Exhibit 4.2  
 INDUS AFFILIATE AGREEMENT  
  
  
 This Affiliate Agreement (this "Affiliate Agreement") is made and entered  
into as of June 5, 1997 (the "Effective Date") among THE INDUS GROUP, Inc. a  
California corporation ("INDUS"), Newco Group, Inc., a Delaware corporation  
("Newco"), TSW International, Inc., a Georgia corporation ("TSW") and \_\_\_\_\_\_\_\_\_\_  
("Shareholder").  
  
 RECITALS  
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 A. This Affiliate Agreement is entered into pursuant to that certain  
Agreement and Plan of Merger and Reorganization dated as of June 5, 1997, as  
such may be amended (the "Plan of Reorganization"), entered into by and among  
INDUS, Newco and TSW. The Plan of Reorganization provides for the formation of  
one California corporation and one Georgia corporation (collectively, the  
"Subs"), as wholly-owned subsidiaries of Newco, and the statutory merger of one  
Sub with and into INDUS (the "INDUS Merger") and the other Sub with and into TSW  
(the "TSW Merger") (collectively, the "Merger"), all pursuant to the terms and  
conditions of the Plan of Reorganization and the Agreements of Merger to be  
entered into between the one Sub and INDUS and the other Sub and TSW  
(collectively, the "Agreements of Merger"). The Plan of Reorganization and the  
Agreements of Merger are collectively referred to herein as the "Merger  
Agreements." Capitalized terms used herein and not defined herein shall have  
the meanings that such terms have in the Plan of Reorganization.  
  
 B. The Merger Agreements provide for the conversion of all of the issued  
and outstanding stock of INDUS and TSW at the Effective Time of the Merger into  
shares of Newco's Common Stock, all as more particularly set forth in the Plan  
of Reorganization.  
  
 C. As a condition to the willingness of TSW to enter into the Plan of  
Reorganization, TSW has required that Shareholder agree, and in order to induce  
TSW to enter into the Plan of Reorganization Shareholder has agreed, to enter  
into this Affiliate Agreement.  
  
 D. Shareholder understands that because (i) the Merger is intended by the  
parties to qualify for "pooling-of-interests" accounting treatment and  
Shareholder may be deemed to be an "affiliate" of INDUS within the meaning of  
the Securities Act of 1933, as amended (the "1933 Act"), and (ii) the Merger  
will be treated as a "reorganization" within the meaning of Section 368 of the  
Internal Revenue Code, the shares of INDUS Common Stock which Shareholder owns,  
any shares of INDUS Common Stock which Shareholder may hereafter acquire, and  
any shares of Newco Common Stock (the "Newco Common Stock") acquired by  
Shareholder pursuant to the Merger may be disposed of only in conformity with  
the limitations described herein.  
  
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 NOW, THEREFORE, the parties hereto hereby agree as follows:  
  
SECTION 1. INDUS SECURITIES  
  
 Attachment 1 hereto sets forth all shares of INDUS capital stock and any  
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other securities of INDUS owned by Shareholder, including all securities of  
INDUS as to which Shareholder has sole or shared voting or investment power, and  
all rights, options and warrants to acquire shares of capital stock or other  
securities of INDUS granted to or held by Shareholder (such shares of INDUS  
capital stock, other securities of INDUS and rights, options and warrants to  
acquire shares of INDUS capital stock and other securities of INDUS are  
hereinafter collectively referred to as "INDUS Stock"). As used herein, the  
term "New INDUS Securities" means, collectively, any and all shares of INDUS  
capital stock, other securities of INDUS and rights, options and warrants to  
acquire shares of INDUS capital stock and other securities of INDUS that  
Shareholder may purchase or otherwise acquire any interest in (whether of record  
or beneficially), on and after the Effective Date of this Affiliate Agreement  
and prior to the Expiration Date (as defined below). All New INDUS Securities  
will be subject to the terms of this Affiliate Agreement to the same extent and  
in the same manner as if they were INDUS Stock. The INDUS Stock and the New  
INDUS Securities shall be collectively referred to herein as the "INDUS  
Securities." As used herein, the term "Expiration Date" means the earliest to  
occur of (i) the Effective Time of the Merger, or (ii) such time as the Plan of  
Reorganization may be terminated in accordance with its terms.  
  
SECTION 2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF SHAREHOLDER  
  
 2.1 Reliance Upon Representations, Warranties and Covenants. Shareholder  
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understands that the representations, warranties and covenants of Shareholder  
set forth herein will be relied upon by INDUS, TSW and Newco and their  
respective counsel and accounting firms and by INDUS's shareholders.  
  
