, or agree in writing or otherwise to take, any of the actions described in Sections 4.1 (a) through (i) above, that would prevent the Company from performing or cause the Company not to perform its covenants hereunder.

SECTION 4.2 ***No Solicitation***.

(a) The Company shall not, directly or indirectly, through any officer, director, employee, representative or agent of the Company, solicit the initiation or submission of any inquiries, proposals or offers regarding any investment, acquisition, merger, take-over bid, sale of all or substantially all of its assets or capital stock of the Company or similar investment or

acquisition transaction involving the Company or any subsidiaries of the Company (any of the foregoing inquiries or proposals being referred to herein as an "**Acquisition Proposal**").

(b) The Company shall immediately notify Parent after receipt of any actual Acquisition Proposal or any request for nonpublic information relating to the Company in connection with an actual Acquisition Proposal by any person or entity that informs the Board of Directors of the Company that it is considering making, or has made, an Acquisition Proposal. Such notice to Parent shall be made orally and in writing and shall indicate the identity of the offeror.

(c) The Company shall ensure that the officers and directors of the Company and its subsidiaries and any investment banker or other advisor or representative retained by the Company are aware of the restrictions described in this Section.

ARTICLE V
ADDITIONAL AGREEMENTS

SECTION 5.1 ***Stockholder Approval***. The Company shall take all action as is required by applicable law to convene a meeting of its stockholders to be held as soon as possible after the date hereof in accordance with applicable laws for the purpose of obtaining the approval of the Merger, this Agreement, and the transactions contemplated hereby. The Company shall use its reasonable good faith efforts to solicit from all of its stockholders proxies or written consents in favor of adoption of the Merger, this Agreement and approval of the transactions contemplated hereby, and to take all other action necessary or advisable to secure the vote or consent of stockholders to obtain such approvals.

SECTION 5.2 ***Access to Information; Confidentiality***. (a) Upon reasonable notice and subject to restrictions contained in confidentiality agreements to which such party is subject (from which such party shall use reasonable efforts to be released), each of Parent and Company shall afford to each other and each of their respective officers, employees, accountants, counsel and other representatives of Parent and the Company, reasonable access to all of its properties, books, contracts, commitments and records and shall furnish promptly to the other all information concerning its business, properties and personnel as such party may reasonably request, and shall make available the appropriate individuals (including attorneys, accountants and other professionals) for discussion of its business, properties and personnel as such party may reasonably request. The Company further agrees to furnish to Parent (i) a Net Debt calculation as promptly as practicable at each of December 31, 1998, January 31, 1999 and three business days prior to the Closing Date, unaudited but prepared in accordance with U.S. GAAP and certified by Robert Reisner and (ii) on Tuesday of each week until the Closing Date, a copy of the Company's standard operational report for the week ending as of the immediately preceding Friday.

(b) The parties hereto acknowledge each of their obligations under the Non-Disclosure Agreement dated November 13, 1998, as amended. The parties agree contemporaneously herewith, without further action by the parties hereto, to amend such

agreement by changing the words and symbols "February 15, 1999" as they appear in Section 6 thereof to "February 28, 1999."

SECTION 5.3 ***Consents; Approvals***. The Company and Parent shall each use their reasonable good faith efforts to obtain all consents, waivers, approvals, authorizations or orders (including, without limitation, all United States and foreign governmental and regulatory rulings and approvals), and the Company and Parent shall make all filings (including, without limitation all filings with United States and foreign governmental or regulatory agencies) required in connection with the authorization, execution and delivery of this Agreement by the Company and Parent and the consummation by them of the transactions contemplated hereby, in each case as promptly as practicable. The Company and Parent shall furnish promptly all information required to be included in any application or other filing to be made pursuant to the rules and regulations of any United States, Canadian or other foreign governmental body in connection with the transactions contemplated by this Agreement. If either party receives a request for additional information or documentary material from any governmental authority with respect to the transactions contemplated hereby, then such party shall take all reasonable efforts to make, or cause to be made, as soon as reasonably practicable and after consultation with the other party, an appropriate response in compliance with such request. The parties will cooperate in connection with reaching any understandings, undertakings or agreements (oral or written) involving any governmental authority in connection with the transactions contemplated hereby.

SECTION 5.4 ***Notification of Certain Matters***. The Company shall give prompt written notice to Parent (for purposes of this Section 5.4, notice to the Chief Financial Officer of Parent shall constitute notice to or by Parent) of (i) the occurrence or nonoccurrence of any event the occurrence or nonoccurrence of which would be likely to cause any representation or warranty contained in this Agreement to become materially untrue or inaccurate, or (ii) any failure of the Company to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; *provided, however*, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to Parent.

