

DATED

1 March

2023

THE PERSONS NAMED IN PART 1 OF SCHEDULE 1 (1)

- and -

AUKETT SWANKE GROUP PLC (2)

TRANSACTION AGREEMENT

in connection with the offer to acquire the entire issued share capital of
Torpedo Factory Group Limited

Solicitors

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THIS AGREEMENT is made on 1 March 2023

BETWEEN:

- (1) **THE PERSONS** whose names and addresses are set out in column (A) of Part 1 of Schedule 1 (together **"Sellers"** and each a **"Seller"**); and
- (2) **AUKETT SWANKE GROUP PLC**, a company incorporated in England (registered number 02155571) whose registered office is at 10 Bonhill Street, London, England, EC2A 4PE (the **"Buyer"**),
each a **"Party"** and together the **"Parties"**.

RECITALS:

- (A) The Company is a private company limited by shares. Further details about the Company are set out in part 1 of Schedule 2.
- (B) The Company or Torpedo Factory Limited (a Subsidiary) is the owner of the entire issued share capital of each of the Subsidiaries.
- (C) The Parties have agreed terms of an offer to be made by the Buyer to purchase the entire issued capital of the Company and the Sellers have irrevocably agreed to accept such offer in respect of their Shares on the terms set out in this Agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, the following words and expressions shall have the following meanings unless otherwise stated:

"2021 Audited Group Accounts" means the audited consolidated accounts of the Company and the Subsidiaries (prepared under section 399 of the CA 2006) for the accounting period ended on the Accounts Date, including the statement of financial position as at the Accounts Date and the statement of cash flows and statement of changes in equity for the accounting period ended on the Accounts Date, and the related notes to such accounts as required by law and applicable accounting standards, copies of which are included in the Disclosure Bundle;

"2021 Individual Accounts" means the unaudited individual company accounts of the Company and each of the Subsidiaries (prepared under section 394 of the CA 2006) for the accounting period ended on the Accounts Date, including the statement of financial position as at the Accounts Date, and the statement of cash flows and statement of changes in equity for the accounting period ended on the Accounts Date, and the related notes to the accounts as required by law and applicable accounting standards, copies of which are included in the Disclosure Bundle;

"2022 Accounts Date" means 30 June 2022;

"2022 Group Accounts" means the unaudited consolidated accounts of the Company and the Subsidiaries (prepared under section 399 of the CA 2006) for the accounting

	<p>period ended on the 2022 Accounts Date, including the statement of financial position as at the 2022 Accounts Date and the statement of cash flows and statement of changes in equity for the accounting period ended on the 2022 Accounts Date, copies of which are included in the Disclosure Bundle;</p>
“2022 Individual Accounts”	<p>means the unaudited individual company accounts of the Company and each of the Subsidiaries (prepared under section 394 of the CA 2006) for the accounting period ended on the 2022 Accounts Date, including the statement of financial position as at the 2022 Accounts Date, and the statement of cash flows and statement of changes in equity for the accounting period ended on the 2022 Accounts Date, copies of which are included in the Disclosure Bundle;</p>
“Accounts”	<p>means the 2021 Audited Group Accounts and the 2021 Individual Accounts;</p>
“Accounts Date”	<p>means 30 June 2021;</p>
“AIM Rules”	<p>means the AIM Rules for Companies as published by the London Stock Exchange plc from time to time;</p>
“Aggregate Consideration Shares”	<p>means up to 113,773,410 Ordinary Shares, being the Consideration Shares and maximum number of Option Consideration Shares;</p>
“Assurance”	<p>means any indemnity, guarantee, security agreement or similar commitment or agreement;</p>
“Business”	<p>the business carried on by the Company and the Subsidiaries (or any part of it) as at the date of this Agreement;</p>
“Business Day”	<p>means a day, other than a Saturday, Sunday or public holiday in England, when banks in London are open for business;</p>
“Business Plan”	<p>means the business plan in relation to the Buyer’s Group in the agreed form to be adopted at Completion;</p>
“Buyer’s Group”	<p>means the Buyer and its group undertakings at any relevant time including, from Completion, the Sale Group;</p>
“Buyer Option Agreements”	<p>means the EMI option agreements to be entered into on Completion between the Buyer and each of Jason Brameld and Freddie Jenner, in the agreed form;</p>

“CA 2006”	means the Companies Act 2006;
“Circular”	the document to be published by the Buyer on or around the date of this Agreement in connection with the Transaction and containing the notice for general meeting tabling the resolutions contained in the Condition at clause 3.1.3, in the agreed form;
“Claim”	means any Warranty Claim, or claim under the Tax Covenant or any Indemnity Claim;
“Company”	means Torpedo Factory Group Limited, a private company limited by shares incorporated in England and Wales with registered number 03298917, further details of which are set out in Part 1 of Schedule 2;
“Completion”	means completion of acquisition of the Shares in accordance with the Offer;
“Completion Date”	has the meaning given in clause 8.2;
“Conditions”	means the conditions to Completion, being the matters set out in clause 3.1;
“Connected”	has, in relation to a person, the meaning given in section 1122 of the CTA 2010;
“Control”	has the meaning given in section 1124 of the CTA 2010, and controls, controlled and the expression change of Control shall be interpreted accordingly;
“Consideration”	means the total consideration for the sale of the Shares stated in clause 6.1;
“Consideration Shares”	means the total aggregate amount of 110,142,286 new Ordinary Shares to be allotted and credited as fully paid to the Shareholders on Completion in accordance with clause 6.1;
“CSOP”	the Torpedo Factory Group Ltd Company Share Option Plan;
“CTA 2009”	means the Corporation Tax Act 2009;
“CTA 2010”	means the Corporation Tax Act 2010;
“Data Protection Laws”	has the meaning given in paragraph 24.1 of Part 1 of Schedule 5;
“Deed of Surrender”	means a deed of surrender in the agreed form to be entered into between each of the Major Optionholders and the Company on Completion in respect of the surrender of their Options;

“Director”	means each person who is a director or shadow director of the Company or any of the Subsidiaries, as set out in Schedule 2 (together the Directors);
“Disclosed”	means disclosed with sufficient information and clarity to (a) identify to the Buyer the nature and scope of the matters so disclosed and (b) enable the Buyer to reach an informed view on matters so disclosed;
“Disclosure Bundle”	means the documents annexed to, delivered with and deemed to form part of the First Disclosure Letter, as identified in the index attached thereto, in the agreed form;
“Disclosure Letter”	means the First Disclosure Letter and the Second Disclosure Letter or either of them, as required;
“Drag Along Date”	means the date specified in the Drag Along Notice by which the Minority Shareholders are required to deliver their executed transfer documents (as detailed in the Drag Along Notice) which will be the Closing Date (as defined in the Offer Document);
“Drag Along Notice”	means the notice in the agreed form to be issued by the Sellers to the Minority Shareholders together with the Offer Document;
“Employee”	has the meaning given in paragraph 25.1 of Part 1 of Schedule 5;
“Encumbrance”	means any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement;
“Event”	includes (without limitation) any event (including the death, winding up or dissolution of any person), act (including Completion, the migration of a company or the inclusion of a company within a group of companies for any purpose), failure, omission, transaction (including the purchase or sale of an asset and including the sale of the Shares pursuant to the Offer), receipt, dividend, distribution or failure to make sufficient distributions to avoid an apportionment or deemed distribution of income, arrangement or change in circumstances whether or not the Company was a party thereto;
“First Disclosure Letter”	means the letter dated the same date as this Agreement in the agreed form from the Warrantors to the Buyer (together with any attachments);

“Form of Acceptance”	means the form of acceptance in relation to the Offer, in the agreed form;
“FRS 102”	means Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland as issued by the Financial Reporting Council of the UK and in force for the accounting period ended on the Accounts Date;
“Group”	means the Buyer’s Group or the Sale Group as the context requires;
“HMRC”	means HM Revenue & Customs;
“IAS”	means an accounting standard adopted and reissued by the International Accounting Standards Board and references to IAS 2, IAS 8, IAS 10, IAS 11, IAS 12, IAS 16, IAS 24, IAS 32, IAS 36, IAS 37, IAS 38 and IAS 39 will be construed accordingly;
“IFRS”	IFRS means International Financial Reporting Standards (including international accounting standards, international financial reporting standards and interpretations of such standards) as formally adopted for use in the European Union under EU Regulation 1606/2002 and in force for the accounting period ended on the Accounts Date;
“IHTA 1984”	means the Inheritance Tax Act 1984;
“Indemnities”	means the covenants in clause 11;
“Indemnity Claim”	means a claim under the Indemnities;
“Intellectual Property Rights”	has the meaning given in paragraph 22.1 of Part 1 of Schedule 5;
“ITEPA 2003”	means the Income Tax (Earnings and Pensions) Act 2003;
“Lock-in Agreement”	means the lock in agreement, to be entered into between the Company and each Seller, in the agreed form;
“Longstop Date”	means 30 June 2023 or such other date as may be agreed by the Buyer and the Sellers’ Representative in writing;
“Losses”	means, in relation to any matter, all losses, costs, damages (including special and punitive damages), claims, liabilities, charges, expenses, penalties and payments;
“Majority Option Holders”	Jason Brameld, Nick Clark and Freddie Jenner;

“Management Accounts”	means the unaudited consolidated statement of financial position as at 31 December 2022, the unaudited consolidated income statement and the unaudited consolidated cash flow statement of the Company and the Subsidiaries (including any notes thereon) for the period from 1 July 2022 to 31 December 2022 (a copy of which is included in the Disclosure Bundle);
“Minority Option Holders”	means the persons listed in Part 3 of Schedule 1;
“Minority Shareholders”	means the persons listed in Part 2 of Schedule 1;
“NC Service Agreement”	means the service agreement to be entered into between the Buyer and Nicholas Clark, in the agreed form;
“Nomad”	means Strand Hanson Limited (company number: 02780169) of 26 Mount Row, London, England, W1K 3SQ;
“Offer”	means the offer to be made by the Buyer, in accordance with this agreement, to buy the entire issued and to be issued share capital of the Company from the Shareholders;
“Offer Document”	means the document to be sent by the Buyer to the Shareholders, in the agreed form, containing the terms of the Offer;
“Ordinary Shares”	means ordinary shares of £0.01 each in the capital of the Buyer;
“Option Consideration Shares”	means the new Ordinary Shares (if any) to be allotted and credited as fully paid to the Minority Option Holders pursuant to any exercise of their Options (being a maximum of 3,631,124 Ordinary Shares);
“Option Holders”	means together the Majority Option Holders and the Minority Option Holders;
“Option Holders TFG Letter”	means the letter to be sent by the Company to the Minority Option Holders relating to process for exercising their Options or to surrender them in return for a cash payment;
“Option Shares”	means any and all shares in the capital of the Company issued pursuant to exercise of any of the options in accordance with the CSOP;
“Options”	the options to acquire shares in the Company granted, or purported to be granted pursuant to the CSOP;

“Previous Accounts”	means the accounts equivalent to the 2021 Audited Group Accounts or the 2021 Individual Accounts (as the case may be) in respect of each of the two accounting periods immediately preceding the accounting period ended on the Accounts Date;
“Previously-owned Land and Buildings”	has the meaning given in paragraph 27.1 of Part 1 of Schedule 5;
“Properties”	has the meaning given in paragraph 27.1 of Part 1 of Schedule 5;
“Relief”	has the meaning given in the Tax Covenant;
“Relationship Agreement”	means the agreement to be entered into by (i) the Buyer; and (ii) each of the Warrantors to take effect from Completion to regulate the ongoing relationship between them from Completion;
“Relevant Date”	means: (a) in relation to the Company, the date of its incorporation; (b) in relation to each of the Subsidiaries, the date on which they became subsidiaries of the Company;
“Representative Body”	has the meaning given in paragraph 25.1 of Part 1 of Schedule 5;
“Sale Group”	means the Company and the Subsidiaries individually or (as the context permits) together;
“Second Disclosure Letter”	means the letter (if any) from the Warrantors to the Buyer prepared in accordance with clause 10.3 dated on the Completion Date, in the agreed form;
“Sellers’ Representative”	has the meaning given in clause 16.1;
“Shareholders”	means the Sellers and the Minority Shareholders;
“Shares”	means all of the issued shares in the capital of the Company at the date of this Agreement;
“Subsidiaries”	means the subsidiary undertakings of the Company at any relevant time (details of the subsidiary undertakings of the Company at the date of this Agreement being set out in part 2 of Schedule 2) and “Subsidiary” means any one of them;
“subsidiary undertaking”	means a subsidiary undertaking as defined in section 1162 of the CA 2006;
“Tax” or “Taxation”	means all forms of tax, duty, rate, levy, charge or other imposition or withholding whenever and

wherever chargeable and whether of the United Kingdom or any other jurisdiction, including (without limitation) any tax on gross or net income profit or gains (including income tax required to be deducted or withheld from or accounted for in respect of any payment), corporation tax, advance corporation tax, capital gains tax, inheritance tax, wealth taxes, value added tax, customs duties, excise duties, insurance premium tax, rates, stamp duty, stamp duty reserve tax, stamp duty land tax, PAYE, national insurance and other similar contributions and any other taxes, duties, rates, levies, charges, imposts or withholdings corresponding to, similar to, in the nature of, replaced by or replacing any of them, together with any interest, penalty or fine in connection with any Taxation, and regardless of whether any such taxes, duties, rates, levies, charges, imposts, withholdings, interest, penalties or fines are chargeable directly or primarily against or attributable directly or primarily to the Company or any other person and of whether any amount in respect of any of them is recoverable from any other person;

“Taxation Authority”

means HM Revenue & Customs and any other Governmental Authority whatsoever competent to impose any Taxation, whether in the United Kingdom or elsewhere;

“Tax Claims”

means a claim for breach of a Tax Warranty or a claim under the Tax Covenant;

“Tax Covenant”

means the tax covenant set out in Part 2 of Schedule 8;

“Taxation Statute”

means any directive, statute, enactment, law or regulation wheresoever enacted or issued, coming into force or entered into providing for or imposing any Taxation and including orders, regulations, instruments, bye-laws or other subordinate legislation made under the relevant statute or statutory provision and any directive, statute, enactment, Law, order, regulation or provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same;

“Tax Warranties”

means the Warranties set out in Part 1 of Schedule 8;

“TCGA 1992”

means the Taxation of Chargeable Gains Act 1992;

“TIOPA 2010”

means the Taxation (International and Other Provisions) Act 2010;

“TMA 1970”	means the Taxes Management Act 1970;
"Transaction"	means the transaction contemplated by this Agreement or any part of that transaction;
"Transaction Documents"	means this Agreement, the Disclosure Letters, the Lock-in Agreement, the Relationship Agreement, the Offer Document and any other document to be entered into pursuant to this Agreement or the Offer in connection with the Transaction;
“VAT”	means value added tax and any similar sales or turnover tax in any jurisdiction;
"VATA 1994"	means the Value Added Tax Act 1994;
"Warranties"	means the warranties and representations given pursuant to clause 10.1 and set out in Schedule 5, and the Tax Warranties, and a reference to “Warranty” shall be construed accordingly;
“Warrantors”	means Nick Clark, Keith McCullagh, Freddie Jenner and Jason Brameld, all of whom are Sellers;
“Warranty Claim”	means a claim for any breach of any of the Warranties other than a Tax Warranty; and
"Worker"	has the meaning given in paragraph 25.1 of Part 1 of Schedule 5.

1.2 In this Agreement, unless the context requires otherwise:

1.2.1 use of the singular includes the plural and vice versa and use of any gender includes the other genders;

1.2.2 reference to any specific legislation includes a reference:

- (a) to that legislation as re-enacted, consolidated, replaced or amended at any time before the date of this Agreement;
- (b) to that legislation as it (or its effect) is retained or brought within the law of England and Wales, Scotland and Northern Ireland pursuant to the European Union (Withdrawal) Act 2018) and as subsequently re-enacted, consolidated, replaced or amended at any time before the date of this Agreement;
- (c) to any previous legislation of which it is a re-enactment, consolidation, replacement or amendment; and
- (d) to any subordinate legislation made under any of the same;

and **“legislation”** in this clause 1.2.2 includes any statute, statutory provision, subordinate legislation, tertiary legislation, treaty, treaty provision, regulation, directive or rule (including any rule issued by a competent regulatory or governmental authority); and

1.2.3 **“undertaking”** shall have the meaning given in section 1161 CA 2006 save that for the purposes of this Agreement, an undertaking shall include a limited liability partnership.

1.3 In this Agreement, unless otherwise stated:

- 1.3.1 any reference to the parties or a recital, clause or schedule is to the parties or the relevant recital, clause or schedule of or to this Agreement;
 - 1.3.2 any reference in a schedule to a part or a paragraph is to a part or a paragraph of that schedule or, where relevant, to a paragraph of that part of that schedule;
 - 1.3.3 any reference to a “**person**” includes an individual, firm, partnership, body corporate, corporation, association, organisation, government, state, foundation and trust in each case whether or not having separate legal personality;
 - 1.3.4 “**financial year**” shall be construed in accordance with section 390 CA 2006;
 - 1.3.5 “**group undertaking**” and “**subsidiary undertaking**” shall have the respective meanings given in section 1161(5) and section 1162 CA 2006 save that, for the purposes of this Agreement, an undertaking shall be treated as a member of another undertaking if any of the shares in that other undertaking are registered in the name of another person (or its nominee) as security (or in connection with the taking of security) from the first undertaking or any of that first undertaking’s subsidiary undertakings;
 - 1.3.6 “**body corporate**” shall have the meaning given in section 1173 CA 2006;
 - 1.3.7 where any Warranty is qualified by the expression “**so far as the Warrantors are aware**” or “**to the best of the Warrantors’ knowledge and belief**” or any similar expression, that Warranty shall be deemed to include an additional statement that it has been made after due and careful enquiry of each Warrantor.
 - 1.3.8 where any reference is made to the Company, such reference shall also be taken to include the Subsidiaries unless the context requires otherwise including, for the avoidance of doubt and without limitation, any such references in clause 1 (Interpretation), Schedule 5 (Warranties) and Schedule 8 (Tax Covenant); and
 - 1.3.9 any reference to an English legal term or concept, or any court, official, governmental or administrative authority or agency in England, includes in respect of any jurisdiction other than England a reference to whatever most closely approximates to it in that jurisdiction.
- 1.4 The table of contents and the clause, schedule and paragraph headings are included for convenience only and shall not affect the interpretation of this Agreement.
 - 1.5 The schedules and recitals form part of this Agreement and shall have effect as if set out in full in it.
 - 1.6 Any reference in this Agreement to a document being “**in the agreed form**” means a document in a form agreed by the parties before the signing of this Agreement and either entered into on the date of this Agreement by the relevant parties or initialled by the parties (or on their behalf), other than in respect of the Second Disclosure Letter which shall be initialled by or on behalf of each of the parties on or before the date of Completion, or where a document is not entered into on the date of this Agreement, with such amendments as the parties may subsequently agree.
 - 1.7 In this Agreement, the words “other”, “including”, “includes”, “include”, “in particular” and any similar words shall not limit the general effect of words that follow or precede them and the ejusdem generis rule shall not apply.

2. IMPLEMENTATION OF THE TRANSACTION

- 2.1 The Buyer shall prepare the Offer Document and the Sellers shall procure that the Company provides all reasonable assistance and such information and documents relating to it and the other members of the Sale Group as the Buyer reasonably requires for the purposes of preparing the Offer Document.
- 2.2 The Sellers shall procure that the Company despatches by first class post with a copy by email where the Company has a valid email address for the recipient on or before the Business Day

immediately following signature of this Agreement, the Offer Document, Forms of Acceptance and Drag-Along Notice to all Shareholders, and the Option Holders TFG Letter to the Minority Option Holders, at their respective last known address and, if applicable, email address.

