

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2000-03-09** | Period of Report: **2000-02-22**
SEC Accession No. **0000912057-00-010615**

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FILER

GREAT PLAINS SOFTWARE INC

CIK: **758540** | IRS No.: **450374871** | State of Incorpor.: **MN** | Fiscal Year End: **0531**
Type: **8-K** | Act: **34** | File No.: **000-22703** | Film No.: **564275**
SIC: **7372** Prepackaged software

Mailing Address
*1701 S W 38TH STREET
FARGO ND 58103*

Business Address
*1701 S W 38TH ST
FARGO ND 58103
7012810550*

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): February 22, 2000

GREAT PLAINS SOFTWARE, INC.
(Exact name of registrant as specified in its charter)

MINNESOTA	000-22703	45-0374871
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1701 S.W. 38th Street, Fargo, North Dakota 58103

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (701) 281-0550

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ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On February 24, 2000, Great Plains Software, Inc. ("Great Plains") acquired PWA Group, Limited ("PWA"), pursuant to an Agreement among Great Plains and the selling shareholders named therein. A total of approximately 416,000 shares of Great Plains common stock and \$6.7 million in cash were issued in connection with the transaction. Additional information concerning this transaction is contained in the definitive agreements being filed as Exhibits 2.1, 2.2. and 2.3 to this report and to the press release being filed as Exhibit 99.1 to this report.

ITEM 5. OTHER EVENTS.

On February 22, 2000, Great Plains entered into an Agreement and Plan of Merger with GPS Acquisition, Inc., FRx Software Corporation ("FRx") and Michael L. Rohan, the principal shareholder of FRx, pursuant to which Great Plains would acquire FRx. Approximately 1,000,000 shares of Great Plains' common

stock will be issued in connection with the transaction. By the terms of the merger agreement, GPS Acquisition merged with and into FRx. The closing of the merger is subject to certain customary closing conditions. Additional information concerning the merger is contained in the press release being filed as Exhibit 99.2 to this report.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Information

The required financial statements with respect to PWA are not available as of the date of this report. In accordance with paragraph 4 of Item 7(a) of this report, Great Plains will file the financial statements by amendment as soon as practicable and no later than 60 days from the date on which this report must be filed.

(b) Pro Forma Financial Information

The required pro forma financial statements with respect to PWA and Great Plains are not available as of the date of this report. In accordance with paragraph 4 of Item 7(a) of Form 8-K, Great Plains will file the pro forma financial statements by amendment as soon as practicable and no later than 60 days from the date on which this report must be filed.

(c) Exhibits.

- 2.1 Share Purchase Agreement dated February 24, 2000 between Great Plains Software, Inc. and the persons named therein.
- 2.2 Agreement dated February 24, 2000 between Great Plains Software, Inc. and the persons named therein.
- 2.3 Tax Deed dated February 2000 between Great Plains Software, Inc. and the persons named therein.
- 99.1 Press release dated February 22, 2000
- 99.2 Press release dated February 22, 2000

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

Dated: March 7, 2000

GREAT PLAINS SOFTWARE, INC.

By /s/ Tami L. Reller

Name: Tami L. Reller
Chief Financial Officer

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INDEX TO EXHIBITS

NUMBER	DESCRIPTION
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2.3	Tax Deed dated February 2000 between Great Plains Software, Inc. and the persons named therein.
99.1	Press release dated February 22, 2000
99.2	Press release dated February 22, 2000

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DATED February 24, 2000

THE VENDORS

- AND -

GREAT PLAINS SOFTWARE, INC.

SHARE PURCHASE AGREEMENT

DORSEY
&
WHITNEY

Veritas House
125 Finsbury Pavement
London
EC2A 1NQ

Telephone: (44) 0171-588-0800

Facsimile: (44) 0171-588-0555

Website: www.dorseylaw.com

AGREEMENT FOR THE SALE AND PURCHASE OF SHARES

DATE: February 24, 2000

PARTIES:

- (1) THE SEVERAL PERSONS whose names and addresses are set out in the Schedule (together, the "VENDORS"); and
- (2) GREAT PLAINS SOFTWARE, INC., a company incorporated under the laws of the State of Minnesota, USA] (the "PURCHASER").

NOW IT IS HEREBY WITNESSED AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATIONS

1.1 In this Agreement and in the Schedules:

BUSINESS DAY

means any day which is not a Saturday, a Sunday or a bank or public holiday in England and Wales;

COMPANY

means PWA Group Limited;

COMPLETION

means the completion of the sale and purchase of the Shares in accordance with Clause 6;

COMPLETION DATE

means the date fixed for Completion pursuant to Clause 6;

ENCUMBRANCE

means any encumbrance or right, title or interest including any security interest of any kind whatsoever (including without limitation) a mortgage, charge, pledge, lien, hypothecation, restriction, right to acquire, right of pre-emption, option, conversion right, third party right or interest, right of set-off or counterclaim, trust arrangement or any other type of preferential agreement (such as a retention of title arrangement) having similar effect; and

MASTER AGREEMENT

means the agreement between the Purchaser and (1) Paul Wallace, (2) Geoff Burch, and (3) 3i in respect of the sale and purchase of the entire issued share capital (other than the Shares) of the Company;

SHARES

means 1,000,000 shares in the capital of the Company whether issued or granted under the Company's option scheme.

- 1.2 The schedules are deemed to be incorporated in the Agreement, and a reference to this "Agreement" includes a reference to the Schedules.
- 1.3 In this Agreement:
 - 1.3.1 the clause headings are included for convenience only and shall not affect the construction of the Agreement;
 - 1.3.2 words denoting the singular shall include the plural and vice versa.
- 1.4 References in this Agreement to "Clauses" and "Schedules" are references to clauses of and schedules to this Agreement and reference to the "parties" or a "party" are references to the parties or a party

to this Agreement.

2 AGREEMENT TO SELL AND PURCHASE

The Vendors each hereby agree to sell with full title guarantee such number of Shares set out against their name in the Schedule to the Purchaser and the Purchaser agrees to purchase the Shares, free of any Encumbrance and together with all rights attached or accruing thereto provided that nothing in this Agreement shall oblige the Purchaser to purchase only some of the Shares unless the purchase of all of the Shares is completed simultaneously in accordance with the terms of this Agreement, and this Agreement is entered into on the same day as the completion date specified in the Master Agreement.

3 CONSIDERATION

The consideration payable by the Purchaser to each of the Vendors in respect of the sale of the Shares (and in consideration of which the Vendor is entering into this Agreement) shall be, in respect of each of the Shares, calculated and paid on the same basis as that calculated and paid on the basis as that calculated and paid per share under the terms of the Master Agreement.

4 PRE-EMPTION RIGHTS

Each of the Vendors irrevocably waives all and any rights of pre-emption or other restrictions on transfer over or in respect of the Shares existing by virtue of the Articles of Association of the Company, or otherwise.

5 WARRANTIES

Each of the Vendors hereby warrants to the Purchaser that:

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5.1 he has full power, right and authority, and has taken all necessary action to enter into and perform this Agreement, which when completed will constitute a valid and binding obligation on each of the Vendors in accordance with its terms; and

5.2 he is the registered owner of the Shares set out against his name in the Schedule and as such he is entitled to sell the same to the Purchaser with full title guarantee.

6 COMPLETION

6.1 Completion shall be conditional upon the completion of the Master

Agreement and will take place at the offices of the Company at the date of completion of the Master Agreement.

- 6.2 At Completion each of the Vendors shall deliver to the Purchaser duly executed transfers of the Shares set out against his name in the Schedule in favour of the Purchaser or its nominees and the share certificates in respect of such Shares.
- 6.3 On Completion the Purchaser shall satisfy the consideration for the Shares as provided in Clause 3 of this Agreement by the electronic delivery of the respective amount of shares of the Purchaser and the relevant sum of cash under the same conditions as agreed in the Master Agreement.
- 6.4 If the Vendors or any of them shall fail fully to comply with any of their obligations under clauses 6.1 and/or 6.2, the Purchaser shall, without prejudice to any other rights or remedies which it may have, be entitled to:
- 6.4.1 defer Completion with respect to some or all of the Shares to a date not more than 28 days after that date (in which case the provisions of this clause 6.4.1 shall also apply to Completion as so deferred; or
- 6.4.2 rescind this Agreement; or
- 6.4.3 proceed to Completion so far as is practicable.

7 SUCCESSORS

This Agreement shall be binding upon and enure for the benefit of each party's successors but in all other respects shall not be assignable by either party without the consent of the other.

8 COSTS

Each of the parties shall its own costs and expenses (including legal fees and VAT (if any)) incurred by it in connection with the negotiation, preparation and execution of this Agreement and the completion of the transactions contemplated by this Agreement.

9 POST-COMPLETION

This Agreement shall remain in full force and effect after Completion in respect of all obligations, agreements, covenants and undertakings contained in or implied by this Agreement which have not been done, observed or performed at or prior to Completion and in respect of all warranties, representations and indemnities contained in this

Agreement.

10 FURTHER ASSURANCE

10.1 Each party shall do, execute and perform and shall procure to be done, executed and performed all such further acts, deeds, documents and things as the other may require from time to time effectively to give to the other the full benefit of this Agreement.

10.2 Each of the Vendors hereby irrevocably and unconditionally appoints any director of the Purchaser as his lawful attorney as and from Completion to attend and vote at any general meeting the Company and otherwise exercise his rights as a shareholder in the Company as the Purchaser deems necessary or desirable.

11 VARIATION

No variation to this Agreement shall be effective unless agreed in writing by or on behalf of all of the parties.

12 WAIVERS

12.1 A failure by any party to exercise and any delay, forbearance or indulgence by any party in exercising any right, power or remedy under this Agreement shall not operate as a waiver of that right, power or remedy or preclude its exercise at any subsequent time or on any subsequent occasion. The single or partial exercise of any right, power or remedy shall not preclude any other or further exercise of that right, power or remedy or the exercise of any other right, power or remedy.

12.2 No custom or practice of the parties at variance with the terms of this Agreement shall constitute a waiver of the rights of any party under this Agreement. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies provided by law.

13 ENTIRE AGREEMENT

This Agreement, and all agreements entered into, or to be entered into pursuant to the terms of this Agreement, together constitute the entire Agreement and understanding between the parties.

14 COUNTERPARTS

This Agreement may be executed in one or more counterparts, which together shall constitute one and the same agreement.

15 LAW AND JURISDICTION

This Agreement shall be construed in accordance with English law and the parties irrevocably submit to the exclusive jurisdiction of the English courts to settle any disputes which may arise in connection with this Agreement.

THE SCHEDULE

<TABLE>
<CAPTION>

VENDOR NAME AND ADDRESS	Number of Shares ----- to be Sold ----- <C>
<S> F.M. Trust Corporation Limited PO Box 3175 Road Town Tortola British Virgin Islands	141,000

</TABLE>

AS WITNESS the hands of the parties hereto or their duly authorised representatives the day and year first before written.

Signed for and on behalf of)
F.M. Trust Corporation Limited)

Signed for and on behalf of)
Great Plains Software, Inc.)

Signed by [])

MASTER

DATED February 24, 2000

P WALLACE AND OTHERS (1)

AND

GREAT PLAINS SOFTWARE, INC. (2)

AGREEMENT
for the sale and purchase of the entire issued
share capital of PWA GROUP LIMITED

[LOGO]

DORSEY & WHITNEY
Veritas House
125 Finsbury Pavement
London
EC2A 1NQ

Tel: + 44 171 588 0800
Fax: + 44 171 588 5555

THIS AGREEMENT is dated February 24, 2000 and is made BETWEEN:

- (1) the persons whose names and addresses are stated in Schedule 1 (together the "VENDORS"); and
- (2) GREAT PLAINS SOFTWARE, INC. whose principal place of business is situated at 1701 38th Street Southwest, Fargo, North Dakota 58103 ("THE PURCHASER").

WHEREAS

- (A) The Company (as defined below) is a private company limited by shares.
- (B) The Vendors have agreed to sell and the Purchaser has agreed to purchase the Company Shares (as defined below) upon the terms and subject to the conditions of this Agreement.