SECTION 5.5 ***Further Action***. Upon the terms and subject to the conditions hereof each of the parties hereto shall use all reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, to obtain in a timely manner all necessary waivers, consents and approvals and to effect all necessary registrations and filings, and otherwise to satisfy or cause to be satisfied all conditions precedent to its obligations under this Agreement. The foregoing covenant shall not include any obligation by Parent to agree to divest, abandon, license or take similar action with respect to any assets (tangible or intangible) of Parent or the Company.

SECTION 5.6 ***Public Announcements***. Parent and the Company shall consult with each other before issuing any press release with respect to the Merger or this Agreement and shall not issue any such press release or make any such public statement without the prior consent of the other party, which shall not be unreasonably withheld.

SECTION 5.7 ***Benefit Plans***. Parent shall include Company employees in Parent's welfare plans (within the meaning of Section 3(1) of ERISA) and fringe benefit plans on the same basis and terms as Parent's United States employees not later than six months following the Effective Time and, in any event, with respect to particular welfare plans, in each case to the extent permitted by the terms of such plans. Parent agrees and covenants that at no time between the Effective Time and the date on which the Company's employees are included in the welfare plans of Parent shall Parent act to terminate any of the Company's welfare plans.

SECTION 5.8 ***Securities Laws***. Parent shall take such steps as may be necessary to comply with the securities and blue sky laws of all jurisdictions which are applicable to the issuance of the Parent Shares in connection with the Merger. The Company shall use its best efforts to assist Parent as may be necessary to comply with such securities and blue sky laws.

SECTION 5.9 ***Termination of Agreements***. Except for the Participation Agreement, the Company shall terminate, or cause to be terminated, to the reasonable satisfaction of Parent, effective immediately prior to the Effective Time, all employment agreements between the Company and any of its employees and all agreements with the Company and any of its securityholders or optionholders, or among any Company securityholders or optionholders, providing for the granting of options, registration rights, rights of first refusal, rights of co-sale, relating to the voting of Company securities or requiring the Company to obtain the consent or approval of any such securityholders prior to taking or failing to take any action, all of which agreements are identified in Section 5.9 of the Company Disclosure Schedule.

SECTION 5.10 ***Factoring and Security Agreements***. As soon as practicable after the Effective Time, Parent agrees to (i) repurchase any accounts receivable of the Company sold to Action Capital Corporation ("**Action Capital**") pursuant to the Factoring and Security Agreements dated November 19, 1996 between Action Capital and each of FRS and APL2000, satisfy any other obligations owed to Action Capital and terminate the two agreements with Action Capital or (ii) obtain a release of Robert Reisner's personal guarantee of the Company's obligations to Action Capital. In connection with Parent's termination of the agreements with Action Capital and/or obtaining the release of Robert Reisner's personal guarantee to Action Capital, Parent hereby agrees to hold harmless Robert Reisner from any obligations or liabilities arising after the Effective Time from his personal guarantee to Action Capital.

ARTICLE VI
CONDITIONS TO THE MERGER

SECTION 6.1 ***Conditions to Obligation of Each Party to Effect the Merger***. The respective obligations of each party to effect the Merger shall be subject to the satisfaction at or prior to the Effective Time of the following conditions:

(a) ***No Injunctions or Restraints; Illegality***. No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Merger shall be in effect, nor shall any proceeding brought by any administrative agency or commission or other

governmental authority or instrumentality, domestic or foreign, seeking any of the foregoing be pending; and there shall not be any action taken, or any statute, rule, regulation or order enacted, entered, enforced or deemed applicable to the Merger, which makes the consummation of the Merger illegal;

(b) ***Governmental Actions***. There shall not have been instituted, pending or threatened any action or proceeding (or any investigation or other inquiry that might result in such an action or proceeding) by any governmental authority or administrative agency before any governmental authority, administrative agency or court of competent jurisdiction, nor shall there be in effect any judgment, decree or order of any governmental authority, administrative agency or court of competent jurisdiction, in either case, seeking to prohibit or limit Parent from exercising all material rights and privileges pertaining to its ownership of the Surviving Corporation or the ownership or operation by Parent or any of its subsidiaries of all or a material portion of the business or assets of Parent or any of its subsidiaries, or seeking to compel Parent or any of its subsidiaries to dispose of or hold separate all or any material portion of the business or assets of Parent or any of its subsidiaries (including the Surviving Corporation and its subsidiaries), as a result of the Merger or the transactions contemplated by this Agreement;