- 2.3 The Sellers shall procure that the Company will keep the Buyer updated as to the receipt of signed Forms of Acceptance from Shareholders and will, on the sixth Business Days after the Drag Along Date, deliver to the Buyer signed but undated transfers of the Shares in favour of the Buyer, duly executed by or on behalf of the relevant Shareholders in accordance with the Form of Acceptance or Drag-Along Notice.
- 2.4 During the period between the date of this Agreement and the earliest of (i) the Completion Date and (ii) the Long Stop Date, each Seller hereby severally irrevocably undertakes to the Buyer in respect only of those Shares beneficially owned by them:
- 2.4.1 to accept the Offer and not to withdraw the same in accordance with its terms, by execution of the Form of Acceptance and to forward the relevant share certificates (or an indemnity in a form acceptable to the Buyer in lieu thereof if such certificates cannot be found) within two Business Days after the date of posting of the Offer Document;
- 2.4.2 not to exercise any of their Options prior to Completion;
- 2.4.3 not to grant any Encumbrance over any such Shares except under the Offer or accept any other offer in respect of such Shares whether conditionally or unconditionally (by whatever means the same is to be implemented); and
- 2.4.4 not to enter into any agreement or arrangement with any person or to do all or any of the acts referred to in clauses 2.4.2 or 2.4.3 above or enter into any negotiations concerning or with a view to any such agreement or arrangement other than pursuant to the Offer.
- 2.5 In order to secure the performance of each of the Seller's obligations under clause 2.4 above, each Seller (other than Nick Clark) severally and irrevocably appoints Nick Clark to be their attorney in their name and on their behalf to sign or execute their Form of Acceptance and/or such other documents and to do such other acts and things as may be necessary or desirable for the purposes of giving effect to that Seller's obligations under clause 2.4.

3. CONDITIONS PRECEDENT

- 3.1 Completion of the sale and purchase of the Shares pursuant to the Offer is conditional upon each of the following conditions (together, the "**Conditions**") having been satisfied (or waived by the Buyer in writing in accordance with this clause 2) on or before the Longstop Date:
- 3.1.1 receipt by the Buyer of signed Forms of Acceptance from Shareholders holding not less than 75% in nominal value of the Shares;
- 3.1.2 the Panel on Takeovers and Mergers waiving the Rule 9 mandatory takeover requirements of the Takeover Code in respect of the issue of the Aggregate Consideration Shares or part thereof ("**Rule 9 Waiver**");
- 3.1.3 the shareholders of the Buyer passing all necessary resolutions to enable Completion to occur including: (i) approving the Rule 9 Waiver; and (ii) authorising the directors of the Buyer to allot the Aggregate Consideration Shares;
- 3.1.4 the Nomad confirming that the Transaction will not amount to a reverse takeover in accordance with Rule 14 of the AIM Rules;
- 3.1.5 Nick Clark not having resigned as a director of the Company or otherwise being deemed by the Buyer of being incapable (in case of death, his personal incapacity due to permanent ill health or permanent disability, or for the purposes of the CA 2006 or the AIM Rules) of performing his obligations as a director of the Company and/ or the Buyer as anticipated by this Agreement and the NC Service Agreement;

- 3.1.6 from the date of this Agreement, there shall not have occurred any fact, matter, event, circumstance, condition or change which materially and adversely affects the business, operations, assets, liabilities, condition (whether financial, trading or otherwise), or operating results of the Company and its Subsidiaries, taken as a whole but excluding:
- (a) changes in stock markets, interest rates, exchange rates, commodity prices or other general economic conditions;
 - (b) changes in conditions generally affecting the industries in which the Company and its Subsidiaries operate;
 - (c) changes in applicable laws, regulations or accounting standards or practices;
 - (d) any matter Disclosed (but without prejudice to the Buyer's rights under clause 10.6); and

- 3.1.7 from the date of this Agreement, no person having:
- (a) commenced, or threatened to commence, any proceedings or investigation for the purpose of prohibiting or otherwise challenging or interfering with the Transaction; or
 - (b) enacted or proposed any legislation (including any subordinate legislation) which would prohibit, materially restrict or materially delay the implementation of the Transaction.

3.2 The Buyer and the Sellers shall use reasonable endeavours to ensure (so far as it lies in their powers so to do) that the Conditions set out in clause 3.1 are satisfied by the Longstop Date and shall notify the other Party as soon as practicable after they become aware that any condition is satisfied or has become, or is likely to become, incapable of being satisfied.

3.3 Each Seller undertakes to notify the Buyer promptly upon becoming aware of any fact, matter or circumstance occurring between the date of this Agreement and Completion which has prevented or is reasonably likely to result in the Conditions set out in clause 3.1.5 and/ or clause 3.1.7 not being satisfied.

3.4 The Buyer may, to the extent that it is legally entitled to do so and to the extent as it thinks fit (in its sole discretion) agree to waive any of the Conditions by serving written notice of such waiver on the Sellers' Representative.

3.5 If the conditions in clause 3.1 are not satisfied or (where permitted by clause 3.4) waived on or before 5.00 p.m. on the Longstop Date, the parties shall have no further rights or obligations under this Agreement, other than accrued rights and obligations at that time and for any provision of this Agreement that expressly or by implication is intended to come into or continue in force on or after termination (including clauses 1 (*Definitions and interpretation*), 2 (*Conditions precedent*), 13 (*Announcements and confidentiality*), 14.2 (*Costs*), 14.9 (*Third party rights*), 14.10 (*Whole agreement*), 15 (*Notices*), 16 (*Sellers' Representative*) and 17 (*Applicable law, jurisdiction and service of proceedings*)), which shall remain binding on the parties in accordance with their terms.

4. SELLERS' TITLE & CAPACITY

4.1 Title and capacity covenant by Sellers

Each Seller covenants with the Buyer that:

- (a) he or she has taken all necessary actions to and has full power to enter into and perform this Agreement and any other Transaction Documents to which they are a party, including the acceptance of the Offer, and this Agreement and any other Transaction Documents to which they are a party constitutes binding obligations on him or her in accordance with its terms;

- (b) the execution and delivery of and the performance by him or her of his or her obligations under this Agreement and any other Transaction Documents including any Form of Acceptance, in each case to which they are a party, will not result in a breach of, or constitute a default under any agreement, instrument or arrangement to which they are a party or by which he or she is bound, nor result in a breach of any order, judgment or decree of any Court or governmental agency to which he or she is a party or is bound; and
- (c) he or she is entitled to sell and transfer to the Buyer the full legal and beneficial ownership of the Shares set out opposite his or her name in Part 1 of Schedule 1 pursuant to the Offer without the consent of any third party and there are no Encumbrances on such Shares or any arrangements or obligations to create any such Encumbrances; and
- (d) he or she has not:
 - (i) had a bankruptcy petition presented against them, or been declared bankrupt;
 - (ii) been served with a statutory demand, or is unable to pay their debts within the meaning of the Insolvency Act 1986;
 - (iii) entered into, or has proposed to enter into, any composition or arrangement with, or for, their creditors (including an individual voluntary arrangement); or
 - (iv) been subject of any other event analogous to the foregoing in any jurisdiction.

4.2 **Waiver of pre-emption rights**

Each of the Sellers absolutely and unconditionally waives all rights of pre-emption in respect of, and any requirements for consent relating to and any other restrictions on transfer in respect of, the sale and transfer of the Shares pursuant to the Offer, to which he or she may be entitled, whether conferred by the Company's articles of association, any agreement between the Sellers and/or the other Shareholders.

5. **EXCHANGE**

5.1 Exchange of this Agreement ("**Exchange**") shall take place immediately after execution of this Agreement by each of the Parties.

5.2 At Exchange:

5.2.1 the Sellers and the Buyer shall deliver to each other:

- (a) counterparts of the following documents duly executed by them:
 - (i) this Agreement; and
 - (ii) the First Disclosure Letter; and
- (b) all documents in "agreed form" duly initialled for or on behalf of them;

5.2.2 the Sellers shall deliver to the Buyer a copy of any power of attorney, in the agreed form, under which any document to be delivered under paragraph 1 in Schedule 4 (*Completion obligations*) will be executed; and

5.2.3 the Buyer shall deliver to the Sellers a copy of the minutes of a meeting of the board of directors of the Buyer at which the provisions of this Agreement, the First Disclosure Letter, Offer Document and Circular are approved.

6. CONSIDERATION

- 6.1 The consideration for the acquisition of the Shares pursuant to the Offer shall be satisfied by the Buyer by the allotment and issue, credited as fully paid, of the Consideration Shares to the Shareholders in proportion to their holdings of Shares immediately prior to Completion, as specified in column (D) of the tables in Part 1 and Part 2 of Schedule 1.
- 6.2 Each Shareholder's entitlement to Consideration Shares shall be rounded down to the nearest whole number of Consideration Shares and any fractions of Consideration Shares shall not be issued or allotted.
- 6.3 Any payment made by the Sellers in respect of a Claim, or any other payment made by them to the Buyer pursuant to this Agreement, shall, to the extent permissible, be deemed to be a reduction in the Consideration.

7. PERIOD BEFORE COMPLETION

- 7.1 Each Seller undertakes to the Buyer during the period beginning on the signing of this Agreement and ending at Completion (or any earlier time at which this Agreement terminates) to:
- 7.1.1 exercise their powers as a director and shareholder of the Company so as to procure (so far as they are able to do by the exercise of such powers) that the Company and each other member of the Sale Group shall comply with schedule 3 (*Sellers' obligations between signing and completion*);
- 7.1.2 promptly notify the Buyer in writing of any event, matter or circumstance which constitutes or may reasonably be expected to constitute a breach of any of the obligations set out in schedule 3 (*Sellers' obligations between signing and completion*) including sufficient detail to enable the Buyer to make an informed assessment of the nature, scope and impact of the notified breach or anticipated breach; and
- 7.1.3 provide, and to procure (so far as they are able to do so) that the Company provides all reasonable assistance to the Shareholders as they may require to complete the Forms of Acceptance in accordance with the terms of the Offer and Drag-Along Notice, and to the Minority Option Holders as they may require to accept the cash offer made in the Option Holders TFG Letter.

8. COMPLETION

- 8.1 Unless this Agreement has been terminated in accordance with its terms and/or the Offer has lapsed in accordance with its terms, Completion shall take place on the Completion Date at such place as is agreed by the parties when the Buyer and the Sellers shall comply with their respective obligations set out in schedule 4.
- 8.2 The Completion Date shall be 20 March 2023, unless:
- 8.2.1 the Conditions are not satisfied (and have not been waived by the Buyer in accordance with clause 3.4) at that date, in which event the Completion Date shall be:
- (a) the second Business Day following the date on which all of the Conditions are satisfied or waived (provided this occurs on or before the Longstop Date); or
- (b) any other date agreed by the Sellers' Representative and the Buyer in writing; or
- 8.2.2 Completion is deferred in accordance with clause 8.3, in which event the Completion Date shall be the date to which Completion is so deferred.
- 8.3 If the Sellers do not comply with their obligations in schedule 4 in accordance with clause 8.1 in any material respect, the Buyer may (at its sole discretion and without prejudice to any other rights or remedies it has, including the right to claim damages for breach of this agreement):

- 8.3.1 elect by notice in writing to the Sellers to proceed to Completion, in which case the Sellers shall be obliged to fulfil those obligations set out in schedule 4 which the Sellers are then able to fulfil and to fulfil the remaining obligations on or before any later date specified for the purpose in the notice; or
 - 8.3.2 postpone Completion to a date falling not more than 20 Business Days after the date on which Completion was otherwise due to take place; or
 - 8.3.3 terminate this Agreement by notice in writing to the Sellers' Representative (in which case clause 3.5 shall apply).
- 8.4 The Buyer may defer Completion under clause 8.3.2 only once, but otherwise clause 8.3 applies to a Completion so deferred as it applies where Completion has not been deferred.

9. DEALING WITH SHARES PENDING REGISTRATION

- 9.1 For so long as the Sellers remain the registered holders of any Shares after Completion, the Sellers shall:
- 9.1.1 hold those Shares, all dividends and other distributions relating to such Shares made after Completion and all rights relating to such Shares on trust for the Buyer and promptly notify the Buyer of anything received by him or her in his or her capacity as registered holder of the Shares;
 - 9.1.2 deal with and dispose of the Shares and all such distributions and rights as the Buyer may direct;
 - 9.1.3 vote at all meetings which the Sellers are entitled to attend as the registered holder of the Shares in such manner as the Buyer may direct (and in absence of such direction, the Sellers undertake not to exercise any rights attaching to the Shares or exercisable in his or her capacity as registered holder of the Shares without the Buyer's consent); and
 - 9.1.4 execute all instruments of proxy or other documents which the Buyer may require to enable the Buyer to attend and vote at any such meeting.
- 9.2 Each Seller hereby appoints the Buyer (acting by any of its directors from time to time) as his or her attorney, with full power to exercise all rights to do, exercise or perform any act and thing to be done, and to execute any documents necessary to be completed or executed by the Sellers, in respect of the Shares, as the Buyer (as attorney) in its absolute discretion sees fit including (but not limited to):
- 9.2.1 receiving notice of, attending and voting at any general meeting of the shareholders of the Company, including meetings of the members of any particular class of shareholder, and all or any adjournments of such meetings, or signing any resolution as registered holder of the Shares;
 - 9.2.2 completing and returning any meeting requisition, form of proxy, consent to short notice, written resolution or other document to be signed by the registered holder of the Shares;
 - 9.2.3 dealing with, and giving directions as to, any moneys, securities, benefits, documents, notices or other communications (in any form) relating to the Shares;
 - 9.2.4 executing and delivering all deeds and instruments, and doing all acts in the Sellers' names as may be done in the Sellers' names as registered holder of the relevant Shares;
 - 9.2.5 authorising the Company to send any document, notice or other communication relating to the Shares to the Buyer; and
 - 9.2.6 exercising all other rights relating to the Shares.

9.3 The Buyer may appoint one or more persons to act as substitute attorney(s) for each of the Sellers and to exercise one or more of the powers conferred on the Buyer by the power of attorney in sub-clause 9.2.

9.4 The power of attorney in sub-clause 9.2 is granted by the Sellers to secure the interest of the Buyer in the Shares and so is irrevocable but shall expire on the date on which the Buyer (or its nominee) is entered in the Company's register of members as the holder of the relevant Shares.

10. WARRANTIES AND WARRANTORS' PROTECTION

10.1 Warranties

The Warrantors warrant to the Buyer that the terms of the Warranties are true, accurate and not misleading. For this purpose, each of the Warranties shall be deemed to be given on the date of this Agreement and repeated on the Completion Date by reference to the facts and circumstances then subsisting. Any reference made to the date of this Agreement (whether express or implied) in relation to any Warranty shall be construed, in connection with the repetition of the Warranties, as a reference to the date of such repetition.

10.2 Disclosure

The Warranties on the date of this Agreement are given subject to matters Disclosed in the First Disclosure Letter and (subject to the provisions of sub-clause 10.3) the Warranties repeated on the Completion Date are given subject to matters Disclosed in the First Disclosure Letter and any Second Disclosure Letter issued in accordance with clause 10.3.

10.3 Second Disclosure Letter

10.3.1 Subject always to the following provisions of this sub-clause 10.3, the Warrantors shall be entitled to deliver a Second Disclosure Letter to the Buyer on Completion.

10.3.2 Any Second Disclosure Letter:

- (a) shall only contain or disclose facts, matters or events of which none of the Warrantors was aware on or before the date of this Agreement;
- (b) shall not include disclosures of a general nature but only specific disclosures against specific Warranties.

10.3.3 The Warrantors shall, to the extent required, prepare a draft Second Disclosure Letter and shall deliver a copy of such draft Second Disclosure Letter to the Buyer no later than the date which is five Business Days prior to the Completion Date. Any such draft Second Disclosure Letter shall be in substantially final form by reference to the facts, matters and circumstances then subsisting. The Buyer shall be given a reasonable opportunity to consider and to comment on the proposed contents of the Second Disclosure Letter and to request and obtain further information and clarification from the Warrantors about the proposed contents of the Second Disclosure Letter. The Warrantors, acting in good faith, shall take account of any reasonable comments the Buyer makes on the Second Disclosure Letter.

10.3.4 For the avoidance of doubt, nothing in the Second Disclosure Letter shall qualify the Warranties given on the date of this Agreement or limit or affect any way the liabilities of the Warrantors under the Warranties given on the date of this Agreement.

10.4 Reliance by Buyer

The Sellers acknowledge that the Buyer is entering into this Agreement and making the Offer in reliance upon the Warranties.

10.5 Warranties independent

Each of the Warranties shall be separate and independent and, save as expressly provided herein, shall not be limited by reference to any other Warranty or anything in this Agreement.

10.6 Termination

If at any time during the period beginning on the signing of this Agreement and ending at Completion: (i) it becomes apparent that a Warranty given on the date of this Agreement has been breached, is untrue, inaccurate or misleading; (ii) any matter is Disclosed in the Second Disclosure Letter that would, save for such matter having been Disclosed, entitle the Buyer to bring any Claim (together with any connected Claims) in respect of the Warranties being repeated on the Completion Date for an amount which exceeds £100,000; or (iii) or that the Sellers have breached any other term of this Agreement (including any of the Sellers' obligations and undertakings in schedule 3 (*Sellers' obligations between signing and completion*) and such breach is material (for the purpose of paragraphs 1.1, 1.3, 1.8, 1.14, 1.15, 1.17, 1.18 and 1.19 of schedule 3, a breach being material if the resulting Losses to the Buyer are £100,000 or more), the Buyer may (at its sole discretion) terminate this Agreement by notice in writing to the Sellers and by withdrawing or lapsing the Offer in accordance with its terms (in which case clause 3.5 shall apply). If the Buyer terminates this Agreement and withdraws or lapses the Offer, it shall have no right to claim damages for breach of Warranty or for any other breach of this Agreement.

10.7 Waiver by Sellers

10.7.1 Each Warrantor hereby waives any rights they may have against any director, employee or officer of any member of the Sale Group on whom that Warrantor has relied in connection with preparing a Disclosure Letter or agreeing to any terms of this Agreement or any document to be entered into pursuant to it.

10.7.2 The provisions of sub-clause 10.7.1 may be enforced by any member of the Sale Group or any of its officers or employees against the Warrantors under the Contracts (Rights of Third Parties) Act 1999, but may be varied or terminated by agreement between the Warrantors and the Buyer (and the Buyer may also release or compromise in whole or in part any liability in respect of rights or claims contemplated by that sub-clause) without the consent of any member of the Sale Group or any such officer or employee.

10.8 Time limits

No Claim shall be capable of being made against the Warrantors unless written notice hereof shall have been given to the Warrantors by the Buyer (or by the Buyer's Solicitors on its behalf) within a period of 7 years from Completion (in the case of any claim under the Tax Covenant or for breach of any of the Tax Warranties) or within a period of 18 months from Completion (in the case of any Indemnity Claim or Warranty Claim).

10.9 Financial limits

10.9.1 The aggregate liability of the Warrantors for all Claims, excluding any liability for interest and costs, shall not exceed £500,000 and the maximum aggregate liability of each Warrantor for all such Claims shall not exceed the following amounts:

- (a) for Nick Clark, £240,000;
- (b) for Keith McCullagh, £165,000;
- (c) for Freddie Jenner, £75,000; and
- (d) for Jason Brameld, £20,000.

10.9.2 Each Warrantor shall be liable only for each proportion of any sum payable in respect of any Claim as is set out opposite their name in column (E) in the table in Part 1 of Schedule 1.

10.9.3 There shall be disregarded for all purposes (including for the purposes of sub-paragraphs 10.9.1 and 10.9.4), and the Buyer shall not be entitled to pursue or recover, any Claim (other than a Tax Claim) if the amount for which the Buyer would (but for the provisions of this sub-paragraph) be entitled to recover in respect of that Claim (together with any connected Claims) shall be less than £10,000.

10.9.4 Subject to sub-paragraph 10.9.3, the Buyer shall not be entitled to pursue or recover any amount in respect of a Claim (other than a Tax Claim) unless the amount recoverable for that Claim, when aggregated with the amounts recoverable for all other Claims, exceeds £50,000 in which event the Warrantors shall, subject to the other provisions of this clause 10, be liable for the whole amount of such liability and not merely the excess.