  
 2.2 Representations, Warranties and Covenants of Shareholder. Shareholder  
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represents, warrants and covenants as follows:  
  
 (i) Authority; Affiliate Status. Shareholder has full power and  
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authority to enter into, execute, deliver and perform Shareholder's obligations  
under this Affiliate Agreement and to make the representations, warranties and  
covenants herein contained. Shareholder further understands and agrees that  
Shareholder may be deemed to be an "affiliate" of INDUS within the meaning of  
the 1933 Act and, in particular, Rule 145 promulgated under the 1933 Act ("Rule  
145").  
  
 (ii) INDUS Securities Owned. Except as otherwise disclosed in the  
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INDUS Disclosure Letter, at the date hereof, all the INDUS Stock owned by  
Shareholder are, and at all times until and through the Expiration Date all the  
INDUS Securities owned by Shareholder will be, free and clear of any rights of  
first refusal, co-sale rights, security interests, liens, pledges, claims,  
options, charges or other encumbrances.  
  
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 (iii) Transfer Restrictions on INDUS Securities. Shareholder agrees  
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with INDUS not to sell, transfer, encumber or dispose of, or offer to sell,  
transfer, encumber or dispose of any INDUS Securities until the Expiration Date,  
and at such time, only as agreed pursuant to the terms hereof.  
  
 (iv) Further Assurances. Shareholder agrees to execute and deliver  
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any additional documents reasonably necessary or desirable, in the opinion of  
INDUS or TSW, to carry out the purposes and intent of this Affiliate Agreement.  
  
 (v) Transfer Restrictions on Merger Securities. As used herein, the  
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term "Merger Securities" means, collectively, all shares of Newco Common Stock  
that are or may be issued by Newco in connection with the Merger or the  
transactions contemplated by the Merger Agreements, or to any former holder of  
INDUS options, warrants or rights to acquire shares of INDUS Common Stock, and  
any securities that may be paid as a dividend or otherwise distributed thereon  
or with respect thereto or issued or delivered in exchange or substitution  
therefor or upon conversion thereof. Shareholder agrees not to sell, transfer,  
exchange, pledge, or otherwise dispose of, or make any offer or agreement  
relating to, any of the Merger Securities and/or any option, right or other  
interest with respect to any Merger Securities that Shareholder may acquire,  
unless: (i) such sale, transfer, exchange, pledge or disposition is permitted  
pursuant to Rule 145(d)(3) under the Securities Act (as contemplated by Section  
3 hereof) and Newco's accountants have advised such Shareholder in writing that  
such sale, transfer, exchange, pledge or disposition would not preclude pooling  
of interests accounting treatment of the Merger; (ii) Newco's legal counsel or  
legal counsel representing Shareholder, which counsel is reasonably satisfactory  
to Newco, shall have advised Newco in a written opinion letter reasonably  
satisfactory to Newco and Newco's legal counsel, and upon which Newco and its  
legal counsel may rely, that no registration under the 1933 Act would be  
required in connection with the proposed sale, transfer, exchange, pledge or  
other disposition of Merger Securities by Shareholder; or (iii) a registration  
statement under the 1933 Act covering the Merger Securities proposed to be sold,  
transferred, exchanged, pledged or otherwise disposed of, describing the manner  
and terms of the proposed sale, transfer, exchange, pledge or other disposition,  
and containing a current prospectus, shall have been filed with the Securities  
and Exchange Commission ("SEC") and been declared effective by the SEC under the  
1933 Act; or (iii) an authorized representative of the SEC shall have rendered  
written advice to Shareholder (sought by Shareholder or counsel to Shareholder,  
with a copy thereof and all other related communications delivered to Newco and  
its legal counsel) to the effect that the SEC would take no action, or that the  
staff of the SEC would not recommend that the SEC take action, with respect to  
the proposed disposition of Merger Securities, if consummated. Nothing herein  
imposes upon Newco any obligation to register any Merger Securities under the  
1933 Act.  
  