(c) ***Consents Obtained***. All consents, waivers, approvals, authorizations or orders required to be obtained, and all filings required to be made, by Parent and Merger Sub or the authorization, execution and delivery of this Agreement and the consummation by them of the transactions contemplated hereby shall have been obtained and made by Parent and Merger Sub, including, without limitation, such consents, approvals, rulings or authorizations as are required by The Toronto Stock Exchange in connection with the issuance of the Parent Shares in the Merger; and

SECTION 6.2 ***Additional Conditions to Obligations of Parent and Merger Sub***. The obligations of Parent and Merger Sub to effect the Merger are also subject to the following conditions:

(a) ***Representations and Warranties***. The representations and warranties of the Company contained in this Agreement shall be true and correct in all material respects at and as of the Effective Time as if made at and as of such time, except for (i) changes contemplated by this Agreement and (ii) those representations and warranties which address matters only as of a particular date (which shall have been true and correct as of such date) and Parent and Merger Sub shall have received a certificate to such effect signed on behalf of the Company by the Chief Executive Officer and Chief Financial Officer of the Company;

(b) ***Agreements and Covenants***. The Company shall have performed or complied with in all material respects all agreements and covenants required by this Agreement to be performed or complied with by it at or prior to the Effective Time and Parent and Merger Sub shall have received a certificate to such effect signed on behalf of the Company by the Chief Executive Officer of the Company;

(c) ***Consents Obtained***. All consents, waivers, approvals, authorizations or orders required to be obtained and all filings required to be made by the Company or for the due

authorization, execution and delivery of this Agreement and the consummation by it of the transactions contemplated hereby shall have been obtained and made by the Company;

(d) ***Opinion of Counsel to the Company***. Parent shall have received an opinion of Cohen, Pollock, Merlin, Axelrod & Tannenbaum, P.C., counsel to the Company, in substantially the form attached hereto as Exhibit 6.2(d);

(e) ***Escrow Agreement***. The Escrow Agreement in substantially the form attached hereto as Exhibit 6.2(e) shall have been executed and delivered;

(f) ***Closing Certificates***. The Company shall have delivered to Parent (i) a certificate dated as of the Closing Date and signed by the Secretary of the Company as to the adoption of resolutions on behalf of the Company necessary to authorize the transactions contemplated by this Agreement, (ii) certificates issued by the Secretary of State of each of Connecticut, Florida, Georgia and New Jersey as to the legal existence and good standing of the Company and each of its subsidiaries, (iii) such clearance certificate(s) or similar document(s) as may be required by any Tax authority to relieve Parent of any obligation to withhold Taxes in connection with the transactions set forth in this Agreement and (iv) such other certificates that Parent may reasonably request of the Company, including, without limitation, to the effect that all consents have been duly and validly obtained as of the Closing Date;

(g) **[Reserved]**;

(h) ***Approvals of the Company's Stockholders/Accredited Investor Representation Letter***. This Agreement and the Merger shall have received the approval of 75% of the Company's stockholders as of the record date set by the Company's Board of Directors for purposes of the stockholders meeting held to approve the same and Parent shall have received an Accredited Investor Representation Letter from each of the Principal Stockholders and each other stockholder of the Company is to receive Parent Shares in the Merger;

(i) ***Performance of Participation Agreement***. All the terms, covenants and conditions of the Participation Agreement to be complied with and performed by the Company and the Principal Stockholders on or before the Closing Date shall have been fully complied with and performed in all material respects;

(j) ***Termination of Agreements***. All the agreements identified in Section 5.9 of the Company Disclosure Schedule shall have been terminated in their entirety;

(k) ***Non-U.S. Real Property Holding Company Certification***. On or before the Closing Date, Parent shall have received from the Company a properly executed statement satisfying the requirements of Treasury Regulation Sections 1.897-2(h) and 1.1445-2(c)(3);

(l) ***Stockholder and Optionholder List***. The Company shall have delivered to Parent, as of the record date, a true and complete list of all holders of shares of capital stock of the Company certified as of the Closing Date by the Secretary of the Company;

(m) ***Principal Stockholder Employment Agreements***. Parent shall have received from each of the Principal Stockholders an executed copy of an Employment Agreement with Parent (or an affiliate of Parent), a form of which is attached hereto as Exhibit 6.2(m)(i). Parent shall have also received from each of the Principal Stockholders an executed copy of a Non-Competition and Non-Solicitation Agreement with Parent (or an affiliate of Parent), a form of which is attached hereto as Exhibit 6.2(m)(ii).