10.10 Specific exclusions of liability

The Warrantors shall have no liability to the Buyer for any Claim if and to the extent that:-

10.10.1 provision or reserve in respect of it was made in the Accounts, or the 2022 Accounts or the Management Accounts; or

10.10.2 it occurs (or is increased) as a result of the passing of, or any change in, after the date of this Agreement, any law, rule or regulation, in each case not actually or prospectively in force at the date of this Agreement, and which has retrospective effect; or

10.10.3 it occurs (or is increased) as a result of any change in the accounting bases, policies, practices or methods applied in preparing any accounts or valuing any assets or liabilities of the Company or any of the Subsidiaries introduced or having effect after Completion (other than to the extent such changes are necessary to comply with applicable law or generally accepted accounting principles in force at or prior to Completion).

10.11 Third Party Recovery Rights

10.11.1 If, after a Warrantor has paid in full the amount of any Claim, the Buyer or any member of the Sale Group recovers from a third party a sum which (if received before such payment by a Warrantor) would have reduced pro tanto the Warrantors' liability for such Claim, then the Buyer shall forthwith repay (or procure the repayment by any member of the Sale Group) to such Warrantor an amount equal to the lesser of (i) the sum so recovered (less any tax liability in respect of it and all costs and expenses of such recovery) and (ii) the amount of such Claim.

10.11.2 If a Warrantor pays to the Buyer the full amount of any Claim and either the Buyer or any member of the Sale Group has a right of reimbursement (in whole or in part) against any other person in respect of the matters for which such payment was made, the Buyer shall (except in circumstances where to enforce such right might, in the reasonable opinion of the Buyer, prejudice or damage the commercial reputation or business interests of the Buyer or any member of the Sale Group) at its option either assign (or procure the assignment of) the benefit of such right to such Warrantor or (but subject to the Warrantors first indemnifying and securing the Buyer and any member of the Sale Group to the Buyer's satisfaction against all Losses) take all reasonable steps to enforce such right and account to the Warrantor for any sums so recovered (not exceeding the amount of the Claim), in each case less any taxation liability of the Buyer or any member of the Sale Group in respect thereof and all costs and expenses of recovery.

10.12 Notification of Claims

The Buyer shall notify the Warrantors of any Claim as soon as reasonably practicable after all relevant facts have become known to the Buyer and the Buyer has had thereafter a reasonable opportunity to investigate the matter and to take professional advice on it. If the Warrantors shall first indemnify and secure the Buyer and any member of the Sale Group to the Buyer's satisfaction against all Losses, the Buyer shall take (and shall procure that any member of the Sale Group shall take) such action as the Warrantors may reasonably and promptly and unanimously request to avoid, dispute, resist, appeal or compromise any claim from a third party which may give rise to a Claim, provided always that neither the Buyer nor any member of the Sale Group shall be obliged to do or omit to do anything which would prejudice or damage the commercial reputation or business interests of the Buyer or any member of the Sale Group.

10.13 Disapplication in relation to Tax Claims

The provisions of sub-clauses 10.10.3 (*Specific Exclusions of Liability*) to 10.12 (*Notification of Claims*) shall not apply to Tax Claims.

10.14 Contingent Claims

If, in respect of any Claim, the liability of the Warrantors is based upon a liability which is contingent only, the Warrantors shall not be under any obligation to make a payment in respect of that liability until such time as it ceases to be contingent and becomes actual, provided that this sub-clause 10.14 shall not operate to avoid a Claim in respect of which notice has been given in accordance with sub-clause 10.8 (*Time limits*) notwithstanding that it is based on a liability which at that time remains contingent.

10.15 Mitigation

Nothing in this Clause shall restrict or limit the general obligation at law of the Buyer to mitigate any loss or damage which it may suffer in consequence of any breach of the Warranties.

10.16 Double recovery

In the event that the Buyer is entitled to claim under the Warranties or under the Tax Covenant in respect of the same subject matter, the Buyer may claim under each or any of them but payments under the Warranties shall *pro tanto* satisfy and discharge any claim which is capable of being brought under the Tax Covenant in respect of the same subject matter, and vice versa.

10.17 Exclusion for fraud

Nothing in this clause 10 or otherwise this Agreement shall limit or exclude the liability of a Warrantor for any Claim which arises as a result of the fraud or dishonesty of that Warrantor.

10.18 Warranties by the Buyer

The Buyer warrants to the Sellers that it is a corporation validly existing under the laws of England and Wales, it has full power and authority and has, subject to the conditions in clauses 3.1.1 to 3.1.4 (inclusive) being satisfied, obtained all necessary consents to enter into and perform the obligations expressed to be assumed by it under this Agreement, such obligations are legal, valid, binding and enforceable against it in accordance with their terms, and the execution, delivery and performance by the Buyer of this Agreement will not result in a breach of, or constitute a default under, any agreement or arrangement to which it is a party or by which it is bound, or result in a breach of any law or order, judgement or decree of any court, governmental agency or regulatory body to which it is a party or by which it is bound.

11. INDEMNITIES

11.1 Covenant to pay

11.1.1 The Warrantors covenant with the Buyer to pay to the Buyer (or, if directed by the Buyer, to any member of the Sale Group), on demand from time to time an amount equal to all Losses sustained or incurred by any member of the Sale Group or the Buyer in relation to the matters referred to in sub-clause 11.2.

11.1.2 If a payment due from the Warrantors under this clause 11 is subject to tax (whether by way of direct assessment or withholding at its source), the Buyer shall be entitled to receive from the Warrantors such amounts as shall ensure that the net receipt, after tax, received and retained by the Buyer in respect of the payment is the same as it would have been were the payment not subject to tax.

11.2 Scope of Indemnities

The matters referred to in sub-clause 11.1 are:

- 11.2.1 any actual or threatened claim against any member of the Sale Group or the Buyer by Joao Barreto to any purported offer or grant of Options by the Company to Joao Barreto at any time prior to Completion;
- 11.2.2 any actual or threatened claim against any member of the Sale Group or the Buyer by any individual and any actual or threatened enforcement proceedings brought by any supervisory authority, arising out of any breach by a member of the Sale Group of Data Protection Laws at any time prior to Completion provided that the Buyer has taken reasonable steps to mitigate the risk of any claim, litigation or enforcement action (including fines) or other processing in accordance with Data Protection Laws; and
- 11.2.3 any actual or threatened claim against any member of the Sale Group arising from a failure by a member of the Sale Group to properly maintain its register of members in accordance with all applicable laws since its Relevant Date.

11.3 Rights not exclusive

The Buyer's rights under this Clause 11 are in addition to, and shall not prejudice or affect, or be prejudiced or affected by, any other rights and discretions conferred on the Buyer under this Agreement or otherwise (including its rights in respect of any breach of the Warranties or any claim under the Tax Covenant).

12. TAX COVENANT

The provisions of Part 2 of Schedule 8 shall apply in this Agreement in relation to Taxation.

13. ANNOUNCEMENTS AND CONFIDENTIALITY

- 13.1 Subject to clause 13.2, no Party may make or permit any other person to make any press release or other public announcement about this Agreement or the transactions contemplated by it.
- 13.2 Clause 13.1 shall not apply to:
 - 13.2.1 the press release and RNS announcement (each in the agreed form) to be issued by the Buyer; or
 - 13.2.2 the information required to be included in and for the publication of the Circular, including all announcements and other disclosures required under the AIM Rules; or
 - 13.2.3 any other public announcement of the sale of the Shares by the Shareholders or Option Shares by any Option Holders made by the Buyer which contains no material information relating to this Agreement and the transactions contemplated by it that is not in the press release or RNS announcement or, once published, the Circular or the Offer Document or Option Holders TFG Letter.
- 13.3 Subject to clauses 13.4 and 13.6, each Party shall treat the following information as confidential, and shall not disclose or use it:
 - 13.3.1 details of the provisions of this Agreement and any agreement, document or arrangement entered into in connection with this Agreement;
 - 13.3.2 information relating to the negotiations leading to the execution of this Agreement and any agreement, document or arrangement entered into in connection with this Agreement; and
 - 13.3.3 (where obtained as a result of or in connection with negotiating, entering into, the exercise of rights or fulfilment of obligations under, this Agreement) information obtained by one Party relating to the other Party and any member of the other Party's Group.
- 13.4 Any Party may disclose or use information otherwise required by clause 13.3 to be treated as confidential:

- 13.4.1 if but only to the extent included in the press release and/ or RNS announcement in the agreed form referred to in clause 13.1, the Circular and the Offer Document (in each case, once published) and/or any other announcement required under the AIM Rules;
- 13.4.2 if disclosed to or used by: that Party's employees, officers, agents, consultants, insurers, professional advisers, auditors or bankers (at any relevant time); any other member of that Party's Group; or the employees, officers, agents, consultants, insurers, professional advisers, auditors or bankers (at any relevant time) of any other member of that Party's Group;
- 13.4.3 if but only to the extent required for the purpose of any legal (including arbitration and regulatory) proceedings arising out of this Agreement or the Offer or any agreement, document or arrangement entered into in connection with this Agreement or the Offer;
- 13.4.4 if but only to the extent that the information is or becomes generally available to the public through no fault of that Party; or
- 13.4.5 if disclosed to or used by any permitted assignee.
- 13.5 Each Party shall ensure that any person to whom confidential information is disclosed pursuant to clause 13.4.2 or clause 13.4.5 is made aware of the obligations of confidentiality contained in this clause and complies with clause 13.3 as if binding on it directly.
- 13.6 Each Party may disclose or use information otherwise required by clause 13.3 to be treated as confidential, or may make, or permit any person to make, any press release or other public announcement:
- 13.6.1 if but only to the extent required by applicable law or regulation in any relevant jurisdiction; and
- 13.6.2 if but only to the extent required or requested by any court, competent regulatory or governmental body, Tax Authority or securities exchange in any relevant jurisdiction, whether or not the requirement or request has the force of law;

and, provided that the Party using such information or making or permitting such disclosure, press release or announcement shall take all such steps as are reasonably practicable in the circumstances and permitted by law, to notify and consult with each other Party before the relevant disclosure, release or announcement is made, and shall take into account each other parties' reasonable comments.

14. GENERAL PROVISIONS

14.1 Agreement Survives Completion

The Warranties and all other provisions of this Agreement insofar as the same shall not have been performed at Completion shall remain in full force and effect notwithstanding Completion.

14.2 Costs

14.2.1 Subject to clause 14.2.2, the Buyer shall, at Completion, pay the Company and the Buyer's reasonable and properly incurred costs of and incidental to this Agreement.

- 14.2.2 Without prejudice to any other right or remedy the Parties may have, in the event that:
- (a) the Buyer terminates this Agreement in accordance with clause 10.6 (*Termination*); or
- (b) this Agreement terminates and ceases to have effect in accordance with clause 3.5 because any of the Conditions in clause 3.1.5 and/ or clause 3.1.7 have not been fully satisfied or waived,

all costs and expenses incurred by the Parties and the Company in negotiating, preparing, executing, rescinding and/or terminating this Agreement shall be borne by the Buyer and the Company in the following proportions: (i) 60% for the account of the

Buyer; and (ii) 40% for the account of the Company and the Sellers shall procure the payment by the Company to the Buyer of any such costs.

14.3 Rights etc. Cumulative and Other Matters

Any right conferred upon any Party in this Agreement shall be in addition to and without prejudice to all other rights and remedies available to it and no exercise or failure to exercise such a right shall constitute a waiver by the relevant Party of any such right or remedy. Completion, or any termination (or the Buyer's failure to terminate) this Agreement shall not constitute a waiver of any breach of this Agreement, whether or not known at Completion or on the date of termination of this Agreement (as applicable).

14.4 Counterparts

This Agreement may be executed in two or more counterparts and execution by each of the Parties of any one of such counterparts will constitute due execution of this Agreement.

14.5 Variations of Agreement

Subject to sub-clause 14.8 (*Releases, Compromises, Waivers etc. by Buyer*), no variation of this Agreement shall be effective, unless made in writing and signed by or on behalf of all the Parties.

14.6 Assignment etc.

This Agreement shall be binding on and enure for the benefit of the personal representatives of the Sellers but shall not be assignable, save that the Buyer may assign its rights and benefits under this Agreement (a) to another company which is its subsidiary or holding company provided that if such company ceases to be its subsidiary or holding company then prior to it so ceasing it shall reassign such rights and benefits to the Buyer or to another company which is its subsidiary or holding company or (b) to any lender to the Buyer or to any subsidiary or holding company of the Buyer or (c) to any person which acquires the Shares or the whole or any material part of the business, undertaking or assets of the Buyer or the Company.

14.7 Further Assurance

At any time after Completion each Seller shall, at the request of the Buyer, execute such documents and do such acts and things as the Buyer may reasonably require for the purpose of vesting the Shares in the Buyer or its nominee and giving to the Buyer the full benefit of this Agreement and the Offer.

14.8 Releases, Compromises, Waivers etc. by Buyer

The Buyer 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 of any Seller under this Agreement or any other Transaction Document and may do so without in any way prejudicing or affecting any other liability of or any other of its rights against any of the other Sellers.

14.9 Third Party Rights

Save as otherwise expressly provided in this Agreement, a person who is not a Party has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

14.10 Whole Agreement

This Agreement and the other Transaction Documents contain the whole agreement between the Parties relating to the transactions contemplated by this Agreement and the Transaction Documents and supersede all previous agreements, whether written or oral, between the Parties relating to these transactions.

14.11 Several Liability

14.11.1 Unless expressly provided otherwise, all obligations entered into and liabilities incurred by the Sellers in or under this Agreement are entered into or incurred by each of them severally and not jointly and severally.

14.11.2 The Buyer may take action against any one or more of the Sellers who are or may be liable in respect of the same or any similar obligation or liability, and may release or compromise (in whole or in part) the liability of any one or more of the Sellers (or grant any one or more of them any time or other indulgence) without affecting the liability of any of the other Sellers.

15. NOTICES

15.1 Notices to be in Writing

Unless otherwise expressly stated, any notice to be given hereunder shall be in writing and signed by or on behalf of the person giving it.

15.2 Method of Service

Any such notice shall be given either:

15.2.1 by hand delivery personally to a director of the Party to be served (if a company) or (if an individual) to him personally; or

15.2.2 by sending it in a prepaid envelope to the Party to be served at its registered office for the time being (if a company) or (if an individual) to his address stated in Schedule 1 or in any case to such other address in England as any Party may have notified to the other Parties for the purposes of this Clause.

15.3 Date of Service

Any notice given pursuant to sub-clause 15.2.1 shall be deemed to be served at the time of delivery. Any notice given pursuant to sub-clause 15.2.2 shall be deemed to be served 48 hours after posting, unless such time shall not be during a business day in which event it shall be deemed to be served at the beginning of the next following business day.

16. THE SELLERS' REPRESENTATIVE

16.1 The Sellers (excluding in their capacities as Warrantors) shall appoint one person (being a Seller) from time to time to be the representative of the Sellers (as the case may be) (the "**Sellers' Representative**") for the purposes described at sub-clause 16.4.

16.2 The Sellers' Representative shall be a Seller nominated in writing by the Sellers, so long as they are willing and able to act as the Sellers' Representative.

16.3 Any person from time to time nominated as the Sellers' Representative may be removed or replaced by Sellers between them holding a majority of the Shares held by the Sellers (as at the date hereof). The first Sellers' Representative shall be Nick Clark.

16.4 Each of the Sellers irrevocably authorises the Sellers' Representative to be his representative for the purposes of giving any consent, approval or agreement or taking any other action which this Agreement expressly states is to be given or taken or may be given or taken by the Sellers' Representative in accordance with this Agreement.

16.5 The Sellers shall from time to time promptly on request ratify and confirm whatever the Sellers' Representative may do or purport to do in good faith in the exercise of any authority conferred by this clause 16 and release Sellers' Representative from all claims the Seller may have against the Sellers' Representative in respect of any loss arising from anything so done.

17. APPLICABLE LAW AND JURISDICTION

17.1 The validity, construction and performance of this Agreement and any claim, dispute or matter (whether contractual or non-contractual) arising under or in connection with this Agreement or its enforceability shall be governed by and construed in accordance with the laws of England.

17.2 Each Party irrevocably submits to the exclusive jurisdiction of the courts of England over any claim, dispute or matter arising under or in connection with this Agreement or its enforceability or

the legal relationships established by this Agreement (including non-contractual disputes or claims) and waives any objection to proceedings being brought in such courts on the grounds of venue or on the grounds that proceedings have been brought in an inconvenient forum. Each Party further irrevocably agrees that a judgment in any proceedings brought in the courts of England shall be conclusive and binding upon each Party and may be enforced in the courts of any other jurisdiction.

17.3 Nothing in this Agreement shall affect the right to serve process in any manner permitted by law.

THIS AGREEMENT has been executed by or on behalf of the parties on the date at the top of page 1.

SCHEDULE 1 – THE SHAREHOLDERS**Part 1
The Sellers**

(A)	(B)	(C)	(D)	(E)
Shareholder	Address	Number of Shares	Number of Consideration Shares	Relevant Proportion
Nicholas Clark	[REDACTED]	611,672	24,011,490	48%
Siobhan Adele Robinson	[REDACTED]	420,834	16,520,049	0
Keith Graham McCullagh	[REDACTED]	572,252	22,464,038	33%
Jean Elizabeth McCullagh	[REDACTED]	480,827	18,875,104	0
Freddie Jenner & Melanie Jenner	[REDACTED]	154,496	6,064,817	15% (Freddie Jenner only)
Jason Brameld	[REDACTED]	20,000	785,110	4%
Pamela Ann Clark	[REDACTED]	6,522	256,024	0
Simon Clark & Amanda Boyce	[REDACTED]	4,658	182,852	0
Total	N/A	2,271,261	89,159,484	100%

Part 2
The Minority Shareholders

(A)	(B)	(C)	(D)
Shareholder	Address	Number of Shares	Number of Consideration Shares
John-David Papworth	[REDACTED]	414,582	16,274,623
Timothy David Moore	[REDACTED]	36,654	1,438,871
Elsie Rigden A/C NLR-B	[REDACTED]	31,129	1,221,984
Stewart Jeffrey Block	[REDACTED]	18,750	736,040
Pamela Emille Howie Finn	[REDACTED]	9,317	365,743
Elsie Rigden	[REDACTED]	5,593	219,556
Caro Rathbone	[REDACTED]	3,494	137,158
Christopher Robert Hulatt	[REDACTED]	3,250	127,580
Richard Thomas Anstey Hadden	[REDACTED]	3,187	125,107
Peter Charles Block	[REDACTED]	2,500	98,138
Nicholas John Gartside	[REDACTED]	1,250	49,069
Geoff Baier	[REDACTED]	1,125	44,162
Amelia Nicola Burke	[REDACTED]	1,000	39,255
Kevin Thomas Darby	[REDACTED]	625	24,534
Douglas Iain Varney	[REDACTED]	625	24,534
Farzin Deravi	[REDACTED]	420	16,487
Pauline Elizabeth Harvey	[REDACTED]	420	16,487
Victoria Anne McCordall	[REDACTED]	420	16,487
Edward Eastwood	[REDACTED]	178	6,987
Total	N/A	534,519	20,982,802

Part 3
Minority Option Holders

Option Holder	Option Shares	Number of Option Consideration Shares
John-David Papworth	25,000	981,387
Seth Beighton	17,500	686,971
Karen Hughes	7,500	294,416
Joao Barreto	1,000	39,255
Mark Solomons	2,500	98,138
David Baxter	5,000	196,277
Kelly Tracey	5,000	196,277
Esteban Cardonnet	5,000	196,277
Rachel Beighton	7,000	274,788
Len Turner	2,000	78,511
Andrew Grady	3,000	117,766
Abdul Basit	2,000	78,511
Phill Palmer	1,000	39,255
Stuart Wardle	1,000	39,255
Shahin Miah	1,000	39,255
Dave Sadler	1,000	39,255
Nikki Wells (nee Jones)	1,000	39,255
Julian Edginton	1,000	39,255
Robin Armstrong	1,000	39,255
Matthew Lee	1,000	39,255
David Simpson	1,000	39,255
Janki Gadher	1,000	39,255
Total	92,500	3,631,124