NOW IT IS HEREBY AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement unless the context otherwise requires:

"ACCOUNTS" means the Company's draft audited annual accounts (as defined in section 262 CA 1985) , for the financial year ended on the Accounts Date,

including the notes to those accounts and the associated directors' and auditors' reports and any profit and loss account omitted in reliance on section 230(3) CA 1985;

"ACCOUNTS DATE" means 30th September 1999;

"THE AUDITORS" means the auditors of the Company namely Arthur Andersen;

"BUSINESSDAY" means a day (excluding Saturdays and Sundays) on which clearing banks are ordinarily open for the transaction of normal banking business in the City of London;

"CASH CONSIDERATION" means L3,524,832;

"CA 1985" means the Companies Act 1985;

"CLAIM" means any claim under the Warranties;

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"THE COMPANY" means PWA Group Limited (Co. No. 3679633) whose registered office is at Courtyard House, Liston Road, Marlow, Buckinghamshire SL7 1BX;

"COMPLETION" means completion of the sale and purchase of the Company Shares by the performance by the parties of their respective obligations under clause 2 and 5;

"COMPLETION ACCOUNTS" means the accounts prepared in accordance with clause 8;

"COMPLETION DATE" means the date of the Agreement;

"CONFIDENTIAL INFORMATION" means all proprietary financial, business and technical information relating to the business of the Company together with all trade secrets and information equivalent to them (including but not limited to formulae, processes, methods, knowledge and Know-how) in connection with the products and services manufactured, produced, distributed and/or sold by the Group;

"CONSIDERATION SHARES" means 302,986 shares of the Purchaser's Common Stock;

"DISCLOSURE LETTER" means the letter of the same date as this Agreement in the Agreed Form from the Warrantors to the Purchaser disclosing certain matters in relation to the Warranties which has been delivered to the Purchaser prior to the execution of this Agreement together with the Disclosure Folder (as therein defined);

"ENVIRONMENT" means any land, natural or man-made structures, water and air (including without limitation air within buildings and other natural or man-made structures above or below ground);

"ENVIRONMENTAL LAWS" means all or any applicable law, common law, statute, statutory instrument, regulation or directive (including laws made thereunder) with regard to the pollution or protection of the Environment or harm to or the protection of human health or the health of animals or plants or otherwise relating to the manufacture, processing, use, treatment, storage, distribution, disposal, transport, or handling of such substances or wastes;

"GROUP" means together the Company and the Subsidiaries;

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"GROUP COMPANY" means each and any body corporate in the Group;

"HOLDING COMPANY" shall bear the meaning given to that expression in section 736 CA 1985;

"ICTA 1988" means the Income and Corporation Taxes Act 1988;

"INTELLECTUAL PROPERTY" means all the Intellectual Property Rights used by the any Group Company prior to the date of this Agreement;

"INTELLECTUAL PROPERTY RIGHTS" means patents, registered designs, trade marks and service marks (whether registered or not), copyright, design rights, and all similar property rights, including those subsisting (in any part of the world) in inventions, designs, drawings, computer programs, semiconductor topographies, plant varieties, business or brand names, goodwill or the style of presentation of goods or services and in applications for protection thereof;

"KNOW-HOW" means all industrial and commercial information and techniques, accounts, records and information (wherever situate) pertaining to the activities of the Group;

"LONDON STOCK EXCHANGE" means London Stock Exchange Limited;

"MANAGEMENT ACCOUNTS" means the management accounts as of 31st January 2000 a copy of which is attached to the Disclosure Letter;

"ORDINARY SHARES" means the issued ordinary shares of L0.10 each in the capital of the Company as referred to in column (3) of Schedule 1;

"PROHIBITED AREA" means the United Kingdom and the Republic of Ireland;

"PROPERTIES" means the and the leasehold properties details of which are respectively set out in Schedule 4;

"PURCHASER'S SOLICITORS" means Dorsey & Whitney, Veritas House, 125 Finsbury Pavement, London EC2A 1NQ

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"RELATED COMPANY" in relation to any company means any subsidiary or holding company of that company or any subsidiary of any such holding company;

"RELIEF" means any loss, relief, allowance, exemption, set-off, deduction, credit, right to payment or other relief available in relation to Tax or to the computation of income profits or gains for the purposes of Tax;

"RESTRICTED PRODUCTS" means:

- (a) all products which are or have been manufactured, produced, distributed or sold by any Group Company at any time during the twelve month period immediately preceding the Completion Date); and
- (b) any other products which are of a type similar to and competing with any of the products referred to in (a) above;

"RETENTION ACCOUNT" means an interest bearing deposit account to be opened in the joint names of the Purchaser's Solicitors and the Vendors' Solicitors at BarclaysBank Plc as provided in clause 5.3.1 and Schedule 9;

"RETENTION ACCOUNT INSTRUCTION LETTER" means the letter in the agreed form from the Warrantors and the Purchaser to the Purchaser's Solicitors and the Vendors' Solicitors regarding conduct of the Retention Account;

"RETENTION SUM" means the sum of L1,250,000;

"COMPANY SHARES" means the Ordinary Shares;

"SECURITY INTEREST" means a mortgage, lien, pledge, charge, hypothecation, debenture, assignment or other security interest (or an agreement or commitment to create any of them);

"SUBSIDIARIES" means the companies specified in Schedule 3;

"SUBSIDIARY" means a subsidiary (as defined by sections 736 and 736A CA 1985) or a subsidiary undertaking (as defined by section 258 CA 1985);

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"TAX" has the meaning set out in the Tax Deed;

"TAX AUTHORITY" has the meaning set out in the Tax Deed;

"TAX DEED" means the tax deed of indemnity in the form attached hereto as Attachment `A`;

"TAX LEGISLATION" means any statute, enactment, law or regulation providing for the imposition of Tax;

"TAX WARRANTIES" means the Warranties as to the matters stated in Part B of Schedule [__];

"TCGA 1992" means the Taxation of Chargeable Gains Act 1992;

"VATA 1994" means the Value Added Tax Act 1994;

"VENDORS' SOLICITORS" means Shoosmiths, Regents Gate, Crown Street, Reading RG1 2PQ;

"VENDORS' SOLICITORS BANK ACCOUNT" means its client account at Barclays Bank Plc, 267 Wellingborough Road, Northampton, A/C Number 20804266, Sort Code 20-16-52;

"WARRANTIES" means the warranties contained in clause 7.1 and Schedule 8;

"WARRANTORS" means Mr Paul Wallace and Mr Geoffrey Burch;

1.2 a document expressed to be "IN THE AGREED FORM" means a document in a form which has been agreed by the parties contemporaneously with or before the execution of this Agreement and which has, for the purposes of identification, been initialled by them or on their behalf;

1.3 references to a clause or Schedule are to a clause of, or a Schedule to, this Agreement, references to this Agreement include its schedules

and references in a Schedule or part of a Schedule to a paragraph are to a paragraph of that Schedule or that part of that Schedule;

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- 1.4 references to this Agreement or any other document or to any specified provision of this Agreement or any other document are to this Agreement, that document or that provision as in force for the time being and as amended from time to time in accordance with the terms of this Agreement or that document or, as the case may be, with the agreement of the relevant parties;
- 1.5 words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include corporations, partnerships and other unincorporated associations or bodies of persons;
- 1.6 the contents table and the descriptive headings to clauses, schedules and paragraphs (and summaries in parentheses of the scope of any statutory provisions in the Tax Warranties) are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of this Agreement;
- 1.7 all agreements, obligations and liabilities (whether under warranties, representations, indemnities or otherwise) on the part of any two or more of the Vendors are joint and several and on the part of any two or more of the Executive Directors are joint and several and shall be construed accordingly;
- 1.8 the words and phrases "other", "including" and "in particular" shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible;
- 1.9 a person is connected with another person if he is so connected within the meaning of section 839 ICTA 1988;
- 1.10 Reference to an Event occurring on or before any date shall be deemed to include:
- (a) any combination of two or more Events only the first or some of which shall have occurred before that date; and
 - (b) any Event which is treated or deemed to occur on or before that date for the purposes of any Tax;

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- 1.11
- (a) "ENACTMENT" means any statute or statutory provision (whether of the United Kingdom or elsewhere), subordinate legislation (as defined by section 21(1) Interpretation Act 1978) and any other subordinate legislation made under any such statute or statutory provision;
 - (b) a reference to any enactment shall be construed as including a reference to:
 - (i) any enactment which that enactment has directly or indirectly replaced (whether with or without modification), and

- (ii) that enactment as re-enacted, replaced or modified from time to time, whether before, on or after the date hereof;

provided that this clause 1.11 shall not increase the liability of any party above that which exists immediately following this Agreement coming into effect.

2. SALE OF THE COMPANY SHARES

- 2.1 The Vendors shall sell to the Purchaser and the Purchaser (relying, as the Vendors hereby acknowledge, on the representations, warranties, undertakings and indemnities of the Vendors (or any of them) referred to or contained in this Agreement) shall purchase from the Vendors the Company Shares.
- 2.2 The Vendors shall sell and transfer the Company Shares held by them free from all claims, liens, charges, encumbrances and equities and other rights exercisable by third parties and with full title guarantee.
- 2.3 Title to, beneficial ownership of, and any risk attaching to, the Company Shares shall pass on Completion and the Company Shares shall be sold and purchased together with all rights and benefits attached or accruing to them at Completion (including without limitation the right to receive all dividends, distributions or any return of capital declared, payable or made by the Company on or after Completion). Each of the Vendors hereby waives any rights of pre-emption conferred on him by the Articles of Association of the Company or otherwise over Company Shares hereby agreed to be sold by the other Vendors.

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- 2.4 The Purchaser shall not be obliged to complete the purchase of any of the Company Shares unless the purchase of all the Company Shares is completed simultaneously.

3 CONSIDERATION

- 3.1 Subject to clauses 5.4, 7.9 and 8, the consideration for the Company Shares shall be:
 - 3.1.1 the payment on Completion by the Purchaser to the Vendors of the Cash Consideration in the amounts set opposite their names in Schedule 1, Part B and:
 - 3.1.2 the issue by the Purchaser to the Vendors on Completion the Consideration Shares in the amounts set opposite their names in Schedule 1, Part B.

4 PURCHASER'S WARRANTIES

- 4.1 The Purchaser warrants to the Vendors as follows:-
 - 4.1.1 The Consideration Shares, when issued in accordance with this Agreement, shall be duly authorised, validly issued, fully paid and nonassessable and shall be free and clear of all security interests, liens, claims, pledges, options, rights of first refusal, charges and other encumbrances of any nature whatsoever, except as may be created by the Vendors. No person has any pre-emptive rights with respect to the Consideration Shares.
 - 4.1.2 The Consideration Shares have been registered pursuant to a registration statement on Form S-4 (333-92857) including any prospectus forming a part thereof, the "Registration Statement") filed with the

U.S. Securities and Exchange Commission (the "SEC"). The Registration Statement is effective in accordance with the provisions of the Securities Act of 1933, as amended (the "Securities Act") and shall remain effective through Completion. No stop order suspending the effectiveness of the Registration Statement has been issued by the SEC and no proceedings for that purpose have been initiated or, to the knowledge of the Purchaser, threatened by the SEC. All necessary state securities or blue sky authorisations have been received. The Consideration Shares are listed on the Nasdaq National Market.

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- 4.1.3 None of the information included or incorporated by reference in the Registration Statement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading. Purchaser has filed all required documents with the SEC since January 1, 1999 (the "SEC Documents"). The SEC Documents complied in all material respects with the requirements of the Securities Act or, as applicable, the Securities Exchange Act of 1934; as amended (the "Exchange Act"), as of their respective dates, and none of the SEC Documents contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading.
- 4.1.4 Purchaser shall file all reports required under the Exchange Act for a period of two years following Completion.

5 COMPLETION

- 5.1 Completion shall take place at the offices of the Company (or at such other place as the parties may agree) on the Completion Date when all (but not part only unless the parties shall so agree) of the following business shall be transacted:

- 5.1.1 the Vendors shall deliver to the Purchaser or make available for collection by the Purchaser or its authorised representatives:
- 5.1.1.1 transfers in respect of the Company Shares duly executed and completed in favour of the Purchaser or as it may direct or have directed, together with the certificates therefor and the duly executed powers of attorney or other authorities under which any of the transfers have been executed authorising the sale of the Company Shares held by those Vendors and the execution of the transfers in respect of them;
 - 5.1.1.2 such other documents as may be required to give a good title to the Company Shares and to enable the Purchaser or its nominees to become the registered holders thereof;
 - 5.1.1.3 (as agents for each Group Company) all its statutory and minute books written up to date) and their Common Seal, Certificate of Incorporation, any Certificate or Certificates of Incorporation on Change of Name and copies of its Memorandum and Articles of Association;
 - 5.1.1.4 duly executed transfers (in favour of such person or

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persons as the Purchaser may direct or have directed) of all shares or other interests in the Subsidiaries not registered in the name of the Company or any other Group Company together with the certificates therefor; and

5.1.1.5 letter of non-crystallisation from Lloyds Bank plc.

5.2 the Vendors shall:

- 5.2.1 cause the transfers mentioned in clause 5.1.1.1 to be resolved to be registered in the Register of Members of the Company's statutory books notwithstanding any provision to the contrary in the Articles of Association of the Company;
- 5.2.2 cause the persons named in part A of Schedule 6 to be validly appointed as additional Directors of the Company and PWA Personnel Systems; and
- 5.2.3 repay to each Group Company, or procure the repayment thereto of, all indebtedness outstanding at Completion from the Vendors or any of them;
- 5.2.4 procure that all the Group Companies shall repay all loans made to [it/them] by the Vendors as disclosed in the Disclosure Letter and outstanding at Completion.