 (vi) Pooling Lock-Up. Notwithstanding any other provision of this  
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Affiliate Agreement to the contrary, from and after the date of this Agreement,  
Shareholder will not further sell, transfer, exchange, pledge or otherwise  
dispose of, or in any other way reduce Shareholder's risk of ownership or  
investment in, or make any offer or agreement relating to any of the foregoing  
with respect to any INDUS Securities or any rights, options or warrants to  
purchase INDUS Securities or any Merger Securities or other securities of Newco  
during the time period (the "Lock-Up Period")   
  
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beginning thirty (30) days immediately preceding the Effective Time and ending  
at such time after the Effective Time as Newco has publicly released the  
combined financial results of Newco, INDUS and TSW for a period of at least  
thirty (30) days of combined operations of Newco, INDUS and TSW after the  
Effective Time of the Merger. Newco agrees to publish such financial results  
expeditiously in a manner consistent with INDUS' prior practices.  
Notwithstanding the foregoing, Newco agrees that any "affiliates" of INDUS  
within the meaning of Rule 145 will be allowed, as a group, to sell up to 1% of  
INDUS Stock under the "de minimis" exceptions to the pooling of interest  
requirements, with each transaction to be approved in advance by Newco's  
auditors.  
  
 (vii) Intent. Shareholder does not now have, and as of the Effective  
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Time of the Merger will not have, any present plan or intention to engage in a  
further sale, exchange, transfer, distribution, pledge, disposition or any other  
transaction which would result in a direct or indirect disposition or an equity  
swap or other risk diminishing transaction (a "Sale") of more than fifty  
percent (50%) of the Newco Common Stock (or other Merger Securities) that  
Shareholder may acquire in connection with the Merger, or any securities that  
may be paid as a dividend or otherwise distributed thereon or with respect  
thereto or issued or delivered in exchange or substitution therefor or upon  
conversion thereof ("Derivative Securities"). Shareholder is not aware of, nor  
is Shareholder participating in, any plan on the part of INDUS shareholders to  
engage in Sales of Newco Common Stock (or other Merger Securities) to be issued  
in the Merger such that the aggregate fair market value, as of the Effective  
Time of the Merger, of the shares subject to such Sales would exceed fifty  
percent (50%) of the aggregate fair market value of all shares of outstanding  
INDUS Securities immediately prior to the Merger. For purposes of this  
representation, INDUS Securities (or any portion thereof) (i) with respect to  
which a INDUS shareholder receives consideration in the Merger other than Newco  
Common Stock (including, without limitation, cash received in lieu of fractional  
shares) and/or (ii) with respect to which a Sale occurs during the period  
beginning with the commencement of negotiations (whether formal or informal)  
between INDUS and TSW regarding the Merger and ending on the Effective Time of  
the Merger (the "Pre-Merger Period"), shall be considered shares of outstanding  
INDUS Common Stock exchanged for Newco Common Stock received in the Merger and  
then disposed of pursuant to any plan on the part of INDUS shareholders.  
  
SECTION 3. RESTRICTIONS ON RESALES  
  
 Shareholder understands that, in addition to the restrictions imposed under  
Section 2 of this Affiliate Agreement, the provisions of Rule 145 currently  
limit Shareholder's public resales of Merger Securities, in the manner set forth  
in subsections (i), (ii) and (iii) below, until such time as Shareholder has  
beneficially owned, within the meaning of Rule 144(d) under the 1933 Act, the  
Merger Securities for a period of at least one (1) year (or in some cases two  
(2) years) after the Effective Time of the Merger, and thereafter if and for so  
long as Shareholder is an affiliate of Newco:  
  
 (i) 145(d)(1). Unless and until the restriction "cut-off" provisions  
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of Rule 145(d)(2) or Rule 145(d)(3) set forth below become available, public  
resales of Merger Securities may be made by Shareholder only in compliance with  
the requirements of Rule 145(d)(1). Rule 145(d)(1) permits such resales only:  
(i) if Newco meets the public information requirements of Rule 144(c); (ii) in  
brokers' transactions or in transactions with a market maker; and (iii) where  
the   
  
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aggregate number of Merger Securities sold at any time together with all  
sales of restricted Newco Common Stock sold by or for Shareholder's account  
during the preceding three-month period does not exceed the greater of: (A) one  
percent (1%) of the shares of Newco Common Stock outstanding as shown by the  
most recent report or statement published by Newco; or (B) the average weekly  
volume of trading in Newco Common Stock on all national securities exchanges, or  
reported through the automated quotation system of a registered securities  
association, during the four calendar weeks preceding the date of receipt of the  
order to execute the sale.  
  