SCHEDULE 2 – THE SALE GROUP

Part 1 Details of the Company

Date and place of incorporation: 6 January 1997, England and Wales

Registered number: 03298917

Registered office: The Old Torpedo Factory, St Leonard's Road, London, NW10 6ST

Issued share capital: 2,805,780 Ordinary Shares of £0.05 each

Directors: Nicholas Clark, Freddie William Jenner, Dr Keith Graham McCullagh and John-David Papworth

Accounting reference date: 30 June

Charges: (i) a Debenture granted on 31 March 2008 and registered on 1 April 2008 between the Company and National Westminster Bank; and (ii) a debenture granted on 5 March 2007 and registered on 7 March 2008 between the Company and National Westminster Bank

Date of Incorporation: 6 January 1997

Part 2 Details of the Subsidiaries

Subsidiaries of Torpedo Factory Group Limited

Name of Subsidiary: Torpedo Factory Limited (100% shareholding)

Date and place of incorporation: 23 February 1960, England and Wales

Registered number: 00650255

Registered office: The Old Torpedo Factory, St Leonard's Road, London, NW10 6ST

Shareholders (and shareholding): Torpedo Factory Group Limited, 455,000 ordinary shares of £1.00 each

Directors: Nicholas Clark, Freddie William Jenner, Dr Keith Graham McCullagh, John-David Papworth and Jason Ian Newman Brameld

Accounting reference date: 30 June

Charges: (i) a Debenture granted on 24 May 1974 and registered on 5 June 1974 between the Torpedo Factory Limited and National Westminster Bank; and (ii) a Legal charge granted on 18 April 1985 and registered on 1 May 1985 between Torpedo Factory Limited and National Westminster Bank

Date of becoming a Subsidiary: 27 February 2001

Name of Subsidiary: TFG Stage Technology Ltd (100% shareholding)

Date and place of incorporation: 26 September 2000, England and Wales

Registered number: 04078374

Registered office: The Old Torpedo Factory, St Leonard's Road, London, NW10 6ST

Directors: David Andrew Baxter, Jason Ian Newman Brameld, Nicholas Clark, Freddie William Jenner and Kelly Ann Marie Tracey

Shareholders (and shareholding): Torpedo Factory Group Limited, 2,000 ordinary shares of £1.00 each

Accounting reference date: 30 June

Charges: (i) a charge granted on 4 September 2017 and registered on 7 September 2017 between TFG Stage Technology Ltd and National Westminster Bank; and (ii) a charge granted on 2 March 2021 and registered on 9 March 2021 between TFG Stage Technology Ltd and National Westminster Bank

Date of becoming a Subsidiary: 26 September 2000

Name of Subsidiary: Gordon Audio Visual Limited (100% shareholding)

Date and place of incorporation: 21 December 1999, England and Wales

Registered number: 03897816

Registered office: The Old Torpedo Factory, St Leonard's Road, London, NW10 6ST

Shareholders (and shareholding): Torpedo Factory Group Limited, 200,000 ordinary shares of £1.00 each.

Directors: Nicholas Clark and Dr Keith Graham McCullagh

Accounting reference date: 30 June

Charges: a debenture granted on 25 March 2008 and registered on 27 March 2008 between Gordon Audio Visual Limited and National Westminster Bank

Date of becoming a Subsidiary: 21 December 1999

Name of Subsidiary: Orion Audio Visual Limited (100% shareholding)

Date and place of incorporation: 25 May 2004, England and Wales

Registered number: 05137697

Registered office: The Old Torpedo Factory, St. Leonards Road, London, England, NW10 6ST

Shareholders (and shareholding): Torpedo Factory Group Limited, 100 ordinary shares of £1,00 each.

Directors: Nicholas Clark, Freddie William Jenner and Keith Graham McCullagh

Accounting reference date: 30 June

Charges: a charge granted on 7 April 2016 and registered on 15 April 2016 between Orion Audio Visual Limited and Torpedo Factory Group LTD

Date of becoming a Subsidiary: 7 April 2016

Subsidiaries of Torpedo Factory Limited

Name of Subsidiary: Foresight Audio Visual Limited (100% shareholding)

Date and place of incorporation: 14 December 2005, England and Wales

Registered number: 05654591

Registered office: The Old Torpedo Factory, St Leonard's Road, London, NW10 6ST

Shareholders (and shareholding): Torpedo Factory Limited, 100 ordinary shares of £1.00 each.

Directors: Nicholas Clark and Freddie William Jenner

Accounting reference date: 30 June

Charges: none

Date of becoming a Subsidiary: 14 December 2005

Name of Subsidiary: Pinnerton Video Systems Limited (100% shareholding)

Date and place of incorporation: 11 November 1991, England and Wales

Registered number: 02661909

Registered office: The Old Torpedo Factory, St. Leonards Road, London, England, NW10 6ST

Shareholders (and shareholding): Torpedo Factory Limited, 104 shares, comprising of 100 ordinary shares of £1.00 each, 1 A ordinary share of £1.00, 1 B ordinary share of £1.00, 1 C ordinary share of £1.00 and 1 D ordinary share of £1.00.

Directors: Nicholas Clark and Freddie William Jenner

Accounting reference date: 30 June

Charges: none

Date of becoming a Subsidiary: 1 September 2015

SCHEDULE 3

SELLERS' OBLIGATIONS BETWEEN SIGNING AND COMPLETION

1. Subject to paragraph 3, the Sellers shall exercise their powers as directors and shareholders of the Company so as to ensure (so far as they are able to do so by the exercise of such powers) that no member of the Sale Group takes any of the following actions without the prior written consent of the Buyer:
 - 1.1 depart in any material respect from the ordinary course of its day-to-day business;
 - 1.2 allot, issue, redeem or purchase any shares in the capital of any member of the Sale Group (except as resulting from the exercise of Options pursuant to the CSOP in accordance with the Option Holders TFG Letter);
 - 1.3 purchase any shares in any company or any ownership interest in any other undertaking;
 - 1.4 grant, issue or redeem any mortgage, charge, debenture or other security, in any case other than in the ordinary course of business;
 - 1.5 give any Assurance in respect of any obligation of any person other than a member of the Sale Group;
 - 1.6 create any Encumbrance over any of its assets or its undertaking;
 - 1.7 employ any person as an employee at a basic salary exceeding £75,000 per annum or terminate or give notice to terminate (in each case other than for breach) the employment of any such employee;
 - 1.8 terminate or give notice to terminate (in either case other than for breach) or materially vary the terms of, any material agreement to which it is a party at the date of this Agreement in any case other than in the ordinary course of business;
 - 1.9 enter into any agreement or transaction with any Seller or pay any management charge or other fee to any Seller;
 - 1.10 pass, propose or circulate any resolution of its shareholders;
 - 1.11 declare, make or pay any dividend or other distribution other than in favour of any other member of the Sale Group;
 - 1.12 incur any item of capital expenditure in excess of £50,000;
 - 1.13 incur any borrowings other than (a) borrowings incurred by way of trade credit in the ordinary course of business; (b) borrowings from another member of the Sale Group; (c) any interest accruing on borrowings incurred before the date of this Agreement;
 - 1.14 make any loan other than to another member of the Sale Group or in the ordinary course of business;
 - 1.15 enter into any lease, lease-hire or hire-purchase agreement or agreement for payment on deferred terms;
 - 1.16 amend or agree to amend the terms of the CSOP;
 - 1.17 sell or otherwise dispose of any interest in, or grant any third party rights in respect of, any of its material assets except in the ordinary course of business;
 - 1.18 commence, settle or agree to settle any legal proceedings relating to the Business, or otherwise concerning the Company or any of the Subsidiaries;
 - 1.19 vary the terms on which it holds any of the Properties, or settle any rent review; or
 - 1.20 agree (whether conditionally or not) to do any of the above activities.

2. Subject to paragraph 3, the Sellers shall not do, and shall procure that no member of the Sale Group does, anything which would cause any of the Warranties to be untrue in any material respect.
3. The Sellers and any member of the Sale Group may take all or any of the following actions without breach by the Seller of paragraphs 1 and 2:
 - 3.1 any action required to be taken in order to comply with any applicable law or regulation (including any action taken by any director of the Seller or any member of the Sale Group to ensure compliance with his duties as a director); and
 - 3.2 any action taken at the request of the Buyer.

SCHEDULE 4

COMPLETION OBLIGATIONS

1. The Sellers shall deliver or make available to the Buyer:
 - 1.1 the Second Disclosure Letter, duly executed by the Warrantors;
 - 1.2 transfers of the Shares in favour of the Buyer, duly executed by or on behalf of the relevant Shareholders in accordance with the Form of Acceptance or Drag Along Notice;
 - 1.3 the share certificates representing the Shares or indemnities in the agreed form for any missing share certificates duly executed as a deed;
 - 1.4 the NC Service Agreement, duly executed by Nick Clark;
 - 1.5 the Deeds of Surrender, duly executed by the Majority Option Holders and the Company, and the Buyer Option Agreements, duly executed by Jason Brameld and Freddie Jenner;
 - 1.6 a copy of a director's resignation letter (in agreed form), duly executed by Keith McCullagh acknowledging that he has no claim outstanding against the Company consequent upon such retirement from office or on any other account, save for accrued remuneration or expenses for the month in which Completion takes place;
 - 1.7 a written acknowledgement by way of deed, duly executed by the Sellers in the Agreed Form, acknowledging that as at Completion (and save as expressly stated therein) there are no sums due, owing or outstanding by the Sale Group to the Sellers;
 - 1.8 the Relationship Agreement, duly executed by each of the Warrantors;
 - 1.9 any third party, regulatory or tax consents or approvals necessary for the Transaction being received on terms reasonably satisfactory to the Buyer;
 - 1.10 share certificates representing all of the issued shares held by any member of the Sale Group in each Subsidiary, or an indemnity in the agreed form for any missing share certificates duly executed as a deed;
 - 1.11 the seal (if any), statutory registers (including registers of members), certificate of incorporation and any certificate of incorporation on change of name of each Member of the Sale Group;
 - 1.12 WebFiling authentication codes of each member of the Sale Group;
 - 1.13 all information (including passwords) required to access the online banking facilities of the Company and each Subsidiary; and
 - 1.14 the Lock-in Agreement duly executed by the Sellers.
2. The Sellers shall procure:
 - 2.1 that a board meeting of the Company is duly convened and held at which the following business shall be transacted and arrange for a copy of the minutes of such meeting to be provided to the Buyer:
 - 2.1.1 the appointment of such persons as the Buyer may nominate as additional directors of the Company and the retirement of Keith McCullagh as director of the Company;
 - 2.1.2 the approval for registration by the board of directors of the Company of the transfers of Shares referred to in paragraph 1.2, subject only to their being duly stamped; and
 - 2.2 (if applicable) that all indebtedness owing immediately before Completion from any Seller or Minority Shareholder or any person connected with any Seller or Minority Shareholder to the Company, is or has been satisfied in full (together with all interest accruing thereon up to and including Completion);

- 2.3 (if applicable) that the Company is absolutely and unconditionally released from all guarantees, indemnities and other similar obligations and liabilities given or entered into by the Company for the benefit of, or in respect of any liability or obligation of, any Seller or Minority Shareholder and any person connected with any Seller or Minority Shareholder.
3. The Buyer shall:
 - 3.1 deliver to the Sellers a copy of the minutes of a meeting of the directors of the Buyer, in the agreed form:
 - 3.1.1 resolving that the Buyer should complete this Agreement, execute or sign each other document to be executed or signed by or on behalf of it at Completion, and authorising the execution or signing of those documents by each person signing on behalf of the Buyer;
 - 3.1.2 appointing to the Buyer's board of directors Nick Clark as an executive director; and
 - 3.1.3 adopting the Business Plan.
 - 3.2 deliver to the Sellers counterparts of the following documents, executed by all parties other than the Sellers:
 - 3.2.1 the Second Disclosure Letter;
 - 3.2.2 the NC Service Agreement;
 - 3.2.3 the Buyer Option Agreements;
 - 3.2.4 the Relationship Agreement;
 - 3.2.5 the Lock-In Agreement
 - 3.3 allot and issue the Consideration Shares, subject only to Completion;
 - 3.4 following Completion, procure that an application to AIM is made in respect of the Consideration Shares and shall use its best endeavours to procure that the Consideration Shares be admitted to trading on AIM in accordance with the provisions of the AIM Rules.

SCHEDULE 5 WARRANTIES

Part 1- General Warranties

1. Shares in the Company and the Subsidiaries

- 1.1 The Shares constitute the whole of the allotted and issued share capital of the Company and are fully paid or credited as fully paid.
- 1.2 The Company or a Subsidiary is the sole legal and beneficial owner of the whole of the allotted and issued share capital of each of the Subsidiaries.
- 1.3 The issued shares of each Subsidiary are fully paid or credited as fully paid.
- 1.4 No person has any right to require, at any time, the creation, issue or allotment of any share, loan capital or other securities of the Company (or any rights or interest in them), and the Company has not agreed to confer any such rights, and no person has claimed any such rights.
- 1.5 No person has any right to require, at any time, the transfer, creation, issue or allotment of any share, loan capital or other securities of any of the Subsidiaries (or any rights or interest in them), and neither the Company or any of the Subsidiaries has agreed to confer any such rights, and no person has claimed any such rights.
- 1.6 No Encumbrance has been granted to any person or otherwise exists affecting:
 - 1.6.1 any issued shares of the Subsidiaries; or
 - 1.6.2 any unissued shares, debentures or other unissued securities of the Company or any of the Subsidiaries.
- 1.7 No commitment to create any such Encumbrance has been given, nor has any person claimed any right to such an Encumbrance.
- 1.8 Neither the Company nor any of the Subsidiaries:
 - 1.8.1 holds or beneficially owns, or has agreed to acquire, any shares, loan capital or any other securities in any company, except for the Subsidiaries;
 - 1.8.2 has at any time since the Relevant Date had any subsidiary or subsidiary undertaking, except for the Subsidiaries;
 - 1.8.3 is, or has agreed to become, a member of any limited liability partnership, partnership or other unincorporated association, joint venture or consortium (other than recognised trade associations);
 - 1.8.4 controls or takes part in the management of any company or business organisation (except for the Subsidiaries), nor has it agreed to do so;
 - 1.8.5 is, in relation to any company (other than a Subsidiary) or limited liability partnership registered in the UK, a registrable relevant legal entity within the meaning of section 790C of the CA 2006; or
 - 1.8.6 has any branch or permanent establishment outside its country of incorporation.

- 1.9 Neither the Company nor any of the Subsidiaries has at any time since the Relevant Date:
- 1.9.1 purchased, redeemed, reduced, forfeited or repaid any of its own share capital; or
 - 1.9.2 given any financial assistance in contravention of any applicable law or regulation; or
 - 1.9.3 allotted or issued any securities that are convertible into shares.
- 1.10 No shares in the capital of the Company or any of the Subsidiaries have been issued, and no transfer of any such shares has been registered, except in accordance with all applicable laws and the memorandum and articles of association of the Company or the relevant Subsidiary (as the case may be), and all such transfers have been duly stamped (where applicable).
- 1.11 No warning notice or restrictions notice has been issued under Schedule 1B (Enforcement of disclosure requirements) of the CA 2006 in respect of any shares or voting rights in, or any right to appoint or remove any member of the board of directors of, the Company or any of the Subsidiaries.
- 2. Constitutional and corporate documents**
- 2.1 Copies of the memorandum and articles of association (or other constitutional and corporate documents) of the Company and the Subsidiaries have been Disclosed. Such copy documents:
- 2.1.1 are true, accurate and complete in all respects;
 - 2.1.2 have attached to them copies of all resolutions and agreements required by applicable law to be so attached; and
 - 2.1.3 fully set out all the rights and restrictions attaching to each class of shares in the capital of the Company and the Subsidiaries.
- 2.2 The register of members, register of people with significant control (PSC Register) and all other statutory books and registers of the Company and each of the Subsidiaries:
- 2.2.1 have been properly kept in accordance with all applicable laws;
 - 2.2.2 are correctly written up to date; and
 - 2.2.3 contain a true, complete and accurate record of all matters and information which should be contained in them.
- 2.3 No notice or allegation has been received that any such registers or books are incorrect or should be rectified.
- 2.4 In relation to its PSC Register, the Company and each Subsidiary has at all times complied with its duties under section 790D (Duty to investigate and obtain information) and section 790E (Duty to keep information up-to-date) of the CA 2006.
- 2.5 All returns, particulars, resolutions and other documents that the Company or any of the Subsidiaries is required by law to file with, or deliver to, any authority in any jurisdiction (including, in particular, the Registrar of Companies in England and Wales) at any time since the Relevant Date have been correctly made up and duly filed or delivered.
- 2.6 All dividends or distributions declared, made or paid by the Company or any of the Subsidiaries at any time since the Relevant Date have been declared, made or paid in accordance with its

memorandum and articles of association, all applicable laws and regulations and any agreements or arrangements made with any third party regulating the payment of dividends and distributions.

- 2.7 All material deeds and documents belonging to the Company or any of the Subsidiaries, or to which any of them is a party, are in the possession of the Company or the relevant Subsidiary (as the case may be) or a copy is held by the Company or the relevant Subsidiary (as the case may be).

3. Accuracy of information

- 3.1 The particulars of the Company and the Subsidiaries set out in Schedule 2 are true, accurate, complete and not misleading.

4. Compliance with laws

- 4.1 The Company and each Subsidiary has, in all material respects, at all times since the Relevant Date conducted its business in accordance with, and has acted in compliance with, all applicable laws and regulations of any relevant jurisdiction.
- 4.2 Neither the Company nor any of the Subsidiaries, nor any of their respective directors or employees (current or past), has at any time since the Relevant Date been convicted of an offence in relation to the business or affairs of the Company or any of the Subsidiaries.

5. Licences and consents

- 5.1 The Company and each of the Subsidiaries holds all governmental or regulatory licences, consents, permits and authorities necessary to carry on its business in the places and in the manner in which it is carried on at the date of this Agreement ("**Consents**"). Details of the Consents and copies of all related documentation have been Disclosed.
- 5.2 Each of the Consents is valid and subsisting, and neither the Company nor any of the Subsidiaries is in breach of the terms or conditions of the Consents (or any of them).
- 5.3 So far as the Warrantors are aware, there is no reason why any of the Consents may be revoked, suspended or cancelled (in whole or in part), or may not be renewed on the same terms.

6. Insurance

- 6.1 The Disclosure Letter includes complete and accurate details of all insurance policies maintained by or on behalf of the Company or any of the Subsidiaries ("**Policies**").
- 6.2 The Policies are in full force and effect, all premiums due on them have been paid and all other conditions of the Policies have been performed and observed.
- 6.3 Neither the Company nor any of the Subsidiaries has done, or omitted to do, anything that may result in an increase in the premium payable for any of the Policies, or that may adversely affect the renewal of any of the Policies.
- 6.4 None of the Policies:
- 6.4.1 are subject to any special or unusual terms or restrictions, or to the payment of any premium in excess of the normal rate;
 - 6.4.2 so far as the Warrantors are aware, are void or voidable and nothing has been done, or omitted to be done, which could make any of them void or voidable;
or

6.4.3 are capable of being terminated, or will otherwise cease to be available to the Company or any of the Subsidiaries as a result of Completion.

6.5 The Disclosure Letter contains complete and accurate details of all insurance claims made by the Company or any of the Subsidiaries during the period of 12 months ending on the date of this Agreement.

6.6 There are no outstanding claims under, or in respect of the validity of, any of the Policies and, so far as the Warrantors are aware, there are no circumstances likely to give rise to a claim under any of the Policies.

7. Powers of attorney and power to bind

7.1 There are no powers of attorney granted by the Company or any of the Subsidiaries which are currently in force.

7.2 No person is entitled or authorised in any capacity to bind or commit the Company or any of the Subsidiaries to any obligation outside the ordinary course of the Business.