5.3 the Purchaser shall:

- 5.3.1 pay US\$[] of the Cash Consideration by electronic funds transfer for value to the Vendors' Solicitors Bank Account and payment into such account shall constitute a good discharge to the Purchaser in respect of such sum and the Purchaser shall have no obligation as to the distribution or allocation of the Cash Consideration between the Vendors;

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- 5.3.2 pay to the Purchaser's Solicitors by electronic transfer of funds the Retention Sum to be deposited in the Retention Account whereupon the provision of Schedule 9 shall apply to the sum so deposited.

5.4 the parties shall join in procuring that:

- 5.4.1 all existing bank mandates in force for all Group Companies shall be altered (in such manner as the Purchaser shall at Completion require) to reflect the resignations and appointments referred to above;
- 5.4.2 the Purchaser's Solicitors and the Vendors' Solicitors are instructed in the terms of the Retention Account Instruction Letter;
- 5.4.3 service agreements (in the agreed form) shall be entered into between the Company and the persons named in part E of Schedule 6.

5.5 the parties shall enter into the Tax Deed.

5.6 Each of the Vendors (including 3i) agree with the other Vendors that they shall respectively waive their rights, if any, against one another under the terms of an Investment Agreement dated 12th February 1999 and made between PWA Group Limited, Paul Wallace, Geoffrey Burch and 3i Group plc, under the Articles of Association of the Company adopted as

of 12th February 1999 including, without limitation, any class rights or rights of pre-emption.

6 POST-COMPLETION MATTERS

6.1 Each of the Vendors hereby declares that for so long as they remain the registered holder of any of the Company Shares after Completion they will:

- 6.1.1 hold the Company Shares and the dividends and other distributions of profits or surplus or other assets declared, paid or made in respect of them after Completion and all rights arising out of or in connection with them in trust for the Purchaser and its successors in title; and
- 6.1.2 deal with and dispose of the Company Shares and all such dividends, distributions and rights as are described in clause 6.1 as the Purchaser or any such successor may direct.

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6.2 The Vendors shall execute or, so far as each is able, procure that any necessary third party shall execute all such documents and/or do or, so far as each is able, procure the doing of such acts and things as the Purchaser shall after Completion reasonably require in order to give effect to this Agreement and any documents entered into pursuant to it and to give to the Purchaser the full benefit of all the provisions of this Agreement.

7 WARRANTIES

7.1 In consideration of the Purchaser entering into this Agreement :

- 7.1.1 the Warrantors hereby jointly and severally warrant to the Purchaser in the terms set out in Schedule 8; and
- 7.1.2 3i hereby warrants to the Purchaser in the terms of the Limited Warrantors;

7.2 Any statement in Schedule 8 which is qualified as being made "so far as the Warrantors are aware" or "to the best of the knowledge, information and belief of the Warrantors" or any similar expression has been so qualified after all due and proper enquiries by the Warrantors of each of Lewis Jackson, Simon Nash, Kellie-Ann Williams, Tony Seeley, Shephali Parmar, Peter Martin, the Vendors' Solicitors and the auditors of the Company and its Subsidiaries.

7.3.

- 7.3.1 The Warranties are qualified to the extent, but only to the extent, of those matters fairly disclosed in the Disclosure Letter and for this purpose "fairly disclosed" means disclosed in such manner and in such detail as to enable a reasonable purchaser to make proper, accurate and not misleading assessment of the matter concerned.
- 7.3.2 All references in Schedule 8 to the Company shall unless the context otherwise requires be construed as references to each and every Group Company.
- 7.3.3 Each of the paragraphs in Schedule 8:

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- 7.3.4 shall be construed as a separate and independent representation and/or warranty; and
- 7.3.5 save as expressly otherwise provided in this Agreement, shall not be limited by reference to any other paragraph in Schedule 8 or by any other provision of this Agreement;
- and the Purchaser shall have a separate claim and right of action in respect of every claim of each such representation or warranty.

7.4 The rights and remedies conferred on the Purchaser under this Agreement are cumulative and are additional to, and not exclusive of, any rights or remedies provided by law or otherwise available at any time to the Purchaser in respect of any claim (including but not limited to injunctive relief, specific performance and the right to damages for any loss or additional loss suffered by the Purchaser).

7.5 The Warranties shall not in any respect be extinguished or affected by Completion.

7.6 Each of the Warrantors agrees with the Purchaser (for itself and as trustee for each Group Company):

- 7.6.1 that the giving by any Group Company and/or any of its directors, employees, agents or advisers to any of the Warrantors or their agents or advisers of any information or opinion in connection with the Warranties or the Tax Deed or the Disclosure Letter or otherwise in relation to the business or affairs of any Group Company or in connection with the negotiation and preparation of this Agreement or the Disclosure Letter shall not be deemed a representation, warranty or guarantee to the Warrantors of the accuracy of such information or opinion;
- 7.6.2 to waive any right or claim which they may have against any Group Company and/or any of its directors, employees agents or advisers for any error, omission or misrepresentation in any such information or opinion; and
- 7.6.3 that any such right or claim shall not constitute a defence to any claim by the Purchaser under or in relation to this Agreement (including the Warranties or the Tax Deed).

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7.7 The Warrantors and 3i shall not be liable in respect of any Claim unless:

- 7.7.1 they receive from the Purchaser written notice setting out in reasonable detail a summary of the Claim and a bona fide estimate of the amount of the Claim;
- 7.7.2 in the case of a Claim under the Tax Covenant or the Tax Warranties, on or before the seventh anniversary of Completion; and

the Purchaser has instigated proceedings in respect of the Claim within six (6) months of the date of the written notice of the Claim in question.

7.8 Save for a Claim for a breach of a Limited Warranty and subject to the provisions of clause 7.9:

- 7.8.1 the aggregate liability of the Warrantors and 3i together for all Claims shall not exceed [US\$2,000,000], together with reasonable costs and expenses incurred by the Purchaser specifically in successfully pursuing valid Claims under this Agreement;
- 7.8.2 the Warrantors and 3i together shall not be liable unless the aggregate amount of all individual Claims exceeds [US\$500,000] in which event the Warrantors and 3i shall be liable for [the whole amount and not merely] the excess [only];
- 7.8.3 the Warrantors and 3i together shall not be liable for any individual Claim unless the amount of the liability in question exceed [US\$50,000];.
- 7.9 The aggregate individual liabilities of the Warrantors and 3i is as follows for all Claims of:
- 7.9.1 Paul Dominic Wallace shall not exceed L[]; and
- 7.9.2 Geoffrey Charles Burch shall not exceed L[]; and
- 7.9.3 3i plc shall not exceed L[].
- 7.10 The Warrantors and 3i shall not be liable for any Claim to the extent that the Claim arises or is increased as a result of any legislation or government regulation or any administrative judicial decisions not in force at the date of this Agreement;
- 7.11 The Purchaser shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnity more than once in respect of the same loss, damage or deficiency.
- 7.12 Nothing in this Agreement shall be deemed to relieve the Purchaser from any common law duty to mitigate any loss or damage incurred by the Purchaser or any member of the Purchaser's Group.
- 7.13 The Purchaser acknowledges that no representations, undertakings or warranties, express or implied, are given by the Warrantors or 3i in relation to the subject matter of this Agreement, other than those expressly contained in the Agreement.
- 7.14 If any Claim under the Warranties arises which, at the time such Claim is notified to the Warrantors, is contingent only or otherwise not capable of being quantified, then the Warrantors shall not be under any obligation to make any payment in respect of such Claim unless and until such liability ceases to be contingent or becomes capable of being quantified, as the case may be. So long as such Claim shall have been notified to the Warrantors in accordance with clause 12 (Notices) below, then the provisions of clause 7.7.1 shall be amended in relation to such Claim so as to require that proceedings be issued and served within six (6) months from the date on which the said liability ceased to be contingent or becomes capable of being quantified, as the case may be, in order for the liability of the Warrantors (or any of them) not to determine.
- 7.15 Any amount paid by the Warrantors or 3i in respect of any Claims shall be deemed to reduce the consideration paid by the Purchaser to the Vendors under this Agreement.
- 7.16 In relation to the Accounts and Management Accounts no Claim under the Warranties shall be valid and effective to the extent that any of the following may be used or applied so as to cancel or reduce for

liability to which such Claim relates:

7.16.1 specific provision in the Accounts or the Management Accounts;
or

[7.16.2 a revaluation in respect of a an asset understated in the Accounts [or the Management Accounts] or any liabilities overstated in the Accounts [or the Management Accounts as the case may be.]

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7.17 Where the Warrantors or 3i have paid an amount in discharge of a Claim to the Purchaser (or at its discretion) and the Purchaser or any member of the Purchaser's Group following Completion subsequently makes every recovery from a third party (whether by reason of insurance or otherwise), the Purchaser shall, as soon as is reasonably practicable, repay to the relevant Warrantors or 3i an amount equal to the sum paid by the relevant Warrantors or 3i in settlement of the relevant Claim, less all reasonable costs and expenses of recovery (including insurance premiums).

8 CASH CONSIDERATION ADJUSTMENT

8.1 The Purchaser and Vendors shall procure that Completion Accounts shall be prepared as at the Completion Date.

8.2 The Completion Accounts shall comprise the consolidated balance sheet of the Company Group as at the Completion Date and the consolidated profit and loss account of the Company Group for the period commencing on the Accounts Date and ending on the Completion Date together with such explanatory notes relating thereto as shall be required to support them.

8.3 The Completion Statement shall be prepared in accordance with all applicable Financial Reporting Standards and under UK Generally Accepted Accounting Procedures and subject thereto on the basis of the accounting policies and practices adopted in the Company's audited Accounts (see attached) and then adjusted (if and to the extent that the following adjustments have not already been applied) to take account of the following matters:-

8.3.1 any National Insurance paid or accrued by the Company in respect of the issue of options under the Staff Share Scheme;

8.3.2 any amortised goodwill;

8.3.3 any fees considered to be exceptional and resulting from the pursuance of the sale to Great Plains Software Inc. (likely to include the costs of the visit of certain PWA directors to Great Plains Software Inc. and the costs of tax advice to the Company on the issue and rollover of share options);

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8.3.4 trading in February being normalised to take account of any sales slippage due to management focus on the sale to Great Plains Software Inc.;

8.3.5 any other fees or expenses or adjustments charged to the Group Company on the instruction of Great Plains Software Inc.

8.4 The Purchaser shall be entitled to require that, within 30 days of

receipt of such Completion Statement, such Completion Statement shall be audited by the Purchaser or its Auditor for the purpose of ascertaining the Net Asset Value and may be revised with the agreement of the Purchaser and the Vendor as a result thereof and will then be the Signed Completion Accounts.

8.5 Not later than five (5) Business Days after the issue of the signed Completion Accounts:

8.5.1 the Vendor shall pay to the Purchaser the amount (if any) by which the Net Assets as shown in the Completion Statement are less than [amount in words] pounds [US\$];

8.5.2 the Vendor shall pay to the Purchaser the amount (if any) by which the Working Capital as at the Completion Date falls short of [amount in words] pounds [(US\$)]

and the Cash Consideration shall be deemed to have been adjusted accordingly.

8.6 The Purchaser shall, if the Vendor fails to make payment in accordance with the provisions of clause 8.3 be entitled to set off the amount due to the Purchaser against any amounts payable by it under clause 3.1.

9 RESTRICTIVE COVENANTS

9.1 Each of the Vendors jointly and severally undertakes with the Company and the Purchaser that without the prior consent in writing of the Purchaser they will not directly or indirectly, whether by themselves, their employees or agents and whether

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on their own behalf or on behalf of any other person, firm or company or otherwise howsoever, for a period of 2 years from the Completion Date:

9.1.1 (subject to clause 9.3) carry on, be employed or otherwise engaged, concerned or interested in any capacity (whether for reward or otherwise) in, or in any way assist any business which is or is about to be engaged in the manufacture, production, distribution or sale of the Restricted Products or any of them [in the Prohibited Area] in competition with the Company or any other Group Company;

9.1.2 in relation to the Restricted Products or any of them solicit or canvass, accept orders from or otherwise deal with any person, firm, company or other organisation who:

9.1.2.1 was a customer of any other Group Company at any time during the 2 years prior to the Completion Date; or

9.1.2.2 at the Completion Date was in the process of negotiating or contemplating doing business with any other Group Company;

9.1.3 solicit or entice away from any Group Company any employed or otherwise engaged by that Group Company on the Completion Date, whether or not that person would commit any breach of his contract of employment by reason of his leaving the service of that Group Company.

9.2 The restriction in Clause 8.1.1 above shall not prohibit the holding (directly or through nominees) of investments listed on the London

Stock Exchange or in respect of which dealing takes place in the Alternative Investment Market on the London Stock Exchange or any recognised Stock Exchange or provided that not more than 5 per cent of the issued shares or other securities of any class of any one company shall be so held without the prior sanction of a resolution of the board of the Purchaser.