(n) ***Employment Agreements***. Parent shall have received from each Company employee identified on Section 6.2(n) of the Company Disclosure Schedule and employees representing at least 80% of the remainder of the professional work force, other than the Principal Stockholders, an executed copy of Parent's standard Employment Agreement with Parent (or an affiliate of Parent), a form of which is attached hereto as Exhibit 6.2(n). Parent's standard form Employment Agreement shall provide, among other things, that, with respect to the Company employees' eligibility for participation in any personnel and benefits policies of Parent (excluding any service award policies), the Company employees shall be given credit for years of service with the Company; provided, however, that under no circumstances shall any Company employee be given credit for any years of service with the Company prior to April 17, 1995;

(o) ***Due Diligence Investigation***. Parent shall have completed its due diligence investigation of the Company and Parent, in its sole discretion, shall be satisfied with the results of such investigation;

(p) ***Liability Limit***. The Company shall not have exceeded the Liability Limit and the Company's Chief Executive Officer shall deliver a certificate certifying as to this fact and the calculations to support this fact;

(q) ***Stockholder Expenses***. All Stockholder Expenses shall be paid to the satisfaction of Parent at Closing;

(r) ***Closing Date A/R***. The Company shall certify in writing the Closing Date A/R in a form satisfactory to Parent;

(s) ***Fiscal Year 1998 Financial Statements***. The Company shall have delivered to Parent the audited consolidated balance sheet of the Company and its subsidiaries as of December 31, 1998, together with the related audited statements of income and cash flows for the period then ended, all certified by Habif, Arogeti & Wynne, P.C., the Company's independent public accountants, and prepared in accordance with U.S. GAAP;

(t) ***Manugistics Security Interest***. Any security interests held by Manugistics, including any financing statements filed in any public offices relating thereto, in any asset of the Company or its subsidiaries shall have been released and the additional letter agreement dated as of January __,1999 between FRS, APL2000 and Manugistics shall have been executed by Manugistics;

(u) ***Factoring and Security Agreements***. Pursuant to the Factoring and Security Agreement dated November 19, 1996 between FRS and Action Capital and the Factoring and Security Agreement dated November 19, 1996 between APL2000 and Action Capital, notice of the Merger shall have been given to Action Capital in such form as is satisfactory to Parent in its sole discretion. Parent agrees to provide the Company with a copy of such form of notice to Action Capital within 10 days after the date of this Agreement; and

(v) ***Capital Stock Transactions***. All documents, contracts, releases and other agreements entered into by the Company between December 11, 1998 and the Closing Date in connection with (i) the Company's cancellation of all outstanding Company Options in exchange for the issuance of shares of its Common Stock to the holders of such Company Options, (ii) the Company's issuance of shares of its Common Stock to certain directors, officers, employees and consultants of the Company and (iii) any other transactions involving the capital stock of the Company (collectively, "**Capital Stock Transactions**") have been approved in advance by the Parent and shall be completed to the full satisfaction of Parent. Any withholding of taxes required by the Company in connection with any Capital Stock Transactions shall be completed by the Company and evidence of such completed withholdings, to the full satisfaction of the Parent, shall have been provided to Parent.

(w) ***Other Agreements***. The Company shall have delivered to each of ITF and Ocean (at the last known address of each in the books and records of the Company) a written notice terminating the Company's Letter Agreement with ITF and Consulting Agreement with Ocean, respectively, in such form as is reasonably satisfactory to the Company and Parent. The obligation of the Company to issue options to purchase 50,000 shares of the Company's Common Stock to DeMonte Associates pursuant to the Contract dated as of April 1, 1998 shall have been terminated and released.

SECTION 6.3 ***Additional Conditions to Obligation of the Company***. The obligation of the Company to effect the Merger is also subject to the following conditions:

(a) ***Representations and Warranties***. The representations and warranties of Parent and Merger Sub contained in this Agreement shall be true and correct in all respects on and as of the Effective Time, except for (i) changes contemplated by this Agreement and (ii) those representations and warranties which address matters only as of a particular date (which shall have been true and correct as of such date);

(b) ***Agreements and Covenants***. Parent and Merger Sub shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by them on or prior to the Effective Time, and the Company shall have received a certificate to such effect signed by the Chief Financial Officer of Parent; and

(c) ***Opinion of Counsel to Parent***. The Company shall have received an opinion of Tory, Tory, DesLauriers & Binnington, Canadian counsel to Parent, in substantially the form attached hereto as Exhibit 6.3(c)(i) and an opinion of Testa, Hurwitz, & Thibeault, LLP, U.S. counsel to Parent, in substantially the form attached hereto as Exhibit 6.3(c)(ii).