7.3 The Disclosure Letter specifies those persons who have authority to bind the Company and the Subsidiaries in the ordinary course of the Business.

8. Disputes and investigations

8.1 Neither the Company nor any of the Subsidiaries, nor any of their respective Directors, nor any other person for whose acts the Company or any of the Subsidiaries may be vicariously liable, is engaged or involved in, or otherwise subject to any of the following matters (such matters being referred to in this paragraph 8 as "**Proceedings**"):

8.1.1 any litigation or administrative, mediation, arbitration or other proceedings, or any claims, actions or hearings before any court, tribunal or any governmental, regulatory or similar body, or any department, board or agency (except for debt collection in the normal course of business); or

8.1.2 any dispute with, or any investigation, inquiry or enforcement proceedings by, any governmental, regulatory or similar body or agency in any jurisdiction.

8.2 No Proceedings have been threatened or are pending by or against the Company, any of the Subsidiaries, any Director or any other person for whose acts the Company or any of the Subsidiaries may be vicariously liable, and so far as the Warrantors are aware there are no circumstances likely to give rise to any such Proceedings.

8.3 Neither the Company nor any of the Subsidiaries:

8.3.1 is affected by any subsisting or pending judgment, order or other decision or ruling of a court, tribunal or arbitrator, or of any governmental, regulatory or similar body or agency in any jurisdiction; or

8.3.2 has given to any court, tribunal or arbitrator, or any governmental, regulatory or similar body or agency in any jurisdiction, or to any other third party a subsisting undertaking arising out of, or in connection with, any Proceedings.

9. Defective products and services

9.1 So far as the Warrantors are aware, neither the Company nor any of the Subsidiaries has manufactured or sold any products or supplied any services that were at the time they were manufactured, sold or supplied faulty or defective, or that did not or do not comply with any:

9.1.1 warranties or representations expressly or impliedly made by or on behalf of the Company or any of the Subsidiaries in connection with such products or services; or

9.1.2 laws, regulations, standards and requirements applicable to such products or services.

9.2 No proceedings have been started, are pending or have been threatened against the Company or any of the Subsidiaries:

9.2.1 in which it is claimed that any product manufactured or sold by the Company or any of the Subsidiaries is defective, not appropriate for its intended use or has caused bodily injury or material damage to any person or property when applied or used as intended; or

9.2.2 in respect of any services supplied by the Company or any of the Subsidiaries.

9.3 There are no disputes between the Company or any of the Subsidiaries and any of their respective customers, clients or any other third parties in connection with any products or services manufactured, sold or supplied by the Company or any of the Subsidiaries.

10. Customers and suppliers

10.1 The definition in this paragraph applies in this Agreement.

"Material Counterparty" means any customer, client or supplier of the Company or any of the Subsidiaries where revenues or expenditure of the Sale Group in respect of that customer client or supplier in the calendar year ending 31 December 2022 exceeded £100,000.

10.2 In the period of 12 months ending on the date of this Agreement:

10.2.1 no Material Counterparty has ceased, or threatened to cease to do business with, or reduced, or threatened to reduce in any material respect the extent to which it does business with, the Company or any of the Subsidiaries;

10.2.2 there has been no material adverse change in the basis or terms on which any Material Counterparty does business with the Company or any of the Subsidiaries; and

10.2.3 the Business has not been materially affected in an adverse manner as a result of (either individually or in combination) the loss of, or reduction in trading with, any customer, client or supplier of the Company or any of the Subsidiaries, or a change in the terms on which any such customer, client or supplier does business with the Company or any of the Subsidiaries.

10.3 So far as the Warrantors are aware, none of the matters referred to in paragraph 10.2 of Part 1 of this Schedule 5 is likely to occur in the period of 12 months starting from the date of this Agreement.

- 10.4 No customer, client or supplier accounted for more than 5% of the aggregate sales or purchases (as applicable) made by the Sale Group during the period of 12 months ending on 31 December 2022.
- 10.5 So far as the Warrantors are aware, no customer or client of the Company or any of the Subsidiaries who is a Material Counterparty is subject to a relevant insolvency procedure within the meaning of section 233B(2) of the Insolvency Act 1986.

11. Contracts

- 11.1 The definition in this paragraph applies in this Agreement.

"Material Contract" means any agreement, arrangement, understanding or commitment with a Material Counterparty.

- 11.2 Except as Disclosed, neither the Company nor any of the Subsidiaries is a party to, or otherwise subject to any agreement, arrangement, understanding or commitment which:

- 11.2.1 is a Material Contract;
- 11.2.2 is of an unusual or exceptional nature;
- 11.2.3 is not in the ordinary and usual course of the Business;
- 11.2.4 may be terminated as a result of a change of Control of the Company or any of the Subsidiaries;
- 11.2.5 restricts the freedom of the Company or any of the Subsidiaries to carry on the Business in any part of the world in such manner as it thinks fit;
- 11.2.6 involves agency or distributorship;
- 11.2.7 involves partnership, joint venture, consortium, joint development, shareholder or similar arrangements;
- 11.2.8 involves the grant of any sole or exclusive rights by or to the Company or any of the Subsidiaries;
- 11.2.9 is incapable of complete performance in accordance with its terms within 12 months after the date on which it was entered into;
- 11.2.10 cannot be readily fulfilled or performed by the Company or the relevant Subsidiary on time and without undue or unusual expenditure of money and effort;
- 11.2.11 involves or is likely to involve an aggregate consideration payable by or to the Company or any of the Subsidiaries after the date of this Agreement in excess of £100,000;
- 11.2.12 requires the Company or any of the Subsidiaries to pay any commission, finder's fee, royalty or the like;
- 11.2.13 is for the supply of goods and/or services by or to the Company or any of the Subsidiaries on terms under which retrospective or future discounts, price reductions or other financial incentives are given;

- 11.2.14 is not on arm's-length terms; or
 - 11.2.15 is a finance lease, hire purchase, rental or credit sale agreement or which otherwise provides for the purchase or right to purchase any asset by instalment payments.
- 11.3 There are no outstanding or ongoing negotiations of material importance to the business, profits or assets of the Company or any of the Subsidiaries, or any outstanding quotations or tenders for a contract that, if accepted, would give rise to a Material Contract.
- 11.4 Each Material Contract is in full force and effect and binding on the parties to it.
- 11.5 Neither the Company nor any of the Subsidiaries, nor, so far as the Warrantors are aware, any counterparty is (or will, with the lapse of time, be) in default of any:
- 11.5.1 Material Contract; or
 - 11.5.2 other agreement, arrangement, undertaking or commitment a default of which would be material having regard to the trading, profits or financial position of the Company or any of the Subsidiaries.

No such default has been threatened, and there are no facts or circumstances likely to give rise to any such default.

- 11.6 No notice of termination of a Material Contract has been received or served by the Company or any of the Subsidiaries, and, so far as the Warrantors are aware, there are no grounds for the termination, rescission, avoidance, repudiation or a material change in the terms of any such contract.

12. Transactions with the Sellers and Sellers' interests

- 12.1 There is no outstanding indebtedness or other liability (actual or contingent) and no outstanding contract, commitment or arrangement between the Company or any of the Subsidiaries and any of the following:
- 12.1.1 a Seller, or any person Connected with a Seller; or
 - 12.1.2 a Director, or any person Connected with a Director.
- 12.2 None of the Sellers, nor any person Connected with a Seller, has a claim of any nature against the Company or any of the Subsidiaries, or has assigned to any person the benefit of any such claim.
- 12.3 None of the Sellers is at the date of this Agreement, or has been at any time during the period of three years immediately preceding the date of this Agreement, concerned, interested or engaged, directly or indirectly and in whatever capacity, in any other business similar to or competitive with the Business.

13. Finance and guarantees

- 13.1 The Disclosure Letter contains full particulars of all:
- 13.1.1 money borrowed by the Company and each of the Subsidiaries; and
 - 13.1.2 loans, overdrafts or other financial facilities currently outstanding or available to the Company or any of the Subsidiaries ("**Financial Facilities**"), including copies of all material documents relating to such Financial Facilities.

- 13.2 The total amount borrowed by the Company or any of the Subsidiaries (whether pursuant to the Financial Facilities or otherwise) does not exceed any limitations on the borrowing powers of the Company or the relevant Subsidiary contained in:
- 13.2.1 its articles of association; or
 - 13.2.2 any debenture or other deed or document binding on the Company or the relevant Subsidiary.
- 13.3 There are no circumstances or matters known to the Warrantors which could affect the continuance of any of the Financial Facilities, or which may result in an amendment of their terms.
- 13.4 No indebtedness of the Company or any of the Subsidiaries is due and payable and no Encumbrance over any of the assets of the Company or any of the Subsidiaries is now enforceable, whether by virtue of the stated maturity date of the indebtedness having been reached or otherwise.
- 13.5 Neither the Company nor any of the Subsidiaries has received any notice (whose terms have not been fully complied with or carried out) from any creditor requiring any payment to be made in respect of any indebtedness (whether arising pursuant to the Financial Facilities or otherwise), or intimating the enforcement of any Encumbrance which it holds over the assets of the Company or any of the Subsidiaries.
- 13.6 Except as Disclosed, no Encumbrance, guarantee, indemnity or other similar security arrangement has been given or entered into (or agreed to be given or entered into) by the Company, a Subsidiary or any third party in respect of the borrowings or other obligations of the Company or any of the Subsidiaries (whether arising pursuant to the Financial Facilities or otherwise).
- 13.7 Neither the Company nor any of the Subsidiaries has given or entered into (or agreed to give or enter into) any Encumbrance, guarantee, indemnity or other similar security arrangement in respect of the indebtedness of, or the default in the performance of any obligation by, any other person.
- 13.8 Neither the Company nor any of the Subsidiaries has:
- 13.8.1 factored or discounted any of its debts;
 - 13.8.2 engaged in financing of a type which would not need to be shown or fully reflected in the Accounts; or
 - 13.8.3 waived any right of set-off it may have against any third party.
- 13.9 Neither the Company nor any of the Subsidiaries has any outstanding loan capital, or has lent any money that has not been repaid, and there are no debts owing to the Company or any of the Subsidiaries other than debts that have arisen in the normal course of the Business.
- 13.10 The debts owing to the Company or any of the Subsidiaries as reflected in the 2022 Accounts, and all debts subsequently recorded in the books of the Company or any of the Subsidiaries since the 2022 Accounts Date:
- 13.10.1 have been realised, or will, so far as the Warrantors are aware, within three months after the date of this Agreement realise in cash their full amount as included in those 2022 Accounts or books;
 - 13.10.2 have not been outstanding (in whole or in part) for more than two months from its due date for payment; and
 - 13.10.3 are not subject to any right of set-off or counterclaim.

- 13.11 Neither the Company nor any of the Subsidiaries is subject to any arrangement for receipt or repayment of any grant, subsidy or financial assistance from any government department or other body.
- 13.12 Particulars of the balances of all the bank accounts of the Company and the Subsidiaries, showing the position as at the day immediately preceding the date of this Agreement, have been Disclosed and neither the Company nor any of the Subsidiaries has any other bank account. Since the date of those particulars, there have been no payments out of those bank accounts other than routine payments in the ordinary course of the Business.

14. Liabilities

- 14.1 Neither the Company nor any of the Subsidiaries has any liabilities (including contingent liabilities) other than as disclosed in the 2022 Accounts or incurred in the ordinary and proper course of the Business since the 2022 Accounts Date.
- 14.2 No sum is owing by the Company or any of the Subsidiaries to their auditors, solicitors or other professional advisers, and no accrual ought properly to be made by it in respect of any such sum.

15. Effect of the Transaction

- 15.1 Neither the acquisition of the Shares by the Buyer, nor compliance with the terms of this Agreement or the Offer will:
 - 15.1.1 cause the Company or any of the Subsidiaries to lose the benefit of any asset, right or privilege it presently enjoys;
 - 15.1.2 relieve any person of any obligation to the Company or any of the Subsidiaries (whether contractual or otherwise), or enable any person to determine any such obligation or any right or benefit enjoyed by the Company or any of the Subsidiaries, or to exercise any other right in respect of the Company or any of the Subsidiaries;
 - 15.1.3 result in any customer, client or supplier being entitled to cease dealing with the Company or any of the Subsidiaries, or, so far as the Warrantors are aware, materially reducing its level of business, or changing the terms on which it deals, with the Company or any of the Subsidiaries;
 - 15.1.4 result in the loss or impairment of, or any default under, any licence, authorisation or consent required by the Company or any of the Subsidiaries for the purposes of the Business;
 - 15.1.5 so far as the Warrantors are aware, result in any officer or senior Employee leaving the Company or any of the Subsidiaries;
 - 15.1.6 result in the creation, imposition, crystallisation or enforcement of any Encumbrance on any of the assets of the Company or any of the Subsidiaries;
 - 15.1.7 result in any present or future indebtedness of the Company or any of the Subsidiaries becoming due and payable, or capable of being declared due and payable, prior to its stated maturity date, or cause any Financial Facility to be terminated or withdrawn;
 - 15.1.8 entitle any person to receive from the Company or any of the Subsidiaries any finder's fee, brokerage or other commission in connection with the Transaction;

- 15.1.9 give rise to, or cause to become exercisable, any right of pre-emption over the Shares; or
- 15.1.10 entitle any person to acquire, or affect the entitlement of any person to acquire, shares in the Company.

16. Insolvency

16.1 Neither the Company nor any of the Subsidiaries:

- 16.1.1 is insolvent or unable to pay its debts within the meaning of the Insolvency Act 1986 or any other applicable insolvency legislation; or
- 16.1.2 has stopped paying its debts as they fall due.

16.2 No step has been taken or proposal made in any applicable jurisdiction to initiate any process by or under which:

- 16.2.1 the ability of the creditors of the Company or any of the Subsidiaries to take any action to enforce their debts is suspended, restricted or prevented, including (without limitation) pursuant to a moratorium under Part A1 of the Insolvency Act 1986;
- 16.2.2 some or all of the creditors of the Company or of any of the Subsidiaries accept, by agreement or in pursuance of a court order, an amount less than the sums owing to them in satisfaction of those sums, or make any other compromise or arrangement with the Company or the Subsidiaries (including, without limitation, a company voluntary arrangement under Part 1 of the Insolvency Act 1986, a scheme of arrangement under Part 26 of the CA 2006 or a restructuring plan under Part 26A of the CA 2006);
- 16.2.3 a person is appointed to manage the affairs, business and assets of the Company or any of the Subsidiaries on behalf of their creditors; or
- 16.2.4 the holder of a charge over any of the assets of the Company or any of the Subsidiaries is appointed to control the business and/or any assets of the Company or any of the Subsidiaries.

16.3 In relation to the Company and each of the Subsidiaries:

- 16.3.1 no administrator has been appointed;
- 16.3.2 no documents have been filed with, and no application has been made to, the court for the appointment of an administrator; and
- 16.3.3 no notice of an intention to appoint an administrator has been given by the relevant company, its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986).

16.4 No petition has been presented or order made for the winding up of the Company or any of the Subsidiaries, no resolution has been passed or proposed for the winding up of the Company or any of the Subsidiaries and no other process has been initiated which could lead to the Company or any of the Subsidiaries being wound up or its assets being distributed among its creditors, shareholders or other contributors or the Company or any of the Subsidiaries being dissolved.

- 16.5 No distress, execution or other process has been commenced, levied or enforced on, and no creditor or encumbrancer has taken possession or control of, any goods or assets of the Company or any of the Subsidiaries.
- 16.6 No event has occurred, and no proceedings have been taken, in relation to the Company or any of the Subsidiaries in any jurisdiction other than the UK, that has an effect equivalent or similar to any of the matters referred to in paragraph 16.3 to paragraph 16.5 (inclusive) above.
- 16.7 Neither the Company nor any of the Subsidiaries has:
- 16.7.1 been a party to any transaction at an undervalue as defined in section 238 of the Insolvency Act 1986; or
 - 16.7.2 given or received any preference as defined in section 239 of the Insolvency Act 1986.

17. Accounts

- 17.1 The 2021 Audited Group Accounts and 2022 Group Accounts:
- 17.1.1 show a true and fair view of the state of affairs of the Company and the Subsidiaries as at the Accounts Date or 2022 Accounts Date (as applicable), and of their profit or loss and total comprehensive income for the accounting period ended on the Accounts Date or 2022 Accounts Date (as applicable);
 - 17.1.2 have been properly prepared in accordance with IFRS, using appropriate accounting policies and estimation techniques as required by IAS8;
 - 17.1.3 comply with the requirements of the CA 2006 and all other applicable law and regulations in the UK;
 - 17.1.4 (save as the 2021 Audited Group Accounts and 2022 Group Accounts expressly disclose) are not affected by any extraordinary, exceptional or non-recurring items; and
 - 17.1.5 (save as the 2021 Audited Group Accounts and 2022 Group Accounts expressly disclose) have been prepared using the same accounting policies and estimation techniques as those adopted and applied in preparing the Previous Accounts.
- 17.2 The 2021 and 2022 Individual Accounts:
- 17.2.1 show a true and fair view of the state of affairs of the Company or the Subsidiary to which they relate as at the Accounts Date or 2022 Accounts Date (as applicable), and of its profit or loss and total comprehensive income for the accounting period ended on the Accounts Date or 2022 Accounts Date (as applicable);
 - 17.2.2 have been properly prepared in accordance with IFRS using appropriate accounting policies and estimation techniques as required by IAS 8;
 - 17.2.3 comply with the requirements of the CA 2006 and all other applicable law and regulations in the UK;
 - 17.2.4 (save as the 2021 and 2022 Individual Accounts expressly disclose) are not affected by any extraordinary, exceptional or non-recurring items; and

- 17.2.5 (save as the 2021 and 2022 Individual Accounts expressly disclose) have been prepared using the same accounting policies and estimation techniques as those adopted and applied in preparing the Previous Accounts; and
- 17.2.6 if prepared using the reduced disclosure framework as laid out in FRS 102, the conditions in paragraph 1.11 of FRS 102 have been met.
- 17.3 The Accounts have been audited by an individual or firm registered to act as auditors in the UK and the auditors' reports thereon are unmodified.
- 17.4 The Accounts (together in each case with the related directors' reports and auditors' reports) have been:
 - 17.4.1 circulated to every person entitled to receive a copy in accordance with section 423 of the CA 2006;
 - 17.4.2 laid before the Company or the relevant Subsidiary in general meeting, where required by the CA 2006 or the articles of association of the relevant company; and
 - 17.4.3 filed with the Registrar of Companies,

in each case in accordance with the relevant requirements of the CA 2006 and all other applicable laws and regulations in the UK.
- 17.5 The Accounts:
 - 17.5.1 charge depreciation and amortisation on non-current assets at a suitable rate such that all non-current assets will be written down to nil or a realisable residual value at the end of their useful lives as required by IAS 16 and IAS 38;
 - 17.5.2 reflect all impairments to the recoverable amounts of non-current assets as required by IAS 36, whether or not there were any indicators of impairment at the Accounts Date;
 - 17.5.3 make proper and adequate provision for credit risk such that all receivables are stated at no more than their recoverable amount at the Accounts Date;
 - 17.5.4 classify and measure all financial instruments according to the requirements of IAS 23, IAS 39 and IFRS 9;
 - 17.5.5 have correctly allocated overheads to the cost of inventory based on normal levels of activity, make proper provision against or have written off all obsolete or slow-moving inventory, and show all items of inventory at the lower of cost and estimated selling price less costs to complete or sell at the Accounts Date as required by IAS 2 and IAS 11;
 - 17.5.6 include all known liabilities and all provisions as required by IAS 37;
 - 17.5.7 provide for all Tax in respect of which the Company and the Subsidiaries are accountable, including deferred tax, as required by IAS 12;
 - 17.5.8 include in the notes disclosure of all contingent liabilities as required by IAS 37;
 - 17.5.9 include in the notes all related party disclosures as required by IAS 24; and

17.5.10 have dealt with all events after the Accounts Date up to the date of approval of the relevant accounts by the board of directors as required by IAS 10.