9.3 Each of the Vendors severally undertakes with the Purchaser that they will not at any time after Completion directly or indirectly, whether by themselves, their employees or agents or otherwise howsoever:

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9.3.1 engage in any trade or business or be associated with any person firm or company engaged in any trade or business using the name PWA Personnel Systems Limited or any name incorporating the words PWA Personnel Systems Limited or any similar name or names or any colourable imitation thereof;

9.3.2 in the course of carrying on any trade or business, claim, represent or otherwise indicate any present association with any Group Company or, for the purpose of obtaining or retaining any business or custom, claim, represent or otherwise indicate any past association with any Group Company;

9.3.3 (subject to clause (9.5)) without the consent of the Company or the Purchaser use, whether on his own behalf or on behalf of any third party, or divulge to any third party, any of the Confidential Information.

9.4 Subject to clause 9.5 each of the Vendors severally undertakes with the Purchaser that, if any Group Company shall have obtained any of the Confidential Information from any third party under an agreement including any restriction on disclosure known to them, they will not at any time without the consent of the Company or the Purchaser infringe that restriction.

9.5 The restriction in clause 9.3.2 shall not operate to prohibit any of the Vendors who continues in the employment of any Group Company after Completion from claiming, representing or indicating his association in that capacity with that Group Company during the continuance of that employment and in accordance with the terms of his service agreement.

9.6 The restrictions in clause 9.3.3 shall not apply:

9.6.1 in respect of any of the Confidential Information which is in or becomes part of the public domain, other than through a breach of the obligations of confidentiality set out in this Agreement; or

9.6.2 to any of the Vendors to the extent that they are required to disclose Confidential Information by any applicable law, governmental order, decree or regulation having the force of law or pursuant to the regulations of any

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securities exchange or regulatory or governmental body to which they are subject.

9.7 Each of the Vendors agrees with the Purchaser that the restrictive covenants in clauses 0 to 9.4 inclusive are reasonable and necessary

for the protection of the value of the Company Shares and the Company and that, having regard to that fact those covenants do not work harshly on them.

10 ANNOUNCEMENTS

Save as (but only to the extent) expressly required by law or by the London Stock Exchange or other recognised investment exchange, all announcements or circulars by, of or on behalf of any of the parties hereto and relating to the sale and purchase hereunder shall be in terms to be approved in writing by the parties in advance of issue.

11 RELEASES, WAIVERS ETC., BY THE PURCHASER

11.1 Subject to the provisions of Schedule 9, the Purchaser may, in its discretion, in whole or in part release, compound or compromise, or waive its rights or grant time or indulgence in respect of, any liability to it under this Agreement and may do so as regards any one or more of the Vendors, Warrantors or Warrantors under that liability without in any way prejudicing or affecting the liability of or its rights against any other of the Vendors, Warrantors or Warrantors in respect of the same or a like liability, whether joint and several or otherwise.

11.2 Subject to clause 11.3, neither the single or partial exercise or temporary or partial waiver by the Purchaser of any right, nor the failure by the Purchaser to exercise in whole or in part any right or to insist on the strict performance of any provision of this Agreement, nor the discontinuance, abandonment or adverse determination of any proceedings taken by the Purchaser to enforce any right or any such provision shall (except for the period or to the extent covered by any such temporary or partial waiver) operate as a waiver of, or preclude any exercise or enforcement or (as the case may be) further or other exercise or enforcement by the Purchaser of, that or any other right or provision.

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11.3 All references in clause 11.2 to:

11.3.1 any right shall include any power, right or remedy conferred by this Agreement on, or provided by law or otherwise available to, the Purchaser; and

11.3.2 any failure to do something shall include any delay in doing it.

11.4 The giving by the Purchaser of any consent to any act which by the terms of this Agreement requires such consent shall not prejudice the right of the Purchaser to withhold or give consent to the doing of any similar act.

12 NOTICES

12.1 Except as otherwise provided in this Agreement, every notice under this Agreement shall be in writing and shall be deemed to be duly given if it (or the envelope containing it) identifies the party to whom it is intended to be given as the addressee and:

12.1.1 it is delivered by being handed personally to the addressee (or, where the addressee is a corporation, any one of its directors or its secretary); or

12.1.2 it is delivered by being left in a letter box or other

appropriate place for the receipt of letters at the addressee's authorised address; or

12.1.3 the envelope containing the notice is properly addressed to the addressee at his authorised address and duly posted by the recorded delivery service (or by airmail registered post if overseas);

and, in proving the giving or service of such notice, it shall be conclusive evidence to prove that the notice was duly given within the meaning of this clause 12.1.

12.2 A notice sent by post (or the envelope containing it) shall not be deemed to be duly posted for the purposes of clause 12.1.3 unless it is put into the post properly stamped or with all postal or other charges in respect of it otherwise prepaid.

12.3 For the purposes of this clause 12 the authorised address of each of the Vendors shall be the address of the relevant Vendor shown in Schedule 1 or as notified to the Purchaser from time to time and the authorised address of (respectively) the Purchaser

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and the Company and [each of] the Subsidiary[ies] shall be the address of its registered office for the time being or (in the case of notices transmitted by facsimile transmission) its facsimile number at that address.

12.4 Any notice duly given within the meaning of clause 12.1 shall be deemed to have been both given and received:

12.4.1 if it is delivered in accordance with clause 12.1.1 or 12.1.2, on such delivery;

12.4.2 if it is duly posted or transmitted in accordance with clause 12.1.3 by any of the methods therein specified, on the second (or, when sent airmail, fifth) business day after the day of posting.

12.5 For the purposes of this clause 12 "notice" shall include any request, demand, instruction, communication or other document.

13 ENTIRE AGREEMENT

This Agreement and the documents in agreed form referred to in this Agreement constitute the entire agreement between the parties in relation to the subject matter covered and supersede any previous agreement between the parties in relation to such matters which shall cease to have any further effect

14 ALTERATIONS

No purported alteration of this Agreement shall be effective unless it is in writing, refers specifically to this Agreement and is duly executed by each party hereto.

15 SEVERABILITY

15.1 Each provision of this Agreement is severable and distinct from the others. The parties intend that every such provision shall be and remain valid and enforceable to the fullest extent permitted by law. If any such provision is or at any time becomes to any extent invalid, illegal or unenforceable under any enactment or rule of law, it shall to that extent be deemed not to form part of this Agreement but (except

to that extent in the case of that provision) it and all other provisions of this Agreement shall continue in full force and effect and their validity, legality and enforceability shall not

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be thereby affected or impaired, provided that the operation of this clause would not negate the commercial intent and purpose of the parties under this Agreement.

15.2 If any provision of this Agreement is illegal or unenforceable as a result of any period specified herein being in excess of that permitted by a relevant authority, that provision shall take effect with the substitution of a shorter period acceptable to the relevant authority subject to it not negating the commercial intent of the parties under this Agreement.

16 COUNTERPARTS

This Agreement may be entered into in the form of two or more counterparts each executed by one or more of the parties but, taken together, executed by all and, provided that all the parties so enter into the Agreement, each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original, but, taken together, they shall constitute one instrument.

17 PAYMENT OF COSTS

Each of the parties shall be responsible for their or its respective legal and other costs incurred in relation to the negotiation, preparation and completion of this Agreement and all ancillary documents, save that the Vendors shall be jointly and severally liable to pay any and all stamp duty levied upon either party as a consequence of the Completion of this Agreement.

18 SUCCESSORS AND ASSIGNS

18.1 This Agreement shall be binding on and shall enure for the benefit of the successors in title and personal representatives of each party.

18.2 Subject always to clause 18.3 none of the parties hereto shall be entitled to assign the benefit of any rights under this Agreement without the prior written consent of the other parties.

18.3 The parties hereby agree that the Purchaser is entitled to assign the whole or part of its rights and obligations hereunder to any Group Company thereof.

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19 APPLICABLE LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed by and construed in accordance with English law and the parties hereby submit to the non-exclusive jurisdiction of the High Court of Justice in England for the purpose of hearing and determining any suit, action or proceedings which may arise out of or in connection with this Agreement.

IN WITNESS whereof this Agreement has been entered into the day and year first above written.

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<TABLE>
<CAPTION>

SCHEDULE 1, PART A

THE VENDORS

(1)	(2)	(3) (a)	(3) (b)
NAME	ADDRESS	NUMBER OF THE ORDINARY SHARES HELD	NUMBER OF PREFERENCE SHARES
<S> 3i PLC	<C> Apex Plaza, Corbury Road, Reading, Berks	<C> NIL	<C> 325,000
Paul Dominic Wallace	Littlestead Green Farm, Row Lane, Dunsoo, Reading	296,212	NIL
Geoffrey Charles Burch	Hurst, Berks	128,788	NIL
FM Trust Corporation Limited	C/o 12 Rue due Pommer, 2000 Neuchatd, Switzerland	141,000	NIL

</TABLE>

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<TABLE>
<CAPTION>

SCHEDULE 1, PART B

VENDORS' SHARE OF CONSIDERATION

NAME	CASH (US \$)	SHARES
<S> 3i plc	<C>	<C>
Paul Dominic Wallace		
Geoffrey Charles Burch		
FM Trust Corporation Limited		

</TABLE>

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SCHEDULE 2

THE COMPANY

Date and place of incorporation: 7th December 1998, Cardiff

Registered number: 3679633

Registered office: Courtyard House, Liston Road, Marlow, Bucks

Authorised share capital: L100,000 divided into [] Ordinary Shares of L0.10 each and [] 'A' Ordinary Shares of L0.10 each

Issued share capital: 566,000 Ordinary Shares [fully paid]
325,000 'A' Ordinary Shares [fully paid]

Directors: Lewis John Jackson

Simon Robert Nash

Paul Dominic Wallace

John Whitley Ward

Secretary: Lewis John Jackson

Auditors: []

Accounting reference date: 30th September

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SCHEDULE 3

THE SUBSIDIARIES

Name:

Date and place of Incorporation:

Registered number:

Registered office:

Authorised share capital:

Issued share capital:

Shareholder:

Directors:

Secretary:

Auditors:

Accounting reference date:

<TABLE>
<CAPTION>

SCHEDULE 4
THE PROPERTIES
LEASEHOLD PROPERTIES

Number	Description	Proprietor	Date of Lease	Parties to Lease	Term and rent [Review dates?]	Occupier(s)
<S>	<C>	<C>	<C>	<C>	<C>	<C>

</TABLE>

SCHEDULE 5
TAX DEED
[AS ATTACHED]

SCHEDULE 6
DIRECTORS AND EMPLOYEES
PART A - ADDITIONAL DIRECTORS

PART B - NEW SECRETARY

PART C - RETIRING DIRECTORS
PART D - RETIRING SECRETARY

PART E - PERSONS TO RECEIVE SERVICE AGREEMENTS

SCHEDULE 7
[PENSION ARRANGEMENTS]

SCHEDULE 8

MATTERS REPRESENTED AND WARRANTED

PART A - GENERAL WARRANTIES

1. INFORMATION SUPPLIED TO THE PURCHASER

- 1.1 The statements of fact contained in Schedules 1, 4 and 6 of this Agreement are true and accurate in all respects and the documents annexed to the Disclosure Letter are complete and accurate copies of the documents of which they purport to be copies.
- 1.3 So far as the Warrantors are aware, the factual information contained in the Information Memorandum dated [] which relates to the Company or any member of the Group or any of their business, assets or liabilities is true and accurate.
- 1.4 The Disclosure Letter contains details of any person (other than the Purchaser and its advisors) to whom the Warrantors have in the past two years supplied any confidential information concerning any member of the Group with a view to their evaluation whether or not to acquire the Company or any member of the Group or any of their businesses.

2 THE WARRANTORS

- 2.1 Each of the Warrantors has full power to enter into and perform this Agreement which constitutes binding obligations on the Vendors in accordance with its terms.
- 2.2 All the Company Shares are fully paid or are properly credited as fully paid and each of the Vendors is the sole legal and beneficial owner of the number of Company Shares set opposite that Vendor's name in column 3 of Schedule 1 free from all Security Interests.

3. ACCOUNTS

- 3.1 The Accounts comply with CA 1985 and all other relevant legislation and have been prepared in accordance with generally accepted accounting conventions, policies,

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principles and practices consistently applied. The accounting conventions, policies, principles and practices in the United Kingdom which have been (including methods of valuation) adopted for the Accounts are the same as those adopted in preparing the audited accounts of the Company for its three preceding accounting reference periods.

- 3.2 The Accounts give a true and fair view of the assets and liabilities and state of affairs of the Company as at the Accounts Date and of the profits and losses of the Company for the financial period to which the Accounts relate.
- 3.3 The accounting reference date of the Company is 30th September.
- 3.4 The Management Accounts have been honestly and prudently prepared on a basis consistent with the preparation of prior management accounts of the Company during the three immediately preceding accounting periods and are not misleading.