ARTICLE VII
TERMINATION

SECTION 7.1 ***Termination***. This Agreement may be terminated at any time prior to the Effective Time, notwithstanding approval thereof by the stockholders of the Company:

(a) by mutual written consent duly authorized by the Board of Directors of the Company and by the Parent; or

(b) by either Parent or the Company if the Merger shall not have been consummated by February 28, 1999 (provided that the right to terminate this Agreement under this Section 7.1(b) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of or resulted in the failure of the Merger to occur on or before such date); or

(c) by either Parent or the Company if a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued a nonappealable final order, decree or ruling or taken any other action having the effect of permanently restraining, enjoining or otherwise prohibiting the Merger (provided that the right to terminate this Agreement under this Section 7.1(c) shall not be available to any party who has not complied with its obligations under Section 5.5 and such noncompliance materially contributed to the issuance of any such order, decree or ruling or the taking of such action); or

(d) by Parent or the Company, if any representation or warranty of the Company or Parent, respectively, set forth in this Agreement shall be untrue when made in any respect and such untrue representation or warranty, when disclosed, represents a Material Adverse Effect, such that the conditions set forth in Section 6.2(a), or Section 6.3(a), as the case may be, would not be satisfied; or

(e) by Parent in the event of a material breach of the Participation Agreement by the Company or any of the Principal Stockholders.

SECTION 7.2 ***Fees and Expenses***. All fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses, whether or not the Merger is consummated; provided, however, in the event that the Merger is consummated, the stockholders of the Company shall be responsible for the legal, investment banking, financial advisory, accounting and other fees and expenses of the Company (including any fees payable to Corum Group Ltd. pursuant to the Letter of Understanding dated April 22, 1998 between the Company and Corum Group Ltd.) with respect to the transactions contemplated by this Agreement (other than in the case of accounting expenses incurred by the Company in connection with the audit performed for Closing, which expenses (to the extent such expenses are greater than the comparable expenses incurred by the Company in connection with the audit of the Company's fiscal year 1997 financial statements) shall be shared 50% by Parent up to a maximum of U.S. $7,500) (the "**Stockholder Expenses**"). The Stockholder Expenses shall be offset against the Aggregate Closing Date Merger Consideration in accordance with Section 1.6.

ARTICLE VIII
GENERAL PROVISIONS

SECTION 8.1 ***Indemnification***.

(a) ***Charter and By-Laws***.

(i) Parent agrees that all rights to indemnification or exculpation now existing in favor of the employees, agents, directors or officers of the Company (the "**Company Indemnified Parties**") as provided in its charter or By-Laws shall continue in full force and effect for a period of not less than one year from the Closing Date. Any determination required to be made with respect to whether a Company Indemnified Party's conduct complies with the standards set forth in the charter or By-Laws of the Company or otherwise shall be made by independent counsel selected by the Company Indemnified Party reasonably satisfactory to the Surviving Corporation (whose fees and expenses shall be paid by the Surviving Corporation).

(ii) This Section shall survive the consummation of the Merger at the Effective Time, is intended to benefit the Company, the Surviving Corporation and the Company Indemnified Parties, shall be binding on all successors and assigns of the Surviving Corporation and shall be enforceable by the Company Indemnified Parties.

(b) ***Survival of Representations and Warranties***. The representations and warranties of the Company made in this Agreement and in the documents and certificates delivered in connection herewith, shall survive the Merger from the Closing Date and shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any other party hereto, any person controlling any such party or any of their officers or directors, whether prior to or after the execution of this Agreement until the two (2) year anniversary of the Closing Date (the "**Cutoff Date**"), except that, with respect to the representation and warranty of the Company contained in Section 2.15(f) of this Agreement, the Cutoff Date shall be the six (6) year anniversary of the Closing Date. No claim for indemnification under this Section 8.1 for breach of a representation or warranty may be commenced after the Cutoff Date; *provided, however*, that claims made within the applicable time period shall survive to the extent of such claim until such claim is finally determined, settled or resolved and, if applicable, paid.