17.6 The Management Accounts have been prepared on a basis consistent with that employed in preparing the Accounts and fairly represent the assets and liabilities and the profits and losses of the Company's Group and each of the Company and the Subsidiaries as at the date and in respect of the period to which they relate.

18. Changes since the 2022 Accounts Date

18.1 Since the 2022 Accounts Date:

18.1.1 the Company and each of the Subsidiaries has conducted the Business in the normal course and as a going concern;

18.1.2 there has been no material adverse change in the turnover or financial position of the Company or any of the Subsidiaries;

18.1.3 neither the Company nor any of the Subsidiaries has issued or agreed to issue any share or loan capital;

18.1.4 no dividend or other distribution of profits or assets has been, or agreed to be, declared, made or paid by the Company or any of the Subsidiaries;

18.1.5 neither the Company nor any of the Subsidiaries has borrowed or raised any money or given or taken any form of financial security;

18.1.6 no capital expenditure has been incurred on any individual item by the Company or any of the Subsidiaries in excess of £15,000 and neither the Company nor any of the Subsidiaries has acquired, invested or disposed of (or agreed to acquire, invest or dispose of) any individual item in excess of £15,000;

18.1.7 no shareholder resolutions of the Company or any of the Subsidiaries have been passed ;

18.1.8 there has been no abnormal increase or reduction of inventory;

18.1.9 none of the inventory reflected in the 2022 Accounts has realised an amount less than the value placed on it in the 2022 Accounts;

18.1.10 neither the Company nor any of the Subsidiaries has offered price reductions or discounts or allowances on sales of inventory, or sold inventory at less than its value in the 2022 Accounts;

18.1.11 the Company and each of the Subsidiaries has paid its creditors within the applicable periods agreed with the relevant creditor and there are no amounts owing by the Company or any of the Subsidiaries which have been outstanding for more than 60 days.

19. Financial and other records

19.1 All financial and other records of the Company and of each of the Subsidiaries ("**Records**"):

19.1.1 have been properly prepared and maintained;

- 19.1.2 constitute an accurate record of all matters required by law to appear in them, and in the case of the accounting records, comply with the requirements of sections 386 and 388 of the CA 2006;
 - 19.1.3 do not contain any material inaccuracies or discrepancies; and
 - 19.1.4 are in the possession of the Company or the Subsidiary to which they relate.
- 19.2 No notice has been received or allegation made that any of the Records are incorrect or should be rectified.
- 19.3 To the extent that any of the Records are maintained or stored electronically:
- 19.3.1 either the Company or a Subsidiary is the owner of any hardware and software required to access, maintain, copy and use such Records, and such ownership is not shared with any other person; and
 - 19.3.2 such Records are adequately backed-up.

20. Assets

- 20.1 The assets included in the Accounts, together with any assets acquired since the Accounts Date and all other assets used by the Company or any of the Subsidiaries in connection with the Business (except for those disposed of since the Accounts Date in the normal course of business) are:
- 20.1.1 legally and beneficially owned by either the Company or a Subsidiary, and the relevant owner has good and marketable title to such assets;
 - 20.1.2 not the subject of any lease, lease hire agreement, hire purchase agreement or agreement for payment on deferred terms, or any licence or factoring arrangement; and
 - 20.1.3 in the possession and control of the Company or a Subsidiary.
- 20.2 Except as Disclosed, none of the assets, undertaking or goodwill of the Company or any of the Subsidiaries is subject to an Encumbrance or any agreement or commitment to create an Encumbrance, and no person has claimed to be entitled to create such an Encumbrance.

21. Plant and equipment and inventory

- 21.1 The plant, machinery, vehicles, office and other equipment used by the Company or any of the Subsidiaries in connection with the Business are:
- 21.1.1 in good working order and have been regularly and properly maintained;
 - 21.1.2 capable and will continue to be capable of doing the work for which they were designed; and
 - 21.1.3 not surplus to the current or proposed requirements of the Company or any of the Subsidiaries.
- 21.2 The inventory (including work-in-progress) of the Company and the Subsidiaries:

- 21.2.1 is in good condition and is capable of being sold in the ordinary course of the Business in accordance with its current price list without discount, rebate or allowance;
- 21.2.2 is not excessive and is adequate in relation to the current trading requirements of the Business and none of the inventory is obsolete, slow moving, unusable or unmarketable or includes returned goods; and
- 21.2.3 fully complies with all applicable laws, regulations, standards (including British and European Union standards) and specifications agreed with customers.

22. Intellectual property

22.1 The definitions in this paragraph apply in this Agreement:

"Intellectual Property Rights"

means patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

"Target IP"

means all Intellectual Property Rights owned, used or held for use by the Company or any of the Subsidiaries.

22.2 Complete and accurate particulars are set out in Schedule 6 respectively of all registered Intellectual Property Rights (including applications for such rights) and material unregistered Intellectual Property Rights owned by the Company or any of the Subsidiaries.

22.3 Complete and accurate particulars are set out in Schedule 6 respectively of all material licences, agreements, authorisations and permissions (in whatever form and whether express or implied but excluding Off-the-Shelf Software (as defined in paragraph 24.1 of this Schedule) under which the Company or any of the Subsidiaries:

22.3.1 uses or exploits Intellectual Property Rights owned by any other person (including any member of a Seller's Group as constituted immediately before the date of this Agreement); or

22.3.2 has licensed or agreed to license Intellectual Property Rights to, or otherwise permitted the use of any Intellectual Property Rights by, any other person (including any member of a Seller's Group as constituted immediately before the date of this Agreement).

- 22.4 Except to the extent disclosed in the particulars set out in Schedule 6 and excluding Off-the-Shelf Software and non-material licensed-in Intellectual Property Rights, either the Company or a Subsidiary is the sole legal and beneficial owner of all Target IP, free from all Encumbrances (except for those Encumbrances set out in Schedule 6).
- 22.5 So far as the Warrantors are aware, the Company and the Subsidiaries do not require the use of any Intellectual Property Rights in order to carry on the Business in the manner in which it was operated at and before the date of this Agreement and to fulfil any currently existing plans or proposals, other than those rights which:
- 22.5.1 it is currently able to exercise, without restriction, in relation to the Intellectual Property Rights which it owns; and
 - 22.5.2 are currently granted to it under the licences set out in Schedule 6; but
 - 22.5.3 excluding any Off-the-Shelf Software and non-material licensed-in Intellectual Property Rights.
- 22.6 So far as the Warrantors are aware, the Intellectual Property Rights set out in Schedule 6 are valid, subsisting and enforceable and, so far as the Warrantors are aware, nothing has been done, or not been done, as a result of which any of them has ceased or might cease to be valid, subsisting or enforceable. In particular:
- 22.6.1 all application and renewal fees and other steps required for the maintenance or protection of such rights have been paid on time or taken;
 - 22.6.2 all confidential information (including know-how and trade secrets) owned or used by the Company or any of the Subsidiaries has been kept confidential and has not been disclosed to third parties (other than subject to binding obligations of confidentiality);
 - 22.6.3 so far as the Warrantors are aware, no mark, trade name or domain name identical or similar to any such rights has been registered, or is being used by any person in the same or a similar business to that of the Company or any of the Subsidiaries, in any country in which the Company or any of the Subsidiaries has registered or is using that mark, trade name or domain name;
 - 22.6.4 nothing has been done, or not been done, which might render any registered trade mark owned or used by the Company or any of the Subsidiaries liable to be revoked or declared invalid;
 - 22.6.5 there are no outstanding or potential claims against the Company or any of the Subsidiaries under any contract or under section 40 of the Patents Act 1977 for employee compensation in respect of any Intellectual Property Rights; and
 - 22.6.6 there are and have been in the last 6 years no oppositions, claims, challenges disputes or proceedings, pending or threatened, in relation to the ownership, validity or use of such rights.
- 22.7 Nothing is due to be done within 30 days of the date of this Agreement the omission of which would jeopardise the maintenance or prosecution of any of the Target IP which is registered or the subject of an application for registration.
- 22.8 So far as the Warrantors are aware there is and in the last 6 years has been no unauthorised use, misappropriation or infringement by any third party of any of the Target IP owned by the Company or any of the Subsidiaries, nor any third party breach of confidence, passing off or actionable act

of unfair competition in relation to the business and assets of the Company or any of the Subsidiaries, and no action is current or anticipated.

22.9 The agreements and licences set out in Schedule 6:

22.9.1 are valid and binding and recorded in writing;

22.9.2 have, where required, been duly recorded or registered;

22.9.3 so far as the Warrantors are aware, have not been the subject of any breach or default by any party or of any event which, with the giving of notice or lapse of time, would constitute a default; and

22.9.4 are not the subject of any claim, dispute or proceeding, pending or threatened, and, so far as the Warrantors are aware, there are no circumstances which are likely to give rise to a breach, claim, dispute or proceeding and no reason to believe that such agreements or licences will not be renewed when they expire on the same or substantially similar terms.

22.10 A change of Control of the Company or any of the Subsidiaries, or any other transaction contemplated under this Agreement, will not result in the termination of, or trigger a payment in respect of, or otherwise materially affect, any of the Target IP (but excluding Off-the-Shelf Software and non-material licensed-in Intellectual Property Rights).

22.11 So far as the Warrantors are aware, the activities of the Company and each Subsidiary and of any licensee of Intellectual Property Rights granted by the Company or any Subsidiary have not in the last 6 years:

22.11.1 Infringed and do not infringe the Intellectual Property Rights of any third party;

22.11.2 constituted, do not constitute and are not likely to constitute any breach of confidence, passing off or actionable act of unfair competition; or

22.11.3 given and do not give rise to any obligation to pay any royalty, fee, compensation or any other sum whatsoever.

23. Information technology

23.1 The definitions in this paragraph apply in this Agreement.

"Domain Names"

means the internet domain names associated with the Business including those set out in Schedule 6;

"IT Contracts"

means all agreements or arrangements (whether or not in writing and including those currently being negotiated) under which any third party (including any source code deposit agent) provides or will provide any element of, or services relating to, the IT Systems, including leasing, hire purchase, licensing, maintenance, website hosting, outsourcing, security, back-up, disaster recovery, insurance, cloud computing and other types of services agreements;

"IT Systems"

means the network and information systems that are owned, used or held for use by the Company or

any of the Subsidiaries, including: (i) all computer hardware (including network and telecommunications equipment and related peripherals) and mobile devices; (ii) all software (including associated user manuals, object code and source code and other materials sufficient to enable a reasonably skilled programmer to maintain and modify the software (**Source Code**)) and firmware (**Software**); and (iii) all databases (**Databases**);

"Off-the-Shelf Software"

means all standard office application software used by the Company or any of its Subsidiaries, including word processing, email, calendar, customer relationship management, spreadsheet and database functions whether provided by way of licence to the Company or any of its Subsidiaries or by of IT services and which is commercially available under standard terms;

"Security Incident"

means any event having an actual adverse effect on the security of the IT Systems and/or the Systems Data;

"Social Media Account"

means any user account, profile, page or other similar presence on an online communication channel incorporating user-generated content in connection with the Business;

"Supplier"

means the supplier under any IT Contract which, for this purpose, shall include all higher-level arrangements and agreements in the relevant supply chain concerning the supply element of, or services relating to, the IT Systems and/or the Systems Data;

"Systems Data"

means the digital data (including personal and non-personal data) stored, processed, retrieved or transmitted by any element of the IT Systems;

"Virus"

means any program which contains malicious code or infiltrates or damages a computer system without the owner's informed consent or is designed to do so or which is hostile, intrusive or annoying to the owner or user and has no legitimate purpose;

"Vulnerability"

means a weakness in the computational logic (for example, code) found in software and hardware components that, when exploited, results in a negative impact to confidentiality, integrity, or availability.

23.2 Complete and accurate material particulars of the IT Systems and the IT Contracts are set out in the First Disclosure Letter.

- 23.3 Except to the extent provided for in the IT Contracts (details of which have been disclosed in the First Disclosure Letter), the Company and the Subsidiaries are the owners of the IT Systems free from Encumbrances. The Company and the Subsidiaries have obtained all necessary rights from third parties to enable their exclusive and unrestricted use of the IT Systems both before and, except to the extent set out otherwise in the IT Contracts, after the date of this Agreement for the purposes of carrying on the Business in the manner in which it was operated at and before the date of this Agreement, and to fulfil any currently existing plans or proposals.
- 23.4 The IT Contracts are valid and binding and recorded in writing, and, so far as the Warrantors are aware, no act or omission has occurred which would, if necessary, with the giving of notice or lapse of time, constitute a breach of any of them.
- 23.5 There are and have been no claims, disputes or proceedings arising or, so far as the Warrantors are aware, threatened under any of the IT Contracts or in respect of the IT Systems.
- 23.6 None of the IT Contracts is liable to be terminated or otherwise materially affected by a change of Control of the Company or any of the Subsidiaries, and the Sellers have no reason to believe that any of the IT Contracts will not be renewed on the same or substantially the same terms when they expire. Each IT Contract which has an existing or future obligation on the part of the Company or a Subsidiary to pay an aggregate fee or charge of more than £1,000 per month is terminable by the Company or the relevant Subsidiary by giving not more than 60 days' notice at any time.
- 23.7 In relation to the Source Code (except for Off-the-Shelf Software) the Company and the Subsidiaries have either:
- 23.7.1 possession and exclusive control of such Source Code, and there has been no unauthorised disclosure of such Source Code; or
 - 23.7.2 the right to gain access to, and control over, such Source Code under the standard terms of a source code deposit agreement entered into with the owners of the rights in the relevant Software and a reputable deposit agent (particulars of which are set out in the Disclosure Letter).
- 23.8 All elements of the IT Systems:
- 23.8.1 are functioning properly in accordance with all material specifications and with the service levels set out in the IT Contracts, and are fit for the purposes of the Business as at the date of this Agreement;
 - 23.8.2 are not defective in any material respect and have not been materially defective or materially failed to function during the last 12 months;
 - 23.8.3 so far as the Warrantors are aware, do not contain any Virus and have not within the last 12 months been infected by any Virus or accessed by any unauthorised person;
 - 23.8.4 have sufficient capacity, scalability and performance (without modification) to meet the current and reasonably foreseeable peak volume requirements of the Business; and
 - 23.8.5 have been satisfactorily and regularly maintained in accordance with reasonable standards, including that all versions of the Software that is material used by the Business are currently supported by the respective owners of the Software and the IT Systems have the benefit of appropriate maintenance and support agreements.

- 23.9 So far as the Warrantors are aware, no open-source software (as defined at <http://opensource.org/docs/osd>) licensed from time to time under the General Public Licence (as set out at <http://www.gnu.org/licenses/gpl.html>) or any similar licence has been included or used in, or in the development of, any element of the IT Systems (**Restrictive Open Source Code**) and no element of the IT Systems operates in such a way that it is compiled with or linked to any Restrictive Open Source Code. Without prejudice to the foregoing and so far as the Warrantors are aware, no open-source software has been included or used in, or in the development of, any element of the IT Systems in contravention of its applicable open-source licence terms and no third party is asserting, or has in the last three years asserted, any such contravention.
- 23.10 Complete and accurate particulars of all Social Media Accounts and Domain Names are set out in Schedule 6. All Social Media Accounts and Domain Names are controlled and administered by the Company or a Subsidiary and used exclusively in connection with the Business.
- 23.11 The Company or a Subsidiary:
- 23.11.1 is the current registrant and user of each Domain Name and Social Media Account, and has not sold, transferred, licensed, charged or otherwise encumbered any Domain Name or Social Media Account, or allowed a Domain Name or Social Media Account to be used by any third party;
- 23.11.2 has, in its control and possession, sufficient information, passwords and access codes to allow it to access, edit, control and/or administer each Domain Name and Social Media Account, including after the date of this Agreement;
- 23.11.3 so far as the Warrantors are aware, has not committed any breaches, and is currently not in breach, of any agreement with the registrar of any Domain Name or provider of any Social Media Account; and
- 23.11.4 has completed all necessary formalities (including the payment of all relevant fees) in order to effect any renewals of the Domain Names or Social Media Accounts which were due prior to the date of this Agreement.
- 23.12 So far as the Warrantors are aware, no person has, or in the past 12 months has had, unauthorised access to any Social Media Account and each director, manager, employee and independent contractor of the Company or a Subsidiary who has access to or control over a Social Media Account has entered into a written agreement with the Company or a Subsidiary obliging them, on termination of their engagement, to cease accessing that Social Media Account, and the Company and each Subsidiary has in place proper procedures to enforce this obligation.
- 23.13 So far as the Warrantors are aware, no person has used the Social Media Accounts to infringe or misuse or misappropriate the rights of any other person or to defame, libel or slander such person, or to make any unauthorised statement about, or on behalf of, or in connection with, the Business, the Company or any Subsidiary.
- 23.14 The Company and each Subsidiary has in place, in accordance with reasonable standards, proper policies, procedures and training for its employees on the appropriate use of social media in a professional capacity.
- 23.15 Each of the Databases:
- 23.15.1 is complete and accurate in all material respects for the purpose for which it was originally created;
- 23.15.2 has not been used for any purpose that would constitute a material breach of Data Protection Laws; and

- 23.15.3 has not suffered any material loss or corruption.
- 23.16 The Company and the Subsidiaries have taken reasonable steps for ensuring the security of the IT Systems and the confidentiality and integrity of the Systems Data.
- 23.17 The Company and the Subsidiaries have in place:
- 23.17.1 a fully documented disaster recovery plan which, in conjunction with any necessary agreements with third party service providers (particulars of which are set out in the First Disclosure Letter), would enable the Business to continue if there were significant damage to or destruction of some or all of the IT Systems;
 - 23.17.2 a monitoring programme which enables the Company and the Subsidiaries to effectively detect, prioritise, and report Security Incidents on a continuous 24/7 basis; and
 - 23.17.3 a data security breach and response plan which enables the Company and the Subsidiaries to effectively mitigate any Security Incident, and the effects of any Security Incident on the Business.

Copies of such plans have been Disclosed).

- 23.18 During the seven-year period up to and including the date of this Agreement and so far as the Warrantors are aware, neither the Company nor any Subsidiary has suffered any Security Incident having a substantial or significant impact on the continuity of the Business.

24. Data protection and privacy

- 24.1 The definitions in this paragraph apply in this Agreement.

"Data Protection Laws" means all UK laws relating to the use, protection and privacy of Personal Data (including, without limitation, the privacy of electronic communications) which are from time to time applicable to the Company or any of the Subsidiaries (or any part of their business);

"Personal Data" has the meaning given to that term in Article 4 of the UK GDPR;

"Processor" has the meaning given in paragraph 24.4.1 of Part 1 of this Schedule 5;

"Supervisory Authority" means the Information Commissioner's Office in the UK.

UK GDPR: has the meaning given to it in section 3(10) (as supplemented by section 205(4)) of the Data Protection Act 2018.

- 24.2 So far as the Warrantors are aware, the Company and the Subsidiaries have at all times complied with the Data Protection Laws in all material respects.