4. POSITION SINCE THE ACCOUNTS DATE

- 4.1 Since the Accounts Date, the Company has not:
 - 4.1.1 agreed to acquire any business; or
 - 4.1.2 disposed of any of its assets except in the ordinary and normal course of business; or
 - 4.1.3 incurred any capital commitment or series of related capital commitments in excess of L50,000; or
 - 4.1.4 agreed to purchase stocks in quantities or at prices materially greater than was the practice of the Company prior to the Accounts Date.
- 4.2 All payments, receipts and invoices of the Company since the Accounts Date have been properly recorded in the books of the Company.
- 5. DEBTORS AND CREDITORS
 - 5.1 The Company is not owed any moneys other than trade debts incurred in the course of business.
 - 5.2 The Company has not factored or discounted any of its debts.

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- 5.3 The Company has not given any guarantee or indemnity other than disclosed.
- 5.4 The Company is not in default under the terms of any borrowing made by it.
- 5.5 None of the debts due to the Company in excess of L5,000 as at the Accounts Date remain unpaid as at the date of this Agreement, nor has any debt in excess of L5,000 which has subsequently become due to the Company or any member of the Group (or any part of such debt) remained unpaid for more than one month after the due date for payment or been released or written off or proven to be irrecoverable, nor so far as the Warrantors are aware is any such debt now regarded as irrecoverable.
- 6. SUBSIDIARIES
 - 6.1 The Company:
 - (a) has never had any subsidiary other than the Subsidiaries;
 - (b) directly owns free from encumbrances the whole of the issued share capital of the Subsidiaries except as detailed in Schedule 3;
 - (c) has not since its incorporation been a subsidiary of any other company; and
 - (d) holds no shares in the capital of any other company other than the Subsidiaries.
- 7. PROPERTY
 - 7.1 The Company does not use or occupy or have any interest, and has not used, occupied or had any interest, in any land and/or buildings for the purposes of its business other than the Properties.
 - 7.2 Replies to enquiries given by the Company or the Company's Solicitors to enquiries raised by the Purchaser or the Purchaser's Solicitors in

respect of the Properties are true and accurate in all material respects.

- 7.3 The Company has not received notice of breach of any of the provisions or covenants of any of the leases of any of the Properties.

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- 7.4 The Company has not received notice of breach of any Environmental Laws, and, so far as the Warrantors are aware, there are not circumstances which will lead to any such notice being received.

8. ASSETS

- 8.1 Apart from leases over motor vehicles, computer hardware and software used in the ordinary course of business, all tangible assets used in connection with the business of the Company belong to the Company free from any Security Interest.
- 8.2 All assets of or used in connection with the business of the Company are in the possession of under the control of the Company.
- 8.3 The assets owned by the Company comprise all the assets necessary for the effective continuation of the Company's business as carried on at Completion.
- 8.4 All plant, machinery, vehicles and equipment currently owned or used by the Company are in good condition and working order, and have been regularly and property maintained.
- 8.5 As at Completion, the total assets (less current liabilities) of the Company shall be not less than six (6) million, which does not include any accrued and unpaid dividends or management or other fees paid or payable by or on behalf of the Company to 3i

9. INSURANCES

- 9.1 Appropriate levels of insurance cover for a business similar to that of the Company has been put and remains in place and has been properly maintained by the Company and all such insurances are and have at all material times been in force.
- 9.2 No claims in excess of L15,000 have been made by the Company on its insurers within two years prior to the date of this Agreement nor so far as the Warrantors are aware are any such claims contemplated or outstanding.

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10. BANK ACCOUNTS

- 10.1 The Disclosure Letter contains full details of all of the Company's investment, deposit and bank accounts and of the banks and other financial institutions at which they are kept.
- 10.2 Details of all overdraft, loan and other financial facilities available to the Company are disclosed and no person who provides any of those facilities has given any indication that they are considering withdrawing or altering any of such facilities.
- 10.3 So far as the Warrantors are aware, neither the Vendors nor the Company have done or omitted to do anything whereby the continuance of the facilities referred to in paragraph 10.2 above may be prejudiced or

affected.

- 10.4 The Company has no outstanding borrowings or other indebtedness.
- 10.5 So far as the Warrantors are aware, there are no unpresented cheques of an amount in excess of L5,000 drawn by the Company.

11. CONDUCT OF BUSINESS

- 11.1 The Company is not now, nor has it been during the period of twelve months prior to the date of this Agreement, a party to any contracts or transactions which are, or involve obligations, which are outside the ordinary course of business of the Company or which are unusual or of a long term nature. For the purpose of this paragraph 11.1, "LONG TERM" means not terminable on 3 months notice or less.
- 11.2 So far as the Warrantors are aware, the Company has not received notice that any event or omission has occurred which would entitle any third party to terminate prematurely any material contract to which the Company is a party. For the purpose of this paragraph 10.2, "material" shall mean any contract having a value in excess of L25,000.
- 11.3 There is no claim against and, so far as the Warrantors are aware, there are no circumstances which may lead to a claim against the Company for defective goods, supplied by the Company.

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- 11.4 The Company has obtained all licences, permissions and consents required for the carrying on of its business and, so far as the Warrantors are aware, there are no circumstances which indicate that any of such licences, permissions or consents are likely to be revoked or not renewed in the ordinary course.
- 11.5 The Company has no branch, place of business or substantial assets outside the United Kingdom or any permanent establishment (as that expression is defined in any relevant Order in Council made pursuant to section 788 ICTA 1988) in any country outside the United Kingdom.
12. DIRECTORS AND EMPLOYEES
- 12.1 There are not in existence:
- (a) any service agreements or other contracts with directors or employees of the Company which cannot be terminated by twelve months' notice or less without giving rise to any claim for damages or compensation (other than compensation for unfair dismissal under the Employment Rights Act 1996); or
 - (b) any other contracts between the Company and existing or former directors or employees of the Company and the Company including contracts or arrangements for any benefit or payments of any nature to or for the benefit of any existing or former directors or employees or any of their dependants; or
 - (c) any consultancy agreements between the Company and any other person firm or company; or
 - (d) any arrangements by which any person has the use of any credit or charge card or account for which the Company is responsible.
- 12.2 There are no arrangements to which the Company is a party involving share options profit sharing or bonus, incentive or other similar

payments for employees other than disclosed.

12.3 There is no dispute involving sums greater than L25,000 between the Company and any of its employees or a material number or category of its employees.

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12.4 There have been no strikes or industrial action short of strike action (official or unofficial) by any of the Company's employees during the period of six years immediately prior to the date of this Agreement and there is no written agreement or arrangement between the Company and any trade union or other body representing employees of the Company in relation either to recognition of the trade union or other body or to collective terms and conditions or representation.

12.5 So far as the Warrantors are aware the Company has in relation to each of its employees complied with:

- (a) obligations imposed on it by all statutes and regulations relevant to the relations between it and its employees or any trade union or employee representatives;
- (b) all collective agreements recognition agreements for the time being dealing with such relations or the conditions of service of its employees; and
- (c) all relevant orders and awards made under any relevant statute or regulation affecting the conditions of service of its employees.

12.6 Particulars of the terms and conditions of employment of the directors and employees of the Company are contained in the Disclosure Letter and since the Accounts Date no change has been made nor agreed to be made in such terms and conditions of employment by the Company of any person.

13. PENSIONS

13.1 In this paragraph 13 "Schemes" means the defined contributions schemes as set out in Company employee service contracts and as agreed with Paul Wallace and Geoffrey Burch.

13.2 Apart from the Schemes, there are no pensions arrangements (including personal pension) or any similar schemes or arrangements in respect of which the Company or the Subsidiaries has or may have any liability to contribute or an obligation to any of its past or present officers or employees or their spouses, children or dependants or to the trustees of any such scheme or arrangement.

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13.3 Apart from the Schemes, the Company and its Subsidiaries are not under any legal or moral liability or obligation or a party to any ex-gratia arrangement or promise to pay pensions, gratuities, superannuation allowances in respect of sickness, accident or disability or any similar arrangements or promises or otherwise to provide "relevant benefits" within the meaning of Section 612 of the Taxes Act to or for any of its past or present officers or employees or their spouses, children or dependents.

13.4 In relation to the Company's obligations under the Schemes in respect of their respective members and of those persons who are spouses,

children and dependants of members ("Members"):

- 13.4.1 no person has during the past two years been excluded from membership of the Scheme on the basis of his being a part-time employee;
- 13.4.2 all contributions in relation to the Schemes due as at Completion in accordance with such of those Schemes or any insurance company have been paid;
- 13.4.3 no legally enforceable undertakings or assurances have so far as the Warrantors are aware been given to the Members as to the introduction, continuance, increase or improvement of any retirement, death or disability benefits;
- 13.4.4 no discretion has so far as the Warrantors are aware have been exercised under the Schemes to admit to membership of the Schemes an officer or employee who would not otherwise have been eligible for admission to membership or to provide a benefit which would not otherwise already be provided for under the Schemes and no power to augment or provide new or additional benefits has been exercised;
- 13.4.5 where applicable, all lump sum benefits payable on the death of a Member whilst in employment (other than a return of the Member's own contributions and contributions paid in respect of him) are (to the extent that they are linked to earnings at or before death) fully insured with an insurance company of repute and so far as the Warrantors

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are aware each Member has been covered for such insurance at normal rates and on normal terms for persons in good health.

14. UNISSUED CAPITAL

- 14.1 There are no agreements or instruments in force which require or confer the right (conditionally or unconditionally) to require the issue of any share or loan capital of the Company now or at any time in the future nor are there any agreements restrictions or obligations entered into by or binding on the Company as to its unissued share or loan capital.

15. INTELLECTUAL PROPERTY

- 15.1 The Company owns or has the right to use under royalty free licence paid up licence, online implied by the sale of a product, all Intellectual Property Rights relating to products manufactured by it or on its behalf or used by it in connection with its business.
- 15.2 So far as the Vendors are aware, the registration of all the registered Intellectual Property owned by the Company including the Trade Marks attached to the Disclosure Letter is valid and in full force and effect and all relevant renewal or other fees in relation thereto have been paid.
- 15.3 There are no existing contracts under which the Company grants to any third party any rights in or over the Intellectual Property owned by the Company.
- 15.4 The Company does not require any Intellectual Property Rights other than the Intellectual Property in order to use all the processes employed by it in its business as presently constituted nor to manufacture, use and sell the products which result from those processes nor otherwise to carry on its business.

15.5 So far as the Warrantors are aware:

(a) the Company has not and no person for whose acts or omissions the Company is vicariously liable has infringed the Intellectual Property Rights of any other person, firm or company;

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(b) no other party has claimed that any infringement by the Company or any such person has occurred.

16. LITIGATION, OFFENCES AND PROCESSES

16.1 Apart from routine debt collection the Company is not engaged in any litigation (whether criminal or civil), arbitration or any alternative dispute resolution process and so far as the Warrantors are aware there are no facts or circumstances likely to give rise to such litigation, arbitration, or any alternative dispute resolution process.

16.2 No injunction has been granted against the Company and the Company has given no undertaking to any Court or to any third party arising out of any legal proceedings.

16.3 No order has been made or petition served or resolution passed for the winding up of the Company nor so far as the Warrantors are aware has any person threatened to present such a petition or convened or threatened to convene a meeting of the Company to consider a resolution to wind up the Company; no distress execution or other process has been levied on any asset of the Company nor has any person threatened any such distress, execution or other process; no person has appointed or threatened to appoint a receiver of the Company's business or assets or any part thereof.

17. GRANTS

17.1 Full details of all investment, regional selective assistance, local government or other grant or other subsidy or similar payment made or due to be made by the Company have been fairly and accurately disclosed in the Disclosure Letter.

17.2 Neither the Vendors nor the Company have not done or omitted to do or agreed to do or to omit to do anything as a result of which all or any part of any investment or other grant or employment subsidy or similar payment made or due to be made to the Company is or may be liable to be repaid, forfeited or withheld in whole or in part.

18. TRANSACTIONS WITH SHAREHOLDERS OR DIRECTORS

18.1 No monies are owed by the Company to any director of the Company or to the Vendors or to any person connected with any such director or the Vendors.

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18.2 The Company has no debts owed to it by its directors or any of them or by the Vendors or by a person connected with any such director or the Vendors.

19. ADMINISTRATION

19.1 There are attached to the Disclosure Letter true and accurate copies of the Memorandum and Articles of Association of the Company incorporating

all amendments made up to and including the date hereof.

- 19.2 The register of members of the Company contains a true and accurate record of the members and all former members of the Company and their holdings of shares in the capital of the Company.
- 19.3 No direction has been given to the Company under section 28 CA 1985.
- 19.4 All returns, particulars, resolutions and other documents required to be filed with or delivered to the Registrar of Companies and the Department of Trade and Industry by the Company have been correctly and properly prepared, filed or delivered.
- 19.5 All the accounts books ledgers and financial and other material records of whatsoever kind of the Company are held or stored in means which are under the exclusive ownership and control of the Company and have at all times been properly and accurately kept and completed in all material respects.