(c) ***Indemnification of the Parent and Merger Sub***. (A) By their approval of this Agreement, the Principal Stockholders agree that the Escrow Account established under the Escrow Agreement, the indemnification amount specified in subparagraph (B) of this Section 8.1(c), the forfeiture provisions of Section 1.8 and any indemnification amounts arising out of a breach of the representation and warranty of the Company contained in Section 2.15(f) of this Agreement shall be the exclusive remedies, and the Principal Stockholders do hereby agree, to indemnify, defend, protect, and hold harmless each of Parent, Merger Sub, the Surviving Corporation and each of their respective subsidiaries and affiliates (each in its capacity as an indemnified party, an "**Indemnitee**") at all times from and after the date of this Agreement from and against all claims, damages, actions, suits, proceedings, demands, assessments, adjustments, Taxes, (including Taxes on indemnity payments) costs and expenses (including specifically, but

without limitation, reasonable attorneys' fees and expenses of investigation) (collectively "**Damages**") incurred by such Indemnitee as a result of or incident to (i) any breach of any representation or warranty of the Company set forth herein or in any certificate or other document delivered in connection herewith with respect to which a claim for indemnification is brought by an Indemnitee within the applicable survival period described in Section 8.1(b), or (ii) any breach or nonfulfillment, in any respect, by the Company, or any noncompliance by the Company with, any covenant, agreement, or obligation contained herein or in any certificate or other document delivered in connection herewith.

(B) By their approval of this Agreement, the Principal Stockholders agree that, to the extent that the Escrow Account is insufficient or unavailable to satisfy Damages incurred by an Indemnitee hereunder, Parent shall have the right to withhold and offset up to U.S. $200,000 from the Second Anniversary Date Merger Consideration otherwise payable to the Principal Stockholders (the "**Indemnification Amount**").

(d) ***Third Person Claims***. Promptly after an Indemnitee has received notice of or has knowledge of any claim by a person not a party to this Agreement ("**Third Person**") or the commencement of any action or proceeding by a Third Person, the Indemnitee shall, as a condition precedent to a claim with respect thereto being made against the Escrow Agreement, give the Stockholders Representative written notice of such claim or the commencement of such action or proceeding; *provided, however*, that the failure to give such notice will not affect the Indemnities' right to indemnification hereunder with respect to such claim, action or proceeding, except to the extent that the Stockholders Representative has, or the stockholders have, been actually prejudiced as a result of such failure. If the Stockholder Representative notifies the Indemnitee within seven (7) days from the receipt of the foregoing notice that he wishes to defend against the claim by the Third Person and if the estimated amount of the claim, together with all other claims made against the escrow funds that have not been settled, is less than the remaining balance of the escrow funds, then the Stockholder Representative shall have the right to assume and control the defense of the claim by appropriate proceedings with counsel reasonably acceptable to Indemnitee. The Indemnitee may participate in the defense of any such claim for which the Stockholder Representative shall have assumed the defense pursuant to the preceding sentence, provided that counsel for the Stockholder Representative shall act as lead counsel in all matters pertaining to the defense or settlement of such claims, suit or proceedings; *provided, however*, that Indemnitee shall control the defense of any claim or proceeding that in Indemnitee's reasonable judgment could have a material and adverse effect on Indemnitee's business apart from the payment of money damages. The Indemnitee shall be entitled to indemnification for the reasonable fees and expenses of its counsel for any period during which the Stockholder Representative has not assumed the defense of any claim. Whether or not the Stockholder Representative shall have assumed the defense of any claim, neither the Indemnitee nor the Stockholder Representative shall make any settlement with respect to any such claim, suit or proceeding without the prior consent of the other, which consent shall not be unreasonably withheld or delayed. It is understood and agreed that in situations where failure to settle a claim expeditiously could have an adverse effect on the party wishing to settle, the failure of the party controlling the defense to act upon a request for consent to such settlement within five business

days of receipt of notice thereof shall be deemed to constitute consent to such settlement for purposes of this Section 8.1.