 (ii) 145(d)(2). Shareholder may make unrestricted resales of  
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Merger Securities pursuant to Rule 145(d)(2) if: (i) Shareholder has  
beneficially owned (within the meaning of Rule 144(d) under the 0000 Xxx) the  
Merger Securities for at least one (1) year after the Effective Time of the  
Merger; (ii) Shareholder is not an affiliate of Newco; and (iii) Newco meets the  
public information requirements of Rule 144(c).  
  
 (iii) 145(d)(3). Shareholder may make unrestricted resales of  
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Merger Securities pursuant to Rule 145(d)(3) if Shareholder has beneficially  
owned (within the meaning of Rule 144(d) under the 0000 Xxx) the Merger  
Securities for at least two (2) years after the Effective Time of the Merger and  
is not, and has not been for at least three (3) months, an affiliate of Newco.  
  
 INDUS and Newco each acknowledges that the provisions of Section 2.2(v) of  
this Affiliate Agreement will be satisfied as to any sale by the undersigned of  
the Merger Securities pursuant to Rule 145(d), by a broker's letter and a letter  
from Shareholder with respect to that sale stating either that (i) each of the  
above-described requirements of Rule 145(d)(1) has been met or (ii) are  
inapplicable by virtue of Rule 145(d)(2) or Rule 145(d)(3) and each of the  
above-described requirements of Rule 145(d)(2) or (d)(3) (as applicable) have  
been met; provided that in each case Newco has no reasonable basis to believe  
such sales were not made in compliance with such provisions of Rule 145(d).  
  
SECTION 4. LEGENDS  
  
 Shareholder also understands and agrees that stop transfer instructions  
will be given to Newco's transfer agent with respect to certificates evidencing  
the Merger Securities to enforce (i) Shareholder's compliance with Shareholder's  
representations in Subsections 2.2 (vi), (ii) Shareholders' agreements in  
Section 3, and (iii) Shareholder's compliance with applicable securities laws  
regarding the Merger Securities, and that there will be placed on the  
certificates evidencing such Merger Securities such legends as Newco or its  
counsel may reasonably require, including without limitation, a legend providing  
substantially as follows:  
  
 "THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED, SOLD,  
 PLEDGED, EXCHANGED, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT IN  
 ACCORDANCE WITH THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED,  
 ANY APPLICABLE STATE SECURITIES LAWS, AND THE OTHER CONDITIONS SPECIFIED IN  
 THAT CERTAIN AFFILIATE AGREEMENT DATED AS OF JUNE 5, 1997 AMONG THE INDUS  
 GROUP, INC., NEWCO GROUP, INC., TSW INTERNATIONAL,  
  
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 INC. AND THE HOLDER OF SUCH SHARES, A COPY OF WHICH MAY BE INSPECTED BY THE  
 HOLDER OF THIS CERTIFICATE AT THE OFFICES OF NEWCO. NEWCO WILL FURNISH,  
 WITHOUT CHARGE, A COPY THEREOF TO THE HOLDER OF THIS CERTIFICATE, UPON  
 WRITTEN REQUEST THEREFOR."  
  
SECTION 5. MISCELLANEOUS  
  
 5.1 Notices. Any notice or other communication required or permitted to  
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be given under this Affiliate Agreement will be in writing, will be delivered  
personally, by telecopier (with a hard copy also mailed), or by registered or  
certified mail, postage prepaid and will be deemed given upon delivery, if  
delivered personally, one business day after transmission by telecopier with  
confirmation of receipt, or three (3) days after deposit in the mails, if  
mailed, to the following addresses:  
  
 (i) If to INDUS or to Newco:  
  
 THE INDUS GROUP, Inc.  
 00 Xxxxx Xxxxxx  
 Xxx Xxxxxxxxx, XX 00000  
 Attn: Chief Financial Officer  
   
 With a copy to:  
  
 Xxxxxx Xxxxxxx Xxxxxxxx & Xxxxxx  
 000 Xxxx Xxxx Xxxx  
 Xxxx Xxxx, Xxxxxxxxxx 00000  
 Attn: Xxxxx X. Xxxxxx, Xx.  
  
 (ii) If to TSW:  
   
 TSW International, Inc.  
 0000 Xxxxx Xxxxx Xxxxxxx  
 Xxxxxxx, XX 00000  
 Attention: Chief Financial Officer  
  
 With a copy to:  
  
 Wachtell, Lipton, Xxxxx & Xxxx  
 00 X. 00xx Xxxxxx  
 Xxx Xxxx, XX 00000  
 Attn: Xxxxxx Xxxxxxxxxx  
  
 (iii) If to Shareholder:  
  
 To the address for notice for such Shareholder set forth on  
 Attachment I hereto or to such other address as a party may have  
 furnished to the other parties in writing pursuant to this  
 Section 5.1.  
  