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Part B - Tax Warranties

- 1 All accounts computations returns notices or information ("RETURNS") required to be made submitted or given to any Tax Authority by the Company (including, without limitation, all Returns in respect of PAYE and National Insurance) have been properly and duly prepared and punctually made submitted or given and are up-to-date and correct in all material respects.
- 2 The Company is not (and in the last three years has not been) in dispute with or subject to any investigation by any Tax Authority other than standard visits or audits and so far as the Vendors are aware there are no facts or circumstances likely to give rise to or be the subject of any such dispute or investigation.
- 3 The Company has (to the extent required by law) preserved and retained in its possession complete and materially accurate records relating to Tax and the Company has sufficient records relating to past events to calculate for Tax purposes the profit gain loss balancing charge or balancing allowance which would arise on the disposal or realisation of any assets owned at the Accounts Date or acquired since that date but before Completion.
- 4 The Company has paid to the relevant Tax Authority all Tax including deductions or withholdings required to be deducted under the PAYE and National Insurance systems and in respect of any Tax chargeable on benefits provided for its employees or former employees and is not liable to pay any interest, penalty, fine or surcharge in respect of any such Tax.
- 5 No balancing charge in respect of capital allowances claimed or given and no chargeable gain (disregarding any relief or allowance available to the Company other than amounts allowable under section 38 TCGA 1992) would arise if any of the assets of the Company (or, where the assets are in a capital allowances pool, all the assets in that pool) were to be realised on the date hereof for an amount equal to the book value thereof as shown in the Accounts or, in respect of assets acquired since the Accounts Date, for an amount equal to the consideration given for their acquisition.
- 6 The Company is registered for VAT, is a taxable person, does not make any exempt supplies and has complied in all material respects with the requirements of VATA

1994 and all applicable regulations and orders in respect of VAT and has not acquired any assets to which Article 5(1) VAT (Special Provisions) Order 1995 applies.

- 7 The Company has not at any time made any election to waive exemption under the provisions of VATA 1994 Schedule 10 for value added tax in respect of any land or buildings currently within its ownership.
- 8 All documents required to prove the title of the Company to any assets owned at Completion have been duly stamped.
- 9 So far as the Vendors are aware there is no unsatisfied liability to inheritance tax attached or attributable to any shares in the Company or any of the assets of the Company and neither such shares or assets are subject to an Inland Revenue charge.
- 10 The Company is and has always been resident only in the United Kingdom for Tax purposes and is not and never has been a close company as defined in ICTA 1988 s414.
11. The Company owns no asset to which the Capital Goods Scheme applies.
12. The Company has no branch, agency, place of business or permanent establishment outside the United Kingdom.
13. [There are no circumstances which might cause a disallowance of the carry forward of losses, expenses of management, debits in respect of loan relationships or excess charges under ICTA 1988 ss393, 768, 768B or 768C or the carry back of losses under s768A].
14. The Company is not an investment company as defined by ICTA 1988 s130.
15. The Company is not party to a loan relationship either as a debtor or creditor as defined in FA 1996 s103.
16. No asset of the Company shall be deemed under TCGA 1992 s179 to have been disposed of and re-acquired by virtue of or in consequence of the entering into or performance of this Agreement or any other event since the Accounts Date.

17. The Company has not been a party to or otherwise involved in any transaction to which any of the following provisions could apply (other than transactions in respect of which all Inland Revenue clearances have been obtained after disclosure of all material facts):
- Sections 29, 30, 31, 32, 33, 34, 135, 136 or 139 TCGA 1992;
 Paragraphs 5-10, Schedule 12 to the Finance Act 1984;
 Sections 116-118, 213-218, 219, 399, 703, 776 of ICTA 1988;
 Sections 729-746 or ss774-778 of Part XVII of ICTA 1988.
18. The Company has not been involved in any transaction or series of transactions which, or any part of which, may for any tax purposes be disregarded or reconstructed by reason of any motive to avoid, reduce or delay a possible liability to tax.

SIGNED by)
in the presence of:)

SIGNED by)
in the presence of:)

SIGNED by)
for and on behalf of)
LIMITED/PLC)
in the presence of:)

DATED February 2000

P WALLACE AND OTHERS (1)

AND

GREAT PLAINS SOFTWARE, INC. (2)

TAX DEED

[LOGO]

DORSEY & WHITNEY
Veritas House
125 Finsbury Pavement
London
EC2A 1NQ

Tel: + 44 171 588 0800

Fax: + 44 171 588 0555

TAX DEED

DATE

PARTIES

- (1) THE PERSONS described as Warrantors in the Agreement (the "COVENANTOR" or "COVENANTORS"); and
- (2) GREAT PLAINS SOFTWARE , INC. whose principal place of business is at 1701 38th Street Southwest, Fargo, North Dakota 58103 (the "PURCHASER").

RECITAL

Pursuant to an agreement of today's date the Purchaser has today completed the purchase of the whole of the issued share capital of PWA GROUP LIMITED in reliance, among other things, on the undertaking of the Covenantor to enter into this deed and the undertakings and covenants by the Covenantor contained in it.

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS

In this deed the following definitions apply:

- "ACCOUNTS" means the each Group Company's audited annual accounts (as defined in section 262 CA 1985) and the Company's group accounts, prepared in compliance with section 227 CA 1985, for the financial year ended on the Accounts Date, including the notes to those accounts and the associated directors' and auditors' reports and any profit and loss account omitted in reliance on section 230(3) CA 1985;
- "ACCOUNTS DATE" 30th September 1999;
- "ACCOUNTING PERIOD" an accounting period as defined in section 12 of the Taxes Act;
- "AGREEMENT" the agreement of today's date between 3i, the Covenantor and the Purchaser for the sale and purchase of the Shares;
- "ASSESSMENT" any claim, assessment, notice, demand, letter, counterclaim or other document issued or made, or action taken, by or on behalf of any Tax Authority by virtue of which the Company or any Subsidiary has, or is alleged to have, a Liability to Tax or from which it appears that the Company or any Subsidiary has, or will or may have, a Liability to Tax or from which it is sought to

impose upon the Company or any Subsidiary a Liability to Tax;
- "BUSINESS DAY" a day other than a Saturday, a Sunday or a day on which banks are authorised to close in London;
- "COMPANY" has the meaning given in the Agreement;
- "CLAIM" a claim by the Purchaser against the Covenantor pursuant to CLAUSE 3;
- "COMPLETION" completion of the sale and purchase of the Shares pursuant to the Agreement;
- "DEEMED TAX LIABILITY" a deemed Tax liability as defined in CLAUSE 2.3;

"EVENT"	any transaction (including entering into the Agreement or the purchase or sale of an asset), act (including Completion, the migration of a company or the inclusion of a company within a group of companies for any purpose), omission, receipt, distribution or failure to make sufficient distributions to avoid an apportionment or deemed distribution of income or any combination of two or more occurrences;
"GROUP"	the Company and the Subsidiaries;
"GROUP COMPANY"	any company within the Group;
"LIABILITY TO TAX"	a liability to pay Tax and any amounts treated as being a liability to Tax pursuant to CLAUSE 2.2 AND CLAUSE 2.3;
"RELIEF"	any relief, loss, allowance, exemption, set-off, deduction or credit in respect of any Tax or any set-off or deduction in computing income, profits or gains for the purposes of any Tax;
"SHARES"	all of the issued ordinary shares of 10 p each in the share capital of the Company;
"SUBSIDIARIES"	the companies details of which are set out in Schedule 3 of the Agreement;
"TAX"	all taxes, duties, levies, imposts, charges and withholdings of any nature whatsoever, whether created or imposed in the United Kingdom or elsewhere and at whatever time created or imposed which are collected and administered by any Tax Authority

including, without limitation,

- (a) within the United Kingdom, income tax, corporation tax, advance corporation tax, capital gains tax, development land tax, value added tax, customs' duties (including import duties, excise duties), capital duty, insurance premium tax, the charge under section 419 of the Taxes Act, stamp duty, stamp duty reserve tax, capital transfer tax, inheritance tax, national insurance

contributions and any other forms of taxes, duties, levies, imposts, charges or withholdings similar to or supplementing or replaced by or replacing them or any of them; and

(b) outside the United Kingdom, taxes on gross or net income, taxes on profits or gains and taxes on receipts, sales, use, occupation, franchise, value added and personal property,

in all cases together with all incidental or supplemental penalties, charges, interest, fines and default surcharges and costs;

"TAX AUTHORITY" any taxing or other authority (whether within or outside the United Kingdom) competent to impose, administer or collect any Tax;

"TAXES ACT" the Income and Corporation Taxes Act 1988;

2. INTERPRETATION

2.1 In this deed:

2.1.1. the contents and clause headings are included for convenience only and do not affect its construction;

2.1.2 words denoting the singular include the plural and vice versa;

2.1.3 words denoting one gender include each and all genders

2.1.4 a reference to the loss of a Relief or of a right to repayment of Tax includes a reference to any loss, withdrawal, nullifying or cancellation of a Relief or of a right to repayment of Tax; and

2.1.5 a reference to the utilisation of a Relief or of a right to repayment of Tax includes a

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reference to the utilisation or setting off of a Relief, or of a right to repayment of Tax

2.1.6 a reference to income, profits or gains accrued, or being earned or received, on or before a particular date or in respect of a particular period shall include any profits deemed for Tax purposes to have accrued, or to have been earned or received, on or before that date or in respect of that period; and

- 2.1.7 a reference to income, profits or gains shall include receipts, value and any other criteria used in establishing the incidence of any Tax or measure in establishing the amount of any Liability to Tax.
- 2.2 Subject to CLAUSE 2.3 below there shall be treated as a Liability to Tax:
- 2.2.1 any amount of Relief arising prior to Completion where and to the extent that such Relief has been taken into account in computing, or in obviating the need for, any provision for Tax or deferred tax in the Accounts, or shown as an asset in the Accounts, which is not available to any Group Company;
- 2.2.2 all or any part of a right to repayment of Tax where and to the extent that such right to repayment of Tax has been treated as an asset of any Group Company in the Accounts or taken into account in computing, or in obviating the need for, any provision for Tax or deferred tax in the Accounts which is not available to any Group Company;
- 2.2.3 all or any part of a right to repayment of Tax which arises as a result of an Event occurring after Completion which has been set against any liability to make an actual payment of Tax in circumstances where the Purchaser would (but for such utilisation or set-off) have been entitled to make a Claim ;
- 2.2.4 the amount of any Relief which arises as a result of an Event occurring after Completion which is used to relieve income, profits or gains in circumstances where (but for such utilisation) the Purchaser would have been entitled to make a Claim ;
- 2.3 In any case falling within CLAUSE 2.2 the amount that is to be treated for the purposes of this deed as a Liability to Tax of a Group Company ("DEEMED TAX LIABILITY") shall be determined as follows:
- 2.3.1 in a case which falls within CLAUSE 2.2.1 where the relevant Relief consisted of a deduction from or offset against Tax, the Deemed Tax Liability shall be the amount of that deduction or offset;
- 2.3.2 in a case which falls within CLAUSE 2.2.1 or CLAUSE 2.2.4 where the relevant Relief consisted of a deduction from or offset against income, profits or gains, the Deemed Tax Liability shall be:

- (a) if the Relief is not available, the amount of Tax which would, on the basis of the rates of tax current at Completion, have been saved had such Relief been available (assuming sufficient income, profits or gains to be able fully to utilise the Relief; or

- (b) if the Relief was the subject of such a utilisation, the amount of tax which has been saved in consequence of the utilisation; and
- 2.3.3 in a case falling within CLAUSE 2.2.2 the Deemed Tax Liability shall be the amount of such repayment of Tax or part of it;
- 2.3.4 In a case falling within CLAUSE 2.2.3 the Deemed Tax Liability shall be the amount of tax which has been saved in consequence of the utilisation.
- 2.4 In this deed, reference to an Event occurring on or before Completion shall include the combined result of any two or more Events the first of which shall have occurred before Completion outside the ordinary course of business of a Group Company and the second or subsequent one of which occurs after Completion in the ordinary course of business of a Group Company, as that business is carried on immediately before Completion.
- 2.5 Words and phrases (if any) which are defined in the Agreement and which are not expressly defined in this deed shall have the same meaning in and shall apply to this deed and shall be deemed to be incorporated in this deed.
- 2.6 Words and phrases (if any) neither defined in this deed nor in the Agreement but which are defined or used in any legislation relating to Tax and which are relevant in the context shall have the same respective meanings in this deed as they have in such legislation (unless the consent otherwise requires).
- 2.7 In this deed, unless otherwise specified or the context otherwise requires, a reference to:
- 2.7.1 a person is to be construed to include a reference to any individual, firm, partnership, company, corporation, association, organisation or trust (in each case whether or not having a separate legal personality);
- 2.7.2 a document, instrument, deed or agreement (including, without limitation, this deed) is a reference to any such document, instrument, deed or agreement as modified, amended, varied, supplemented or novated from time to time;
- 2.7.3 a clause or schedule is a reference to a clause of or schedule to this deed and a reference to this deed includes its schedule;
- 2.7.4 a statutory provision is to be construed as a reference to such provision as amended, consolidated or re-enacted from time to time and to any orders, regulations, instruments or other subordinate legislation (and relevant codes of practice) made under the relevant

statute except to the extent that any amendment, consolidation, or re-enactment coming into force after the date of this deed would increase or extend the liability of any party to this deed to any other party.