(e) ***Limitations on Indemnification***. No Indemnified Party shall be entitled to indemnification under this Section 8.1 for Damages relating to breaches of representations, warranties, covenants or agreements set forth herein or in any certificate or document delivered in connection herewith all as provided in Section 8.1(c) until the aggregate amount of Damages incurred by such person or persons exceeds U.S. $75,000, in which event such persons shall be entitled to indemnification under this Section 8.1 for (i) 50% of the aggregate amount of Damages in excess of U.S. $75,000 but less than or equal to U.S. $150,000 and (ii) 100% of the aggregate amount of Damages in excess of U.S. $150,000. For purposes of determining the amount of Damages subject to indemnification herein, the parties agree that the amount of any Damages to be applied to the limitations on indemnification set forth herein shall be reduced by the net present value of any Tax benefit to the Company which results from the facts, circumstances, and events which cause the Damages in question and which the Company would not have otherwise received. The parties further agree that a discount rate equal to ten percent (10%) shall be used to determine the net present value of any Tax benefit to the Company pursuant to this Section 8.1(e) and Section 8.1(f) below.

(f) ***Method of Payment***. The aggregate liability of the Principal Stockholders with respect to the matters set forth in Section 8.1 shall not exceed the aggregate amount available in the Escrow Account and the Indemnification Amount and all claims for indemnification shall be paid from the Escrow Account and the Indemnification Amount, except for any claims for indemnification arising out of a breach of the representation and warranty of the Company contained in Section 2.15(f) of this Agreement. No stockholder shall have any personal obligation to indemnify Parent, or Merger Sub or Surviving Corporation under this Section 8.1, except for the personal obligation of the Principal Stockholders to indemnify Parent, Merger Sub or Surviving Corporation for any claims for indemnification arising out of a breach of the representation and warranty of the Company contained in Section 2.15(f) of this Agreement. The Escrow Account and the Indemnification Amount shall be the exclusive remedies for the Parent and the Surviving Corporation with respect to any Damages or any claims of Parent or the Surviving Corporation relating to the transactions contemplated hereby (except for Damages based on a claim of fraud and the forfeiture provisions of Section 1.8 and Damages resulting from a breach of the representation and warranty of the Company contained in Section 2.15(f) of this Agreement). The parties agree that any payments to the Company by or on behalf of the Principal Stockholders pursuant to this Section 8.1 shall be (i) reduced by the net present value of any Tax benefit to the Company which results from the facts, circumstances, and events which cause the Damages in question and which the Company would not have otherwise received and (ii) treated as an adjustment to the Merger Consideration paid under this Agreement. There shall be a release of up to U.S. $500,000 of the Escrow Amount following the first anniversary of the Closing Date upon the terms and conditions specified in Section 2(c) of the Escrow Agreement.

(g) ***No Contribution***. By their approval of this Agreement, the stockholders of the Company acknowledge and agree that they shall not have and shall not exercise or assert any right of contribution, indemnification, subrogation or other remedy or right against the Surviving

Corporation in connection with any indemnification obligation or other liability to which they may become subject under or in connection with this Agreement, the Participation Agreement or any certificate or other document delivered in connection herewith or therewith. By their approval of this Agreement, the Principal Stockholders hereby release the Company and the Surviving Corporation from any and all actions, causes of action, suits, claims, or other liabilities the Principal Stockholders may have or have had against the Company and the Surviving Corporation until the Closing Date.

(h) ***Exception***. Notwithstanding anything to the contrary contained herein, (i) any Damages resulting to an Indemnified Party as a result of a breach of the representation and warranty contained in Sections 2.29 and 2.30 shall be recovered in full by such Indemnified Party out of the Escrow Amount without giving effect to the limits on indemnification specified in Section 8.1(e) hereof and (ii) no Indemnified Party shall be entitled to indemnification under this Section 8.1 for Damages relating to the Company's non-collection of amounts of the Closing Date A/R in excess of the amount of the Base A/R; *provided, however,* that this limitation shall not prohibit, limit or otherwise modify an Indemnified Party's right to seek indemnification under this Section 8.1 for Damages relating to Company's non-collection of amounts of the Closing Date A/R equal to the amount of the Base A/R.

SECTION 8.2 ***Survival***. The agreements set forth in Section 8.1 shall survive independently and those set forth in Article I and Sections 5.6 and 7.2 shall survive indefinitely.