- 24.3 So far as the Warrantors are aware, the Company and the Subsidiaries have:

- 24.3.1 introduced and applied appropriate data protection policies and procedures concerning the collection, use, storage, retention and security of Personal Data (details of which are included in the First Disclosure Letter), and implemented regular staff training, use testing, audits or other documented mechanisms to ensure and monitor compliance with such policies and procedures;
 - 24.3.2 appointed a data protection officer if required to do so under the Data Protection Laws, and details of such appointment are set out in the First Disclosure Letter;
 - 24.3.3 maintained complete, accurate and up to date records of all their Personal Data processing activities as required by the Data Protection Laws;
 - 24.3.4 carried out and maintained complete, accurate and up to date records of, all data protection impact assessments required by the Data Protection Laws;
 - 24.3.5 issued appropriate privacy notices to data subjects which comply with all applicable requirements of the Data Protection Laws in all material respects;
 - 24.3.6 implemented appropriate technical and organisational measures to protect against the unauthorised or unlawful processing of, or accidental loss or damage to, any Personal Data processed by the Company, the Subsidiaries or the Processors, and ensure a level of security appropriate to the risk represented by the processing and the nature of the Personal Data to be protected; and
 - 24.3.7 put in place an adequate data breach response plan (including maintaining a record of personal data breaches) that enables the Company, the Subsidiaries and the Processors to comply with the related requirements of the Data Protection Laws in all material respects.
- 24.4 The Company and the Subsidiaries have:
- 24.4.1 undertaken appropriate due diligence on any third parties they have appointed to process any Personal Data (**Processors**, each a "**Processor**"); and
 - 24.4.2 an agreement in place with each Processor which complies with all applicable requirements of the Data Protection Laws.
- 24.5 So far as the Warrantors are aware, the Company and the Subsidiaries have complied with all applicable requirements under the Data Protection Laws relating to the disclosure or transfer of Personal Data outside the UK.
- 24.6 The Company and the Subsidiaries have complied with all data subject requests, including any requests for access to Personal Data, the cessation of specified processing activities or the rectification or erasure of any Personal Data, in each case in accordance with the requirements of the Data Protection Laws, and there are no such requests outstanding at the date of this Agreement.
- 24.7 So far as the Warrantors are aware, neither the Company, the Subsidiaries nor any of the Processors have suffered any material breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to any Personal Data.
- 24.8 Neither the Company nor any of the Subsidiaries received any:
- 24.8.1 notice, request, correspondence or other communication from any Supervisory Authority, or been subject to any enforcement action (including any fines or

other sanctions), in each case relating to a breach or alleged breach of their obligations under the Data Protection Laws; or

24.8.2 claim, complaint, correspondence or other communication from a data subject or any other person claiming a right to compensation under the Data Protection Laws, or alleging any breach of the Data Protection Laws,

and, so far as the Warrantors are aware, there is no fact or circumstance that may lead to any such notice, request, correspondence, communication, claim, complaint or enforcement action.

24.9 So far as the Warrantors are aware, the Company and the Subsidiaries have duly complied with all applicable notification or registration obligations and paid the appropriate level of fees or charges in respect of their processing activities, in each case as required by the Data Protection Laws.

24.10 The Company and the Subsidiaries have obtained valid consents in respect of their mailing lists which are no older than one year and, so far as the Warrantors are aware have complied with any data subject opt-out requests.

25. Employment

25.1 The definitions in paragraph 25.2 below apply in this Agreement.

25.2 **"Employee"** means any person employed by the Company or any of the Subsidiaries under a contract of employment (together the **Employees**).

"Employment Laws" means all laws applying in England and Wales from time to time which affect contractual or other relations between an employer and their employees or workers including (but not limited to) all legislation and any claim arising under European treaty provisions or directives (as any such treaties or directives apply in England and Wales from time to time, including as retained, amended, extended, re-enacted or otherwise given effect on or after 11pm on 31 January 2020) which, in either case, are enforceable against the Company or the Subsidiaries by any Employee or Worker;

"Representative Body" means any trade union, staff association, staff council, works council, information and consultation body and any other worker representatives relating to any person employed or engaged by or in the Company or any of the Subsidiaries;

"Worker" means any person who personally performs work for the Company or any of the Subsidiaries but who is not an Employee, in business on their own account or in a client/customer relationship (together the **Workers**).

25.3 The name of each director and shadow director of the Company and the Subsidiaries is set out in Schedule 2.

25.4 The Disclosure Letter includes particulars of each Employee and Worker and the principal terms of their contract including:

- 25.4.1 the company that employs or engages them;
 - 25.4.2 their current remuneration (including any benefits and privileges provided or which the Company or any of the Subsidiaries is bound to provide to them or their dependants, whether now or in the future, details of shift and any other allowances, and any entitlement to, or expectation of, performance-related remuneration);
 - 25.4.3 the commencement date of each contract or, if an Employee, the date on which continuous service began; and
 - 25.4.4 the length of notice necessary to terminate each contract or, if a fixed term, the expiry date of the fixed term and details of any previous renewals.
- 25.5 The Disclosure Letter includes details of each person who is not a Worker and who is providing services to the Company or any of the Subsidiaries under an agreement that is not a contract of employment with the Company or the relevant Subsidiary (including, in particular, where the individual acts as a consultant or is on secondment from an employer that is not a member of the Company's Group) and the particulars of the terms on which the individual provides services, including:
- 25.5.1 the company that engages them;
 - 25.5.2 the remuneration of each individual (including any benefits and privileges provided or which the Company or any of the Subsidiaries is bound to provide to them or their dependants, whether now or in the future, and any entitlement to, or expectation of, performance-related remuneration); and
 - 25.5.3 the length of notice necessary to terminate each agreement or, if a fixed term, the expiry date of the fixed term and details of any previous renewals.
- 25.6 The Disclosure Letter includes details of all Employees and Workers who are on secondment, maternity, paternity, adoption, shared parental or other leave or who are absent due to long-term ill-health or for any other reason.
- 25.7 No notice to terminate the contract of any Employee or Worker (whether given by the relevant employer or by the Employee or Worker) is pending, outstanding or threatened and no dispute under any Employment Laws or otherwise is outstanding between the Company or any of the Subsidiaries and any current or former:
- 25.7.1 Employee relating to their employment, its termination or any reference given by the Company or any of the Subsidiaries regarding such Employee; or
 - 25.7.2 Worker relating to their contract, its termination or any reference given by the Company or any of the Subsidiaries regarding such Worker.
- 25.8 No questions have been submitted to the Company or any of the Subsidiaries by an Employee or Worker in relation to potential claims under equal pay or discrimination legislation that remain unanswered in full or in part.
- 25.9 So far as the Warrantors are aware, every Employee or Worker who requires permission to work in the UK has the current and appropriate permission to work in the UK.
- 25.10 No offer of employment or engagement has been made by the Company or any of the Subsidiaries that has not yet been accepted, or that has been accepted but where the employment or engagement has not yet started.

- 25.11 The acquisition of the Shares by the Buyer and compliance with the terms of this Agreement will not entitle any Director, officer or Employee of the Company or any Subsidiary to terminate their employment or receive any payment or other benefit.
- 25.12 All contracts between the Company or any of the Subsidiaries and its Employees and Workers are terminable at any time on not more than three months' notice without compensation (other than for unfair dismissal or a statutory redundancy payment) or any liability on the part of the Company or any of the Subsidiaries other than wages, commission or pension.
- 25.13 All contracts between the Company or any of the Subsidiaries and its Directors, Employees or Workers comply with any relevant requirements of section 188 of the CA 2006.
- 25.14 Neither the Company nor any of the Subsidiaries is a party to, bound by or proposing to introduce in respect of any of its Directors or Employees any redundancy payment scheme in addition to statutory redundancy pay, nor is there any agreed procedure for redundancy selection.
- 25.15 In the period of ten years preceding the date of this Agreement, neither the Company nor any of the Subsidiaries (nor any predecessor or owner of any part of their respective businesses) has been a party to a relevant transfer for the purposes of the Transfer of Undertakings (Protection of Employment) Regulations 2006 affecting any Employee or any other persons engaged in the Business and no event has occurred that may involve such persons in the future being a party to such a transfer. As far as the Warrantors are aware, no such persons have had their terms or employment varied for any reason as a result of or connected with such a transfer.
- 25.16 There are no cash incentive schemes or arrangements (including any commission, profit sharing or bonus scheme) established by any member of the Company's Group, any shareholder of the Company or any other person, in which any Director or former director of the Company or any of the Subsidiaries, or any Employee or Worker (or any of their respective associates or nominees) participates or has participated.
- 25.17 Neither the Company nor any of the Subsidiaries is a party to, bound by or proposing to introduce for the benefit of any Director, Employee or Worker, or former director, Employee or Worker (or any of their respective associates or nominees), any cash incentive scheme or arrangement (including any commission, profit sharing or bonus scheme).
- 25.18 Neither the Company nor any of the Subsidiaries has incurred any actual or contingent liability in connection with any termination of employment of any Employee (including redundancy payments) or for failure to comply with an order for the reinstatement or re-engagement of any Employee.
- 25.19 Neither the Company nor any of the Subsidiaries has incurred any liability for failure to provide information or to consult with its employees under any Employment Laws.
- 25.20 Neither the Company nor any of the Subsidiaries has made or agreed to make a payment or provided or agreed to provide a benefit to any Director, officer, Employee or Worker, or former director, officer, Employee or Worker, or to their dependants in connection with the actual or proposed termination or suspension of employment or variation of an employment contract.
- 25.21 Neither the Company nor any of the Subsidiaries is involved in any material industrial or trade dispute or negotiation regarding a claim with any Representative Body and there is nothing likely to give rise to such a dispute or claim.
- 25.22 Neither the Company nor any of the Subsidiaries has:
- 25.22.1 in the last 12 months, altered any of the terms of employment or engagement of any Employee or Worker in any material respect save in respect of normal salary reviews and adjustments; or

- 25.22.2 offered, promised or agreed to any future variation in the terms of employment or engagement of any Employee or Worker.
- 25.23 Neither the Company nor any of the Subsidiaries has transferred or agreed to transfer any Employee or Worker from working for the Company or any of the Subsidiaries, or induced any Employee or Worker to resign their employment with the Company or any of the Subsidiaries.
- 25.24 There are no sums owing to any current or former Employee or Worker other than reimbursement of expenses, wages for the current salary period and holiday pay for the current holiday year.
- 25.25 The Company and the Subsidiaries have afforded all Employees and Workers the right to paid holiday under regulations 13 and 13A of the Working Time Regulations 1998 (SI 1998/1833) (WTR 1998), and have not deterred or prevented any Employee or Worker from taking such holiday whether or not requested.
- 25.26 In so far as the Warrantors are aware, in the two years preceding the date of this Agreement, in respect of each Employee and Worker, all holiday pay for periods of holiday taken under regulation 13 of the WTR 1998 has been calculated and paid in accordance with Directive 2003/88/EC of the European Parliament and of the Council of 4 November 2003 concerning certain aspects of the organisation of working time (as it applies in England and Wales from time to time, including as retained, amended, extended, re-enacted or otherwise given effect on or after 11pm on 31 January 2020).
- 25.27 There are no loans to any current or former director or Employee of the Company or any of the Subsidiaries (or to any nominees or associates of such directors or Employees) made or arranged by the Company or any of the Subsidiaries.
- 25.28 The Disclosure Letter includes:
- 25.28.1 copies of all contracts for Employees, Workers and persons who are neither an Employee or a Worker;
- 25.28.2 copies of the standard contracts, handbooks, policies, and other documents that apply to any of the Employees or Workers or details of the terms if there is no written contract; and
- 25.28.3 copies of all agreements or arrangements with any Representative Body (whether binding or not) and details of any unwritten agreements or arrangements that may affect any Employee or Worker.
- 25.29 In respect of each Employee and Worker, the Company and the Subsidiaries have, insofar as the Warrantors are aware:
- 25.29.1 performed all material obligations and duties they are required to perform (and settled all outstanding claims), whether or not legally binding and whether arising under contract, statute, at common law, in equity, under any treaties (including the Treaty on the Functioning of the European Union), the laws of the European Union (as any treaties or laws of the European Union apply in England and Wales from time to time, including as retained, amended, extended, re-enacted or otherwise given effect on or after 11pm on 31 January 2020) or otherwise;
- 25.29.2 complied with the terms of any relevant agreement or arrangement with any trade union, employee representative or body of employees or their representatives (whether binding or not); and

- 25.29.3 maintained adequate and up to date records.
- 25.30 No Employee is subject to a current disciplinary warning or procedure.
- 25.31 No employment-related securities (as defined in sections 420 and 421B(8) of ITEPA 2003) including (without limitation) any shares acquired under section 205A of the Employment Rights Act 2003, have been issued or transferred, and there are no agreements, schemes or promises to make any such issues or transfers:
- 25.31.1 by the Company or any Subsidiary;
- 25.31.2 under any arrangements established by the Company or any Subsidiary; or
- 25.31.3 by a holding company or other shareholder of the Company (or under arrangements established by such a person), to any current, former or proposed employees or directors of the Company or any Subsidiary (or to associates of such employees or directors).
- 25.32 No securities options (as defined in section 420(8) of ITEPA 2003) have been granted to any current, former or proposed director or employee of the Company or any of the Subsidiaries (or to any nominees or associates of such employees or directors), and there are no agreements, schemes or promises to make any such grant:
- 25.32.1 by the Company or any Subsidiary;
- 25.32.2 under any arrangements established by the Company or any Subsidiary; or
- 25.32.3 by a holding company or other shareholder of the Company (or under arrangements established by such a person).
- 25.33 There are no other shares, securities or interests in them held by or for any current, former or proposed employee or director of the Company or any Subsidiary (or any nominees or associates of such employees or directors), including (without limitation) any shares acquired under section 205A of the Employment Rights Act 2003, which fall outside paragraph 25.31 and paragraph 25.32, and which may give rise to a liability of the Company or any Subsidiary to account for PAYE, income tax or National Insurance contributions (or equivalent liabilities in another jurisdiction).
- 25.34 There are no employee benefit trusts, family benefit trusts or similar arrangements established by the Company, the Subsidiaries or any shareholder of the Company under which any current or former employees or directors of the Company or any of the Subsidiaries (or any of their respective nominees or associates) may benefit in any form.

26. Retirement benefits

- 26.1 In this paragraph 26, the following expressions have the meanings specified

“Disclosed Schemes” means:

- (a) the group personal pension plan operated by Aviva in respect of Torpedo Factory Ltd (**TFL; GPP**);
- (b) the mastertrust pension scheme operated by Smart Pensions with employer pension scheme reference ESPR “SMART10116478” in which TFG Stage Technology Ltd participates (**SMART Mastertrust**).

- 26.2 The Disclosed Schemes are the only arrangements under which the Company or any of the Subsidiaries has or may have any obligation to provide or contribute towards pension, pensions lump-sum, or death benefits in respect of its past or present officers and employees ("**Pensionable Employees**"). No proposal or announcement has been made to any employee or officer of the Company or any of the Subsidiaries or any Subsidiary Undertaking of the Subsidiaries as to the introduction, continuance, increase or improvement of, or the payment of a contribution towards, any other pension, pensions lump-sum or, death benefit.
- 26.3 The following details of the Disclosed Schemes are set out in the Disclosure Letter an anonymised list of all Pensionable Employees who are members of the Disclosed Schemes.:
- 26.4 The documents listed above contain material details of all benefits payable in respect of the Pensionable Employees under the Disclosed Schemes
- 26.5 The Company and the Subsidiaries have complied with their automatic enrolment obligations as required by the Pensions Act 2008 ("**PA 2008**") and associated legislation. No notices, fines, or other sanctions issued by the Pensions Regulator have been received by the Company or the Subsidiaries and so far as the Warrantors are aware no instances of non-compliance with the automatic enrolment obligations have been notified to the Pension Regulator in respect of the Company or any of the Subsidiaries. The following details of this compliance are set out in the Disclosure Letter, including (but not limited to):
- 26.5.1 any documents relating to the applicable staging date;
- 26.5.2 copies of any material correspondence between the Company or any of the Subsidiaries and the Pensions Regulator regarding auto-enrolment, including details of their respective registration in accordance with regulation 3 of the Employers' Duties (Registration and Compliance) Regulations 2010 ("**2010 Regulations**"); and
- 26.5.3 details of any Employees who have opted out.
- 26.6 All contributions, insurance premiums, tax and expenses due to and in respect of the Disclosed Schemes from the Company or the Subsidiaries and the Pensionable Employees have been duly paid. There are no liabilities outstanding in respect of the Disclosed Schemes at the date of this Agreement.
- 26.7 No death benefits are provided to the employees of the Company or Subsidiaries.
- 26.8 The Disclosure Letter contains details of the contribution rates of the Company the Subsidiaries and the employees to the Disclosed Schemes and how they are calculated, and whether they are paid in advance or in arrears. All amounts due to the Disclosed Schemes have been paid.
- 26.9 No contribution notice or financial support direction under the Pensions Act 2004 has been issued to the Company, any of the Subsidiaries or to any other person in respect of the Disclosed Schemes and so far as the Warrantors are aware there is no fact or circumstance likely to give rise to any such notice or direction.
- 26.10 So far as the Warrantors are aware, the Disclosed Schemes are registered pension schemes for the purposes of Chapter 2 of Part 4 of the Finance Act 2004 and so far as the Warrantors are aware there is no reason why HMRC might de-register any of the schemes.
- 26.11 So far as the Warrantors are aware, the Disclosed Schemes have been designed to comply with, and has been administered in accordance with, all applicable legal and administrative requirements and in compliance with its governing documents. The Company and the Subsidiaries have

complied in all material respects with their obligations under and in respect of the Disclosed Schemes.

- 26.12 Neither the Company nor the Subsidiaries have discriminated against, or in relation to, any Pensionable Employee on grounds of age, sex, disability, marital status, hours of work, fixed-term or temporary agency worker status, sexual orientation, religion or belief in providing pension, pensions lump-sum or death benefits.
- 26.13 No claims or complaints have been made or, so far as the Warrantors are aware, are pending or threatened in relation to the Disclosed Schemes or otherwise in respect of the provision of (or failure to provide) pension, pension lump-sum or death benefits by the Company or any of the Subsidiaries in relation to any of the Pensionable Employees. So far as the Warrantors are aware, there are no facts or circumstances likely to give rise to such claims or complaints.
- 26.14 So far as the Warrantors are aware, the Disclosed Schemes do not accept any contributions from a European employer as defined for the purposes of Part 7 of the Pensions Act 2004.
- 26.15 Neither the Company nor any of the Subsidiaries has at any time operated or participated in an occupational pension scheme (as defined in section 1 of the Pension Schemes Act 1993) located in the United Kingdom which accepts contributions from an employer based outside of the United Kingdom, nor has the Company or any of the Subsidiaries contributed to a non-UK occupational pension scheme.

27. Property

27.1 The definitions in this paragraph apply in this Agreement.

"Current Use"	means the identified use for each Property as set out in Schedule 7;
"Freehold Properties"	means the freehold properties set out in Schedule 7;
"Lease"	means the lease under which a Leasehold Property is held;
"Leasehold Properties"	means the leasehold properties set out in Schedule 7 and Leasehold Property means any one of them or part or parts of any one of them;
"Planning Acts"	means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990 the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004, the Planning Act 2008, the Localism Act 2011, the Growth and Infrastructure Act 2013, the Housing and Planning Act 2016, the Neighbourhood Planning Act 2017 and any other legislation from time to time regulating the use or development of land;
"Previously-owned Land and Buildings"	means any land and buildings that have, at any time before the date of this Agreement, been owned (under whatever tenure), occupied or used by the

Company or any of the Subsidiaries, but which are either:

- (a) no longer owned, occupied or used by the Company or any of the Subsidiaries; or
- (b) are owned, occupied or used by the Company or a Subsidiary pursuant to a different lease, licence, transfer or conveyance.

"Properties"

means the Freehold Properties and the Leasehold Properties, and references to **any of the Properties** or a **Property** means any one of them, or any part or parts of any one of them;

"Statutory Agreement"

means an agreement or undertaking entered into under section 18 of the Public Health Act 1936, section 52 of the Town and Country Planning Act 1971, section 33 of the Local Government (Miscellaneous Provisions) Act 1982, section 106 of the Town and Country Planning Act 1990, section 104 of the Water Industry Act 1991 and any other legislation (later or earlier) similar to these statutes.