- 2.8 In this deed, unless otherwise specified, the rule of construction known as the 'ejusdem generis rule' shall not apply so that words or phrases of a generally descriptive nature shall not be given a restrictive meaning by reason only of the fact that they are preceded by more specific words or phrases and words of a generally descriptive nature shall not be given a restrictive meaning by reason only of the fact that they are followed by specific examples.

3. COVENANT

- 3.1 Subject to the following clauses of this deed, the Covenantors jointly and severally covenant with the Purchaser as follows:

- 3.1.1 to pay to the Purchaser an amount equal to any Liability to Tax of a Group Company which arises as a consequence of or by reference to:
- (a) any Event occurring on or before Completion;
 - (b) any income, profits or gains which accrued, or which were earned or received, on or before Completion or in respect of a period ending on or before Completion;
 - (c) any dividend or other distribution made by a Group Company before Completion;

in each case whether or not such Liability to Tax is also chargeable against or attributable to any other person; and

- 3.1.2 to pay to the Purchaser from time to time amounts equal to any costs and expenses properly and reasonably incurred by the Purchaser or a Group Company in connection with any Liability to Tax as is referred to in CLAUSE 3.1.1 or any successful Claim or in taking or defending any successful action pursuant to this deed.

- 3.2 Each of the covenants contained in CLAUSES 3.1.1(a), (b), (c) shall be construed as giving rise to separate and independent obligations and shall not be restricted by the other save that (for the avoidance of doubt) any payment by the Covenantor in respect of a liability under one covenant shall discharge any liability under the other to the extent of such payment and in so far as it arises from the same subject matter.

4. LIMITATIONS

4.1 EXCLUSIONS

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The Covenantor shall have no liability in respect of any Claim under CLAUSE 3.1.1 to the extent that:

- 4.1.1 the Accounts make provision or reserve in respect of the Liability to Tax (not being a provision or reserve for deferred tax); or
- 4.1.2 the Liability to Tax arises from the passing of, or change in, after the date of the Agreement, any law, regulation, rule or published practice of any government, governmental department, agency, regulatory body or Tax Authority or any judgment delivered after the date of the Agreement with retrospective effect, or any increase in the rates of Tax or any imposition of Tax not in effect at the date of the Agreement or any retrospective withdrawal after the date of the Agreement of any practice or extra-statutory concession previously published by any Tax Authority; or
- 4.1.3 the Liability to Tax arises from a change after Completion in accounting policy or practice (other than a change to secure compliance with generally accepted accounting practice within the United Kingdom ("UK GAAP") where previously the accounting practice was not in accordance with UK GAAP) or any change to the length of the Accounting Period or to the accounting reference date of a Group Company; or
- 4.1.4 the Liability to Tax would not have arisen but for a voluntary act or omission of the Purchaser or any Group Company after Completion otherwise in the ordinary course of business of the relevant Group Company as carried out at Completion or pursuant to a legally binding obligation of the relevant Group Company entered into prior to Completion or with the written approval or written request of the Covenantor; or
- 4.1.5 the Liability to Tax would not have arisen or would have been reduced or eliminated, but for a failure on the part of a Group Company to make any claim, election, surrender or disclaimer or give any notice or consent after Completion, the making, giving or doing of which was taken into account in preparing the Accounts and full details of which are set out in the Disclosure Letter or notified to the Purchaser or the relevant Group Company no later than 20 Business Days prior to the last date on which any such claim, election, surrender, disclosure, notice or consent can validly be made; or
- 4.1.6 the Liability to Tax would not have arisen but for a disclaimer of or election to reduce capital allowances or any other claim, election,

surrender or disclaimer where such claim, election, surrender or disclaimer is made after Completion and was not assumed to have been made given or done in the Accounts; or

- 4.1.7 the liability is to fines, interest or penalties in respect of any Tax which arises or which is increased as a result of the failure of the Purchaser to comply with its obligations under this Deed; or
- 4.1.8 there is available any Relief, other than a Relief arising after Completion or a Relief

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referred to in CLAUSES 2.2.1 AND 2.2.2, which is offset against the Liability to Tax in question (and so that the Purchaser and the relevant Group Company shall take all reasonable steps to claim the benefit of any such Relief); or

- 4.1.9 the Liability to Tax arises from the cessation of trade or the winding up of any Group Company or a major change in the nature of conduct of the trade of any Group Company which, in any such case, occurs after Completion; or
- 4.1.10 the Company or the Purchaser has already recovered from any other person any sum in respect of the Liability to Tax in question; or
- 4.1.11 the Liability to Tax has prior to Completion been discharged or paid; or
- 4.1.12 the Liability to Tax is a liability to corporation tax on income which arises in the ordinary course of business of any Group Company after the Accounts Date.

4.2 MAXIMUM LIABILITY

- 4.2.1 The aggregate liability of the Covenantor for all Claims including claims made under the Agreement shall not exceed -[].
- 4.2.2 The Purchaser agrees with the Covenantor that the Covenantor shall not be liable under this deed if and to the extent that the Covenantor has fully satisfied a liability for a breach of warranty or undertaking or a misrepresentation which arises in relation to the same Liability to Tax.

4.3 TIME LIMITS FOR MAKING CLAIMS

No Claim shall be made unless notice of such Claim is given to the Covenantor by the Purchaser within seven years from the date of this deed.

5. RECOVERY FROM OTHER PERSONS

- 5.1 Where the Purchaser or any Group Company is or becomes entitled to recover from some other person not being the Purchaser or any Group Company any amount which is referable to a Liability to Tax which has resulted in a payment being made by the Covenantors under this deed, the Purchaser shall or procure that the relevant Group Company shall:
- 5.1.1 notify the Covenantors of its entitlement; and
- 5.1.2 if so required by the Covenantors and at the cost and expense of the Covenantors, take or procure that the relevant Group Company takes all reasonable steps to enforce that recovery.

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- 5.2 If the Purchaser or any Group Company recovers any amount referred to in sub-clause 5.1 the Purchaser shall account to the Covenantors for the lesser of :
- 5.2.1 any amount recovered (including any related interest or related repayment supplement) less any tax thereon; and
- 5.2.2 the amount paid by the Covenantors under this deed in respect of the Liability to Tax in question.

6. RELIEFS & CORRESPONDING SAVINGS

Where:

- 6.1 the Covenantors have made a payment under this deed in respect of a Liability to Tax which has arisen in consequence of the disallowance for the purpose of Tax of any expenditure, provision or reserve recognised in the Accounts and which was treated as deductible or allowable in those Accounts; and
- 6.2 in any accounting period ending on or after the Accounts Date, a Group Company becomes entitled to a Relief in respect of such expenditure, provision or reserve as is mentioned in sub clause 6.1 hereof or the items or matters to which such expenditure relates

then the Purchaser shall make a payment to the Covenantors of an amount equal to the amount by which the Company's liability to Tax is reduced as a result of the utilisation of the Relief referred to in sub-paragraph 6.2 hereof.

7. CONDUCT OF CLAIMS

- 7.1 If the Purchaser becomes aware of any Assessment which does or may give

rise to a Claim the Purchaser shall give notice in writing of such Assessment as soon as reasonably practicable to the Covenantor (and in any event, where the Assessment requires a response within a time limit to avoid the imposition of any penalty, fine or interest, or to preserve a right of appeal, no later than 10 days prior to the expiry of such time limit) The giving of such notice shall not be a condition precedent to the liability of the Covenantors under this deed.

7.2 If the Covenantors shall indemnify the relevant Group Company and the Purchaser to their reasonable satisfaction against any additional Tax, losses, fines, penalties, interest, charges, costs and expenses, the Purchaser shall and shall procure that the Company shall, subject to CLAUSE 7.3, take such lawful and reasonable action as the Covenantor shall reasonably require to avoid, dispute, resist, appeal, compromise or contest such Assessment (the "COVENANTOR'S ACTION").

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7.3 Neither the Purchaser nor any Group Company shall be obliged to appeal against any Assessment if, having given the Covenantor notice of the receipt of that Assessment, it has not within 10 Business Days received instructions in writing from the Covenantor in accordance with CLAUSE 5.2 to make that appeal.

7.4 Neither the Purchaser nor any Group Company shall be obliged to take any action or further action under this clause in respect of any Assessment if the Purchaser has reasonable grounds to believe that either the Covenantor or the relevant Group Company prior to its being in the ownership of the Purchaser, have committed acts or omissions which may constitute fraudulent or negligent conduct.

7.5 Neither the Purchaser nor any Group Company shall be required to take any action which in its reasonable opinion is likely to result in any Group Company incurring a Liability to Tax or an increased Liability to Tax or it is likely to affect the future liability to Tax of any Group Company.

7.6 Neither the Purchaser nor any Group Company shall be obliged to take any action under this CLAUSE 7 which involves continuing the Covenantor's Action or contesting any Assessment before any court or other appellate body (excluding the Tax Authority demanding the Tax in question) unless the Covenantor furnishes the Purchaser with the written opinion of leading Tax counsel to the effect that an appeal against the Assessment in question will, on the balance of probabilities, be won.

7.7 The Purchaser and any Group Company shall be at liberty without reference to the Covenantor to admit, compromise, settle, discharge or otherwise deal with any Assessment after whichever is the earliest of:

- 7.7.1 the Purchaser or the relevant Group Company being notified by the Covenantor in writing that it considers the Assessment should no longer be resisted;
- 7.7.2 the expiry of a period of 7 days following the service of a written notice by the Purchaser or the relevant Group Company on the Covenantor, requiring the Covenantor to clarify or explain the terms of any request made under CLAUSE 5.2 during which period no such clarification or explanation has been received by the Purchaser or the relevant Group Company; and
- 7.7.3 if appropriate, the expiration of any period prescribed by applicable legislation for the making of an appeal against either the Assessment or the decision of any court or tribunal in respect of any such Assessment, as the case may be.
- 7.8 The Covenantor shall be bound to accept for the purposes of this deed any admission, compromise, settlement or discharge of any Assessment and the outcome of any proceedings relating to it made or arrived at in accordance with the provisions of this

CLAUSE 7.

8. DUE DATE FOR PAYMENT

- 8.1 Where the Covenantor become liable to make any payment pursuant to CLAUSE 3, the due date for the making of that payment shall be:
- 8.1.1 in a case that involves an actual payment of Tax by a Group Company, the date that is 3 Business Days immediately before the last date on which the relevant Group Company would have had to have paid to the relevant Tax Authority the Tax that has given rise to the Covenantor's liability under this deed in order to avoid incurring a liability to interest or a charge or penalty in respect of that Liability to Tax; or
- 8.1.2 in a case falling within CLAUSE 2.2, the later of the date falling 5 Business Days after the date on which the Covenantor has been notified by the Purchaser in writing that there is a liability for a determinable amount (in accordance with CLAUSE 2.3) such notification to be accompanied by a certificate of the auditors for the time being of the Group certifying the amount due and (i) in a case falling within CLAUSE 2.2.2 the date on which any repayment of Tax would have been due to the relevant Group Company; or (ii) in a case falling within CLAUSE 2.2.3 or CLAUSE 2.2.4, the date on which the relevant Group Company would have been required to make a payment of Tax but for the utilisation of a Relief .

- 8.1.3 in any other case, the date which is 5 Business Days after the date on which the Purchaser has notified the Covenantors in writing, such notification to be accompanied by reasonable and appropriate evidence that an amount has fallen due .
- 8.2 If any payment required to be made by the Covenantor under this deed is not made by the due date then except to the extent that the Covenantor's liability under CLAUSE 3 compensates the Company for the late payment by virtue of its extending to interest and penalties, that payment shall carry interest from (and including) that due date until (but excluding) the date when the payment is actually made at the rate of 4 per cent above the base rate from time to time of Lloyds Bank PLC.

9. DEDUCTIONS FROM PAYMENTS

- 9.1 All sums payable by the Covenantor to the Purchaser under this deed shall be paid free and clear of all deductions or withholdings whatsoever, save only as may be required by law.
- 9.2 If any deduction or withholding in respect of Tax or otherwise is required by law to be made from any of the sums payable as mentioned in CLAUSE 9.1, the Covenantor shall be obliged to pay to the Purchaser such greater sum as will, after such deduction or withholding as is required to be made has been made, leave the Purchaser with the same

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amount as it would have been entitled to receive in the absence of any such requirement to make a deduction or withholding provided that this CLAUSE 9.2 shall not apply to any interest paid pursuant to CLAUSE 8.2.