SECTION 8.3 ***Notices***. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made if and when delivered personally or by overnight courier to the parties at the following addresses or sent by electronic transmission, with confirmation received, to the telecopy numbers specified below (or at such other address or telecopy number for a party as shall be specified by like notice):

(a) If to Parent or Merger Sub:

Cognos Incorporated
3755 Riverside Drive
Ottawa, Ontario, Canada K1G 3Z4
Telephone No.: (613) 738-1440
Telecopier No.: (613) 738-7442
Attention: W. John Jussup

with a copy to:

Testa, Hurwitz & Thibeault, LLP
125 High Street
High Street Tower
Boston, MA 02110
Telephone No.: 617 248-7463
Telecopier No.: 617 248-7100
Attention: Kevin M. Barry

(b) If to the Company:

LEX2000 Inc.
2900 Delk Road, Suite 700-120
Marietta, GA 30067
Telephone No.: 770-980-9757
Telecopier No.: 770-980-1356
Attention: Robert Reisner

with a copy to:

Cohen Pollock Merlin Axelrod & Tannenbaum, P.C.
2100 RiverEdge Parkway, Suite 300
Atlanta, Georgia 30328
Telephone No.: 770 858-1288
Telecopier No.: 770 858-1277
Attention: Michael E. Axelrod
James C. Wheeler

SECTION 8.4 ***Amendment***. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

SECTION 8.5 ***Waiver***. At any time prior to the Effective Time, any party hereto may with respect to any other party hereto (a) extend the time for the performance of any of the obligations or other acts, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, or (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party or parties to be bound thereby.

SECTION 8.6 ***Headings***. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All references to currency in this Agreement shall refer to United States dollars.

SECTION 8.7 ***Severability***. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

SECTION 8.8 ***Entire Agreement***. This Agreement constitutes the entire agreement and supersedes all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof including the Letter Agreement between the parties dated December 11, 1998 but excluding the Non-Disclosure Agreement between the parties dated November 13, 1998.

SECTION 8.9 ***Assignment, Guarantee of Merger Sub Obligations***. This Agreement shall not be assigned by operation of law or otherwise, except that (i) Parent and Merger Sub may assign all or any of their rights hereunder to any affiliate thereof and (ii) the Principal Stockholders may assign all or any of their right to receive the Deferred Principals Merger Consideration by way of gift to any member of their family or to any trust for the benefit of any such family member of such Principal Stockholder, provided that no such assignment shall relieve the assigning party of its obligations hereunder. Parent guarantees the full and punctual performance by Merger Sub of all the obligations hereunder of Merger Sub or any such assignees. As used herein, the word "family" shall include any spouse, lineal ancestor or descendant, brother or sister.

SECTION 8.10 ***Parties in Interest***. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 8.11 ***Failure or Indulgence Not Waiver, Remedies Cumulative***. No failure or delay on the part of any party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

SECTION 8.12 ***Governing Law***. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Delaware without regard to the conflict of law rules of such state.

SECTION 8.13 ***Counterparts***. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

SECTION 8.14 ***Arbitration***. The parties hereto agree that any controversy or claim arising out of, or relating to, this Agreement or the breach of this Agreement will be settled by arbitration by, and in accordance with the applicable Commercial Arbitration Rules of the American Arbitration Association and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. The arbitrator(s) will have the right to assess, against a party or among the parties, as the arbitrator(s) deem reasonable, (i) administrative fees

of the American Arbitration Association, and (ii) compensation, if any, to the arbitrator(s). Arbitration hearings will be held in New Jersey in a mutually acceptable location.

SECTION 8.15 ***Consistency***. The parties hereto agree that the portion of the Merger Consideration payable to the Principal Stockholders subsequent to the Closing Date is properly characterized for federal income tax purposes as proceeds from an installment sale of a capital asset in accordance with Sections 453 and 1274 of the Code, and each party shall file all returns and reports consistently therewith and shall take no action which is inconsistent therewith except as hereinafter provided. If the Internal Revenue Service should assert to any Principal Stockholder that any portion of the Merger Consideration paid to any Principal Stockholder subsequent to the Closing Date is ordinary income in the nature of compensation rather than capital gain, such Principal Stockholder shall promptly notify Parent in writing, and Parent shall take appropriate action to claim, or to cause the Surviving Corporation to claim, such amount as a deduction for federal income tax purposes.

SECTION 8.16 ***Jurisdiction***. The parties hereto hereby submit to the in personam jurisdiction of the Federal and State courts sitting within the state of New Jersey for the purposes of establishing the parties' rights hereunder, effectuating the intent of Section 8.14 hereof, confirming any arbitration award and entering judgment thereon. Each of the parties hereto hereby waives any right to claim a defense of forum non conveniens.

[Remainder of Page Left Intentionally Blank.]

IN WITNESS WHEREOF, Parent, Merger Sub and the Company have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

COGNOS INCORPORATED

By:_____
Name:
Title:

BRAVES ACQUISITION CORP.

By: _____
Name:
Title:

LEX2000 INC.

By: _____
Name:
Title:

_____
Robert Reisner

_____
Eric Baelen

_____
David Schankler