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 5.2 Termination. This Affiliate Agreement shall be terminated and shall  
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be of no further force and effect upon the termination of the Plan of  
Reorganization pursuant to its terms.  
  
 5.3 Counterparts. This Affiliate Agreement may be executed in any number  
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of counterparts, each of which will be an original as regards any party whose  
signature appears thereon and all of which together will constitute one and the  
same instrument. This Affiliate Agreement will become binding when one or more  
counterparts hereof, individually or taken together, will bear the signatures of  
all parties reflected hereon as signatories.  
  
 5.4 Assignment; Binding Upon Successors and Assigns. Neither party hereto  
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may assign any of its rights or obligations hereunder without the prior written  
consent of the other party hereto. This Affiliate Agreement will be binding upon  
and inure to the benefit of the parties hereto and their respective successors  
and permitted assigns.  
  
 5.5 Waiver and Amendment. The waiver by a party of any breach hereof or  
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default in the performance hereof will not be deemed to constitute a waiver of  
any other default or any succeeding breach or default. This Affiliate Agreement  
may be amended by the parties hereto upon the execution and delivery of a  
written agreement executed by the parties hereto at any time before or after  
approval of the Merger by the INDUS shareholders, but, after such approval, no  
amendment will be made which by applicable law requires the further approval of  
the INDUS shareholders without obtaining such further approval.  
  
 5.6 Governing Law. The internal laws of the State of Delaware  
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(irrespective of its choice of law principles) will govern the validity of this  
Affiliate Agreement, the construction of its terms, and the interpretation and  
enforcement of the rights and duties of the parties hereto.  
  
 5.7 Severability. If any term, provision, covenant or restriction of this  
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Affiliate Agreement (or of the Plan of Reorganization) is held by a court of  
competent jurisdiction to be invalid, void or unenforceable, the remainder of  
the terms, provisions, covenants and restrictions of this Affiliate Agreement  
(or of the Plan of Reorganization, as the case may be) will remain in full force  
and effect and will in no way be effected, impaired or invalidated. The parties  
further agree to replace such invalid or unenforceable term with a valid and  
enforceable provision that will achieve, to the greatest extent possible, the  
economic, business and other purposes of the invalid or unenforceable provision.  
  
 5.8 Construction of Agreement. This Affiliate Agreement has been  
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negotiated by the respective parties hereto and their attorneys and the language  
hereof will not be construed for or against either party. A reference to a  
Section will mean a Section in this Affiliate Agreement unless otherwise  
explicitly set forth. The titles and headings herein are for reference purposes  
only and will not in any manner limit the construction of this Affiliate  
Agreement which will be considered as a whole.  
  
 5.9 Attorneys' Fees. Should suit be brought to enforce or interpret any  
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part of this Affiliate Agreement, the prevailing party will be entitled to  
recover, as an element of the costs of suit and not as damages, reasonable  
attorneys' fees to be fixed by the court (including without limitation,   
  
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costs, expenses and fees on any appeal). The prevailing party will be entitled  
to recover its costs of suit, regardless of whether such suit proceeds to final  
judgment.  
  
 5.10 Partnership. Newco, INDUS and TSW agree that if Shareholder is a  
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limited partnership, Shareholder's general and limited partners shall in no  
event be liable for any obligations or liabilities of Shareholder under this  
Agreement.  
  
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 IN WITNESS WHEREOF, the parties hereto have executed this Affiliate  
Agreement as of the date first set forth above.  
  
  
THE INDUS GROUP, INC. TSW INTERNATIONAL, INC.  
a California corporation a Georgia corporation  
  
  
By: By:  
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Name: Name:  
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Title: Title:  
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NEWCO GROUP, INC. SHAREHOLDER:  
a Delaware corporation  
  
  
By:  
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Name: Name:  
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Title:  
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 [SIGNATURE PAGE TO INDUS AFFILIATE AGREEMENT]  
  
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 ATTACHMENT 1  
  
 INDUS STOCK  
  
   
   
Shareholder's Address for Notice:   
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Number of shares of INDUS capital stock  
beneficially owned by the undersigned:  
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Number of options, warrants or other  
convertible securities convertible into  
INDUS capital stock beneficially owned by  
the undersigned:   
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 [SIGNATURE PAGE TO INDUS AFFILIATE AGREEMENT]  
  
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