- 9.3 If any sum (the "FIRST SUM") payable by the Covenantor to the Purchaser under this deed shall be subject to Tax in the hands of the Purchaser or would have been taxable in the hands of the Purchaser assuming that the Purchaser had sufficient taxable profits to use all Reliefs available to it in the Accounting Period in which it receives a sum under this deed then the Covenantor shall pay to the Purchaser (as often as shall be necessary) such additional sum or sums as will after such Tax (and any Tax on such additional sum or sums) leave the Purchaser with such amount as the Purchaser would have been left with had the first sum not been subject to Tax in the hands of the Purchaser provided that this CLAUSE 9.3 shall not apply to any interest paid pursuant to CLAUSE 8.2 or to any payment made to a person other than the Purchaser.
- 9.4 If any additional amount is paid pursuant to CLAUSES 9.2 AND 9.3 above and the Purchaser receives a tax credit, repayment or other benefit by reason of any deduction or withholding in respect of which the

Covenantors have paid an additional amount, the Purchaser shall pay to the Covenantors forthwith the amount of such tax credit, repayment or other benefit.

9.5 All sums payable by the Covenantor under this deed are to be paid in the currency or currencies appropriate to the Assessment as a result of which the liability to make a payment of Tax has arisen.

9.6 The Purchaser may direct the Covenantor to pay to any Group Company any sums due to the Purchaser under this deed and such payment shall be treated as a payment to the Purchaser and not a payment to the relevant Group Company.

10. PURCHASER'S UNDERTAKING

10.1 The Purchaser hereby covenants to pay to the Covenantors on demand:

10.1.1 an amount equal to any liability for Tax of any Group Company in respect of which an assessment is made on the Covenantors by virtue of sections 767A, 767AA, 767B and 769 ICTA 1988 (or any similar provision in the UK or elsewhere imposing secondary liabilities for Tax on the Covenantors for Tax primarily chargeable on a Group Company) and for which the Covenantors are not liable to make a payment to the Purchaser pursuant to CLAUSE 3 and where the section 767A assessment would not have been made but for the failure by the Group Company to discharge that liability for Tax; and

10.1.2 where the Covenantors have made a payment in respect of Tax to the Purchaser under CLAUSE 3 and a Group Company fails to discharge such Tax, an amount equal to any

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liability to Taxation which subsequently becomes payable by the Covenantors under sections 767A, 767AA, 767B and 769 ICTA 1988 (or any similar provision in the UK or elsewhere imposing secondary liabilities for Tax on the Covenantors for Tax primarily chargeable on a Group Company) in respect of the same subject matter.

10.2 Where sub-clause 10.1 applies and the Covenantors discharge the assessment concerned, they shall have no further liability under CLAUSE 3 in respect of the liability for Tax in question.

11. MITIGATION

Subject to the express provisions of this deed, neither the Purchaser nor any Group Company shall be under any obligation or duty to mitigate any loss or take any other action to reduce the Covenantor's liability under this deed.

12. OTHER PROVISIONS

12.1 JOINT AND SEVERAL LIABILITY

All representations, agreements, covenants, indemnities and obligations made or given or entered into by the Covenantors in this deed are made or given or entered into jointly and severally by each Covenantor.

The liability of any Covenantor may, in whole or in part, be released, compounded or compromised or other relaxation or indulgence may be given by the Purchaser (in its absolute discretion) without in any way prejudicing or affecting the Purchaser's rights against any other Covenantor.

12.2 WAIVERS AND REMEDIES

12.2.1 No failure or delay to exercise, or other relaxation or indulgence granted in relation to, any power, right or remedy under this deed of either party to it shall operate as a waiver of it or impair or prejudice it nor shall any single or partial exercise or waiver of any power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.

12.2.2 All rights of the parties contained in this deed are in addition to all rights vested or to be vested in it pursuant to common law or statute.

12.3 SUCCESSORS

This deed shall be binding on and enure to the benefit of each party and its lawful successors and assigns.

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12.4 ASSIGNMENT

The provisions of CLAUSE 18 of the Agreement shall apply mutatis mutandis to this Deed as if references therein to the assignment of the benefit of any rights under the Agreement were a reference to the benefit of any rights under this Deed.

12.5 COUNTERPARTS AND DELIVERY

12.5.1 This deed may be executed in 2 counterparts, each of which shall be deemed an original and which shall together constitute one and the same document.

12.5.2 If this deed is executed in more than one counterpart, it shall be deemed to be delivered and shall have effect when:

- (a) each party has signed a counterpart of this deed;
- (b) each party has handed over such counterpart to the other party to this deed; and
- (c) each of the counterparts has been dated.

12.5.3 If this deed is not executed in more than one counterpart, it shall be deemed to be delivered and has effect when each party has signed it and it has been dated.

12.6 Warranty Claims

Where any facts or circumstances could give rise both to a claim under this deed and a claim under the warranties contained in the Agreement, the Covenantors shall not be liable in respect of both claims.

13. NOTICES

13.1 The provisions of CLAUSE 12 of the Agreement shall apply mutatis mutandis to this Deed as if the same were set at herein and references to the Agreement were references to this Deed.

14. LAW AND JURISDICTION

14.1 This deed, and all disputes or claims arising out of or in connection with it, shall be governed by and construed in accordance with English law.

14.2 The parties to this deed irrevocably and unconditionally agree that the High Court of Justice in England shall have non-exclusive jurisdiction over all disputes or claims arising out of or in connection with this deed.

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14.3 The Purchaser irrevocably designates, appoints and empowers Dorsey & Whitney at present of Veritas House, 125 Finsbury Pavement, London, EC2A 1NQ to receive, for it and on its behalf, service of process in England in connection with any dispute arising out of or in connection with this deed.

14.4 Each of the parties waives objection to the High Court of Justice in England on the grounds of inconvenient forum or otherwise as regards proceedings in connection with this deed and agrees that the judgment or order of such Court in connection with this deed is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

IN WITNESS of which this deed has been duly signed as a deed and delivered on the date written at the beginning of this deed.

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Signed as a deed by)
in the presence of:)

Signed as a deed by)
in the presence of:)

Signed as a deed by GREAT PLAINS)
SOFTWARE, INC. acting by:)

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GREAT PLAINS TO ACQUIRE PWA GROUP, LIMITED

ENHANCED HUMAN RESOURCE, PAYROLL AND EMPLOYEE FACING E-BUSINESS APPLICATIONS
ADDED

FARGO, ND, FEBRUARY 22, 2000 - Great Plains (NASDAQ: GPSI) today announced it intends to acquire PWA Group, Limited, a leading provider of upper-tier midmarket human resource and payroll solutions based in the United Kingdom. As a result of the acquisition, Great Plains will significantly expand its human resource and payroll reach with solutions that contain the functionality required by more complex organizations. Additionally, PWA's e-business employee facing intranet applications complement Great Plains' current e-business solution offerings.

Great Plains intends to acquire PWA through the issuance of approximately 407,000 shares of Great Plains common stock and \$9.5 million in cash. The parties have entered into a letter of intent subject to certain closing conditions. The transaction is expected to be closed in Great Plains' third fiscal quarter and would be accounted for as a purchase accounting transaction.

With the acquisition, Great Plains would expand its powerful e-business employee facing solutions and further deliver on its vision of automating all processes that occur between a company and its employees. PWA Empower e-Xtend People allows employees to update selected personal human resource information about them via a corporate intranet. PWA Empower e-Xtend Manager provides line managers with instant access to vital human resource information on all staff reporting to them.

In addition, Great Plains would gain more than 120 highly skilled team members with extensive experience in developing, marketing, selling and implementing human resource and payroll solutions to the upper-tier of the midmarket.

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"Combining our strengths and talents with PWA's will accelerate our ability to deliver comprehensive e-business human resource and payroll solutions to the upper-tier of the midmarket," said Jodi Uecker-Rust, chief operating officer at Great Plains. "Our expanded solution offering increases our global reach and helps to further define our market leadership."

PWA Group, Limited, founded in 1987, develops and markets a range of human resource and payroll solutions, providing full consultancy, training and management support services to more than 1,400 customers in 58 countries, including more than 1,000 customers in the United Kingdom. Its human resource

solutions are translated into the Danish, Dutch, French, German, Russian and Turkish languages. PWA is based in Marlow, Buckinghamshire, England and has two additional United Kingdom offices and an international network of 10 partner organizations.

Great Plains (Nasdaq: GPSI) delivers integrated front office/back office e-business solutions for the midmarket. Great Plains offers e-business applications for financials, distribution, enterprise reporting, project accounting, electronic commerce, human resource management, manufacturing, sales and marketing management, and customer service and support. Great Plains' solutions are sold and implemented by a unique worldwide network of independent partner organizations that share the company's commitment to lasting customer relationships. Named four times to the "Top 100 Companies to Work for in America" list, Great Plains has more than 1,460 team members worldwide. More information about Great Plains can be found at www.greatplains.com.

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This press release contains forward-looking statements that involve a number of risks and uncertainties, including statements about the expected consummation of the acquisition of PWA Group, Limited and the future benefits Great Plains expects to derive as a result of such acquisition. There exist a number of factors that could cause actual results to differ materially from those indicated. Such factors include: completion of the acquisition as anticipated; Great Plains' success in integrating PWA Group, Limited into its own operations; dependence upon distribution channels; competition; customer demand, pricing, and other factors set forth in the Company's Annual Report.

All product and company names may be trademarks or registered trademarks of their respective companies.

GREAT PLAINS TO ACQUIRE FRX SOFTWARE

FARGO, ND, FEBRUARY 22, 2000 -- Great Plains (Nasdaq: GPSI), a leading provider of fully integrated e-business solutions for the midmarket, today announced a definitive agreement to acquire FRx Software Corporation, the standard for midmarket financial reporting. FRx financial reporting applications have been marketed with Great Plains solutions through an OEM agreement since 1994. As a result of the merger, Great Plains and FRx plan to expand their Web-centric analytic applications to include additional e-reporting and business intelligence applications.

FRx Software Corporation will operate as a wholly owned subsidiary of Great Plains. FRx will continue to market its industry-leading financial reporting and analytic applications under the FRx brand through its existing distribution agreements with more than 25 other vendors and will continue to develop new distribution relationships. This wholly owned subsidiary of Great Plains will be managed by Chris Scherpenseel, formerly FRx Chief Operating Officer, who will assume the role of president of the subsidiary. Great Plains will continue to market the FRx applications as strategic components of its leading e-business solutions, Dynamics and eEnterprise.

Great Plains intends to acquire FRx Software by the issuance of approximately 1,000,000 shares of Great Plains common stock. The parties have entered into a definitive agreement subject to certain closing conditions. The transaction would be accounted for as a purchase accounting transaction.

Great Plains expects to gain more than 165 team members located in Denver with extensive financial domain expertise and experience in developing applications for the fast-growing analytic applications market.

"FRx is very excited about the opportunities that this merger offers. We are confident that this will be a powerful and successful relationship for our partners and customers," said Chris Scherpenseel, newly named president of FRx.

The planned acquisition of FRx Software Corporation allows Great Plains, FRx and their partners to deliver powerful analytical solutions to help customers better manage their businesses. Great Plains Enterprise Reporting, a sophisticated global consolidation and group reporting solution, and FRx's industry-leading financial reporting applications will form the foundation of a broad suite of Web-centric analytical applications for midmarket and emerging enterprise customers.

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ABOUT FRX SOFTWARE

FRx Software provides financial reporting and analytic applications that increase corporate productivity and significantly improve corporate decision-making. The company's products streamline the financial process. Founded in 1994 and headquartered in Denver, its products interface with more than 50 leading ERP and accounting applications and are used in more than 80,000 customer sites worldwide. More information about FRx Software can be found at www.frxsoftware.com.

ABOUT GREAT PLAINS

Great Plains (Nasdaq: GPSI) delivers integrated front office/back office e-business solutions for the midmarket. Great Plains offers e-business applications for financials, distribution, enterprise reporting, project accounting, electronic commerce, human resource management, manufacturing, sales and marketing management, and customer service and support. Great Plains' solutions are sold and implemented by a unique worldwide network of independent partner organizations that share the company's commitment to lasting customer relationships. Named four times to the "Top 100 Companies to Work for in America" list, Great Plains has more than 1,460 team members worldwide. More information about Great Plains can be found at www.greatplains.com.

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This press release contains forward-looking statements that involve a number of risks and uncertainties, including statements about the expected consummation of the acquisition of FRx Software Corporation and the future benefits Great Plains expects to derive as a result of such acquisition. There exist a number of factors that could cause actual results to differ materially from those indicated. Such factors include: completion of the acquisition as anticipated; Great Plains' success in integrating FRx Software Corporation into its own operations; dependence upon distribution channels; competition; customer demand, pricing, and other factors set forth in the Company's Annual Report.

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