- 27.2 The particulars of the Properties set out in Schedule 7 are true, complete and accurate.
- 27.3 All of the Properties are actively used by the Company or the Subsidiaries in connection with the Business.
- 27.4 The Properties are the only land and buildings owned, used or occupied by the Company and the Subsidiaries.
- 27.5 Neither the Company nor any of the Subsidiaries has any right of ownership, right of use, option, right of first refusal or contractual obligation to purchase, or any other legal or equitable right, estate or interest in, or affecting, any land or buildings other than the Properties.
- 27.6 Neither the Company nor any of the Subsidiaries (nor any other company that has at any time been a subsidiary of the Company) has any actual or contingent liability in respect of Previously-owned Land and Buildings.
- 27.7 Neither the Company nor any of the Subsidiaries (nor any other company that has at any time been a subsidiary of the Company) has given any guarantee or indemnity for any liability relating to any of the Properties, any Previously-owned Land and Buildings or any other land or buildings.
- 27.8 So far as the Warrantors are aware all written replies to written enquiries given by or on behalf of the Sellers, the Company or any Subsidiary in relation to the Properties, and all written replies given in response to any written enquiries raised by or on behalf of the Buyer in relation to the Properties were complete and accurate at the date they were given, and would still be complete and accurate if the replies were instead being given on the date of this Agreement.
- 27.9 The Company or the Subsidiary identified as the proprietor in Schedule 7 is solely legally and beneficially entitled to each of the Properties.
- 27.10 The Company or the Subsidiary identified as the proprietor in Schedule 7 is in possession and actual occupation of the whole of each of the Properties on an exclusive basis, and so far as the

Warrantors are aware no right of occupation or enjoyment has been acquired or is in the course of being acquired by any third party, or has been granted or agreed to be granted to any third party.

27.11 The Sellers have Disclosed:

27.11.1 copies of all the title deeds and documents necessary to deduce title to the Properties; and

27.11.2 in relation to each Lease:

- (a) evidence of the reversioner's title to the Lease;
- (b) all consents required under the Lease;
- (c) copies of all assignments of the Lease; and
- (d) evidence of the current annual rent payable under the Lease.

27.12 The Warrantors are not aware of any circumstance that could render any transaction affecting the title of the Company or any of the Subsidiaries to any of the Properties liable to be set aside under the Insolvency Act 1986.

27.13 So far as the Warrantors are aware, there are, appurtenant to each of the Properties, all rights and easements necessary for their Current Use and enjoyment (without restriction as to time or otherwise).

27.14 The unexpired residue of the term granted by each Lease is vested in the Company or a Subsidiary and is valid and subsisting against all persons, including any person in whom any superior estate or interest is vested.

27.15 In relation to each Lease, so far as the Warrantors are aware, the landlord and each lessee, tenant, licensee or occupier has observed and performed in all material respects all covenants, restrictions, stipulations and other encumbrances and there has not been (expressly or impliedly) any waiver of or acquiescence to any breach of them.

27.16 In relation to each Lease, all principal rent and additional rent and all other sums payable by each lessee, tenant, licensee or occupier under each Lease ("**Lease Sums**") have been paid as and when they became due (or in the case of additional rent and all other sums payable when demanded) and no Lease Sums have been:

27.16.1 set off or withheld; or

27.16.2 commuted, waived or paid in advance of the due date for payment.

27.17 No collateral assurances, undertakings or concessions have been made by any party to any Lease.

27.18 No premium or principal rent has been taken or accepted from or agreed with any lessee, tenant, licensee or occupier under any Lease beyond what is legally permitted.

27.19 The Properties (and the proceeds of sale from them) are free from:

27.19.1 any mortgage, debenture, charge (whether legal or equitable and whether fixed or floating), rentcharge, lien or other right in the nature of security; and

27.19.2 any agreement for sale, estate contract, option, right of pre-emption or right of first refusal,

and there is no agreement or commitment to give or create any of them.

- 27.20 So far as the Warrantors are aware, the Properties are not subject to the payment of any outgoings other than non-domestic local business rates and water and sewerage charges (and, in the case of the Leasehold Properties, principal rent, insurance premiums and service charges) and all outgoings have been paid when due and none is disputed.
- 27.21 So far as the Warrantors are aware, the Properties are not subject to any matters which are unregistered interests which override registered dispositions under Schedule 3 to the Land Registration Act 2002 or (where title to any of the Properties is not registered) which are unregistered interests which override first registration under Schedule 1 to the Land Registration Act 2002.
- 27.22 No notice of any alleged breach has been received by the Company (or its predecessors in title) or the Subsidiaries (or their predecessors in title) in respect of any covenants, restrictions, stipulations and other Encumbrances affecting the Properties.
- 27.23 So far as the Warrantors are aware, there are no circumstances which (with or without taking other action) would entitle any third party to exercise a right of entry to, or take possession of any of the Properties, or which would in any other way affect or restrict the continued possession, enjoyment or use of any of the Properties.
- 27.24 So far as the Warrantors are aware, the Company and the Subsidiaries have not (nor has anyone on their behalf) expressly or impliedly waived any breach by any person of any covenant, agreement, restriction, stipulation or obligation relating to any of the Properties, or of which any of the Properties have the benefit.
- 27.25 The Sellers have not received notice alleging unlawful use of the Properties for the purposes of either the Planning Acts or the provisions of the relevant Lease.
- 27.26 So far as the Warrantors are aware neither the Company nor the Subsidiaries have received notice of any alleged breach of necessary building regulation consents in relation to the Current Use of the Properties and any alterations and improvements to them.
- 27.27 No claim or liability (contingent or otherwise) under the Planning Acts in respect of any of the Properties, or any Statutory Agreement affecting any of the Properties, is outstanding, nor so far as the Warrantors are aware are any of the Properties the subject of a notice to treat or a notice of entry, and the Warrantors are not aware of any notice, order resolution or proposal being published for the compulsory acquisition, closing, demolition or clearance of any of the Properties.
- 27.28 So far as the Warrantors are aware neither the Company nor the Subsidiaries have received notice of any breach of all planning permissions, orders and regulations issued under the Planning Acts, and all building regulations, consents or bye-laws for the time being in force in relation to the Properties.
- 27.29 So far as the Warrantors are aware neither the Company nor the Subsidiaries have received notice of any alleged breach of applicable statutory and bye-law requirements, and all regulations, rules and delegated legislation, relating to the Properties and their Current Use.
- 27.30 There are no development works, redevelopment works or fitting-out works outstanding in respect of any of the Properties.
- 27.31 No notices, complaints or requirements have been received by the Company or the Subsidiaries from any competent authority or undertaking exercising statutory or delegated powers in relation to any of the Properties, the Current Use of the Properties or any machinery, plant or equipment in

them, and the Warrantors are not aware of any matter which could lead to any such notice, complaint or requirement being issued or made.

27.32 No dispute exists between the Company or any of the Subsidiaries and the owner or occupier of any other premises adjacent to or neighbouring the Properties. The Warrantors are not aware of, any circumstances that may give rise to any such dispute after the date of this Agreement.

28. Environment and health and safety

28.1 The definitions in this paragraph apply in this Agreement.

"EHS Laws"

means all laws, statutes, regulations, subordinate legislation, bye-laws, common law and other national, international, federal, European Union, state and local laws, judgments, decisions and injunctions of any court or tribunal, and legally binding codes of practice and guidance notes which from time to time apply to the Company or any of its Subsidiaries (or any part of their business) and to the extent that they relate to or apply to the Environment, energy efficiency, climate change or the health and safety of any person;

"EHS Matters"

means all matters relating to:

- (a) pollution or contamination of the Environment;
- (b) the generation, presence, disposal, release, spillage, deposit, escape, discharge, leak, migration or emission of Hazardous Substances or Waste;
- (c) the exposure of any person to Hazardous Substances or Waste;
- (d) the health and safety of any person, including any accidents, injuries, illnesses and diseases;
- (e) climate change or the emission of Greenhouse Gases;
- (f) the creation or existence of any noise, vibration, odour, radiation, common law or statutory nuisance or other adverse impact on the Environment; or
- (g) the condition, protection, maintenance, remediation, reinstatement, restoration or replacement of the Environment or any part of it.

"EHS Permits"

means any permits, licences, consents, certificates, registrations, notifications or other authorisations

required under any EHS Laws for the operation of the Business or in relation to any of the Properties;

"Environment"

means the natural and human-made environment including all or any of the following media: air (including air within buildings and other natural or human-made structures above or below the ground), water, land, and any ecological systems and living organisms (including humans) supported by those media;

"Greenhouse Gases"

means any natural or anthropogenic gases which trap thermal radiation in the earth's atmosphere, including (but not limited to) carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆);

"Harm"

means harm to the Environment, and in the case of humans, this includes offence caused to any of their senses or harm to their property;

"Hazardous Substances"

means any material, substance or organism which, alone or in combination with others, is capable of causing Harm, including (but not limited to) radioactive substances, and materials containing asbestos and Japanese knotweed;

"Waste"

means any waste, including any by-product of an industrial process and anything that is discarded, disposed of, spoiled, abandoned, unwanted or surplus, irrespective of whether it is capable of being recovered or recycled or has any value.

28.2 The Company and the Subsidiaries have obtained and complied at all times since the Relevant Date with all EHS Permits. All EHS Permits are in full force and effect, and there are no facts or circumstances that may lead to the revocation, suspension, variation or non-renewal of, or the inability to transfer, any EHS Permits or which would prevent compliance with any EHS Permit. There are no conditions in any EHS Permit and no facts or circumstances in relation to any EHS Permit which are likely to require any material expenditure.

28.3 So far as the Warrantors are aware, the Company and the Subsidiaries have at all times since the Relevant Date operated in compliance with all EHS Laws and there are no facts or circumstances that may lead to any breach of or liability under any EHS Laws or any claim or liability in respect of EHS Matters or which are likely to require any material expenditure.

28.4 So far as the Warrantors are aware, there are no Hazardous Substances at, on or under, nor have any Hazardous Substances been emitted, escaped or migrated from, any of the Properties.

28.5 So far as the Warrantors are aware, there are, and have been, no landfills, underground storage tanks, or uncontained or unlined storage treatment or disposal areas for Hazardous Substances or Waste (whether permitted by EHS Laws or otherwise) present or carried out at, on or under any of the Properties or within 200 metres of any of the Properties, and so far as the Warrantors are aware no such operations are proposed.

- 28.6 Neither the Company nor any of the Subsidiaries have at any time since the Relevant Date been required to hold, nor have ever applied for, a waste disposal licence, a waste management licence or an environmental permit for waste operations under any EHS Laws.
- 28.7 There have, in the last 6 years, been no claims, investigations, prosecutions or other proceedings against or threatened against any Warrantor, the Company, any of the Subsidiaries or any of their respective directors, officers or employees in respect of Harm arising from the operation of the Business or occupation of any of the Properties or for any breach or alleged breach of any EHS Permits or EHS Laws, and, so far as the Warrantors are aware, there are no facts or circumstances that may lead to any such claims, investigations, prosecutions or other proceedings. At no time in the last 6 years has any of the Warrantors, the Company or any of the Subsidiaries received any notice, communication or information alleging any liability in relation to any EHS Matters or that any works are required.
- 28.8 Neither the Warrantors, the Company nor any of the Subsidiaries has in the last 6 years received any enforcement, prohibition, stop, remediation, improvement or any other notice from, or been subject to any civil sanction imposed by, any enforcement authority, including (but not limited to) the Environment Agency, Natural England, Natural Resources Wales, the Health and Safety Executive or the relevant local authority, with regard to any EHS Matters or any breach of EHS Laws in respect of the Business, the Company, any of the Subsidiaries or any of the Properties.
- 28.9 Up to date copies of all:
- 28.9.1 current EHS Permits and communications with regulatory authorities or other third parties with regard to or in connection with current EHS Permits;
 - 28.9.2 environmental and health and safety policy statements;
 - 28.9.3 reports in respect of environmental and health and safety audits, investigations or other assessments;
 - 28.9.4 records of accidents, illnesses and reportable diseases;
 - 28.9.5 assessments of substances hazardous to health;
 - 28.9.6 correspondence on EHS Matters between the Company or any of the Subsidiaries and any relevant enforcement authority; and
 - 28.9.7 copies or details of all Waste disposal contracts,
- relating to the Business or any of the Properties have been Disclosed and all such statements, reports, records, correspondence and other information are complete and accurate in all material respects and are not misleading in any material respect.
- 28.10 So far as the Warrantors are aware, neither the Company nor any of the Subsidiaries has or is likely to have any actual or potential liability under any EHS Laws by reason of having owned, occupied or used any Previously-owned Land and Buildings.
- 28.11 Neither the Company nor any of the Subsidiaries has given or received any warranties or indemnities or entered into any other agreement in respect of any liabilities, duties or obligations that arise under EHS Laws.

29. Compliance with the Bribery Act 2010

- 29.1 The definition in this paragraph applies in this Agreement.

"Associated Person"

means in relation to a company, a person (including an employee, agent or subsidiary) who performs or has performed services for or on behalf of that company.

- 29.2 Neither the Company nor any of the Subsidiaries is or has at any time since the Relevant Date engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010.
- 29.3 So far as the Warrantors are aware, no Associated Person of the Company or any of the Subsidiaries has bribed another person (within the meaning given in section 7(3) of the Bribery Act 2010) intending to obtain or retain business or an advantage in the conduct of business for the Company and/or any of the Subsidiaries, and the Company and each of the Subsidiaries has in place adequate procedures, in line with the guidance published by the Secretary of State under section 9 of the Bribery Act 2010, designed to prevent their Associated Persons from undertaking any such conduct.
- 29.4 Neither the Company nor any of the Subsidiaries nor, so far as the Warrantors are aware, any of their Associated Persons is or has been the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body or any customer regarding any offence or alleged offence under the Bribery Act 2010, and no such investigation, inquiry or proceedings have been threatened or are pending and so far as the Warrantors are aware there are no circumstances likely to give rise to any such investigation, inquiry or proceedings.
- 29.5 Neither the Company nor any of the Subsidiaries has been excluded from participation in a public contract as a result of being convicted of bribery or corruption.

**SCHEDULE 6
INTELLECTUAL PROPERTY**

Registered Intellectual Property Rights

None

Material Unregistered Intellectual Property Rights

The unregistered trademarks used by the Sale Group as trading names – namely Torpedo Factory Group, Torpedo Factory, TFG, TFG Stage Technology and Stage Superstore

Intellectual Property Rights licensed from third parties

None

Intellectual Property Rights licensed to third parties

None

Domain Names

bigtelly.co.uk
bigtelly.com
bigtelly.uk
foresightav.uk
gav.co.uk
gav.uk
gordonaudiovisual.co.uk
gordonaudiovisual.uk
hockenav.co.uk
hockenav.uk
hotav.uk.com
interactivewhiteboards.co.uk
interactivewhiteboards.uk
pinnerton.co.uk
pinnerton.uk
showbusiness.co.uk
showbusiness.uk
tfg.com
torpedofactory.co.uk
torpedofactory.net
torpedofactory.uk
torpedofactoryfilms.co.uk
torpedofactoryfilms.com
torpedofactoryfilms.uk
torpedofactorygroup.co.uk
torpedofactorygroup.com
torpedofactorygroup.uk

lancelyn.com
lancelyn.uk
lancelynoxford.co.uk
lancelyn-oxford.co.uk
national-stage.co.uk
national-stage.com
northern-stage.co.uk
northern-stage.uk
nstage.co.uk
nstage.uk
orionav.com
orionav.co.uk
stagesuperstore.co.uk
stagesuperstore.com
stagesuperstore.uk
Soundsystemsuk.co.uk
soundsystemsuk.com

Social Media Accounts

Twitter - @tfgav

LinkedIn - Torpedo Factory Group company page

Facebook - TorpedoFactoryGroup (used only by the Live Events team)

SCHEDULE 7 PROPERTIES

Part 1 – Freehold Properties

Property: Land on the north-west side of Unit B1, St Leonards Road, London NW10 6ST

Title number: AGL105584

Proprietor: Torpedo Factory Group Limited

Occupier (if different to proprietor): Primarily used by Torpedo Factory Ltd

Current Use: Car parking, site of shipping container (for storage), and a basic brick structure (behind Unit B2) which forms a single room used by Torpedo Factory Ltd

Investment Property: No

Property: Unit B1, St Leonards Road, London NW10 6ST

Title number: AGL51417

Proprietor: Torpedo Factory Group Limited

Occupier (if different to proprietor): Primarily used by Torpedo Factory Ltd, also Ortana Media Group Ltd and Leap Productions Ltd

Current Use: Warehouse and office space

Investment Property: No

Part 2 – Leasehold Properties

Property: Apple, Greenhills Rural Enterprise Centre, Tilford Road, Tilford, Surrey, GU10 2DQ

Date of Lease and parties to the Lease: 1 June 2022 made between (1) Spincrest Ltd and (2) Torpedo Factory Limited

Title number (if unregistered): N/A

Proprietor: Torpedo Factory Limited

Current tenant (if different to proprietor): N/A

Current guarantor: None

Occupier: Torpedo Factory Limited

Current Use: As a warehouse for the Live Events business

Investment Property?: No

Property: Unit 15, Bicester Business Park, Telford Road, Bicester, Oxfordshire OX26 4LD

Date of Lease and parties to the Lease: 11 April 2022 made between (1) Working Assets Limited and (2) TFG Stage Technology Limited

Title number (if unregistered): N/A

Proprietor: TFG Stage Technology Limited

Current tenant (if different to proprietor): N/A

Current guarantor: None

Occupier: TFG Stage Technology Limited

Current Use: Warehouse storage (occasional office use)

Investment Property?: No

Property: Premises at Trent Industrial Estate, Duchess Street, Shaw, Oldham OL2 7UT

Date of Lease and parties to the Lease: 13 September 2022 made between (1) Whitehall Trustees Limited and Patrick Gerald Colin as Trustees of National Stage Retirement Benefits Scheme and (2) TFG Stage Technology Ltd

Title number (if unregistered): N/A

Proprietor: TFG Stage Technology Limited

Current tenant (if different to proprietor): N/A

Current guarantor: None

Occupier: TFG Stage Technology Limited

Current Use: Warehouse and Office

Investment Property?: No

SCHEDULE 8**TAX****Part 1- Tax Warranties****1. GENERAL**

- 1.1 All notices, returns (including any land transaction returns), reports, accounts, computations, statements, assessments and registrations and any other necessary information submitted by any member of the Sale Group to any Taxation Authority for the purposes of Taxation in the last six years ending on the date of this Agreement have been duly made on a proper basis, were submitted within the applicable time limits, were accurate and complete when submitted and remain accurate and complete in all material respects and none of the above is, or so far as the Warrantors are aware is likely to be, the subject of any material dispute with any Taxation Authority.
- 1.2 No member of the Sale Group has, in the last six years, been, involved in any dispute with any Taxation Authority.
- 1.3 All Taxation (whether of the United Kingdom or elsewhere) for which any member of the Sale Group is or has been liable or is liable to account for has been duly paid (insofar as such Taxation ought to have been paid).
- 1.4 Each member of the Sale Group has, within applicable time limits, kept and maintained complete and accurate records, invoices and other information in relation to Taxation as it is required or is prudent to keep and maintain. Such records, invoices and information form part of tax accounting arrangements that enable the tax liabilities of such member of the Sale Group to be calculated accurately in all material respects.
- 1.5 No member of the Sale Group has made any payments representing instalments of corporation tax pursuant to the Corporation Tax (Instalment Payments) Regulations 1998 in respect of any current or preceding accounting periods and is not under any obligation to do so.
- 1.6 No member of the Sale Group has paid within the past seven years ending on the date of this Agreement nor will become liable to pay any penalty, fine, surcharge or interest charged by virtue of the provisions of the TMA 1970 or any other Taxation Statute.
- 1.7 All Taxation and national insurance or other social security contributions (whether as primary contributor, secondary contributor or otherwise) deductible and payable (including under the PAYE system and/or any other Taxation Statute) has, so far as is required to be deducted, been deducted from all payments made (or treated as made) by any member of the Sale Group. All amounts due to be paid to the relevant Taxation Authority prior to the date of this Agreement have been so paid, including, without limitation, all Tax chargeable on benefits provided for directors, employees or former employees of any member of the Sale Group or any persons required to be treated as such. Proper records have been maintained in respect of all such deductions and payments, and all applicable regulations have been complied with.
- 1.8 No member of the Sale Group has, within the past 24 months been subject to any visit, audit, investigation, discovery or access order by any Taxation Authority and no circumstances exist which, so far as the Warrantors are aware, make it likely that a visit, audit, investigation, discovery or access order will be made in the next 12 months.
- 1.9 The amount of Taxation chargeable on any member of the Sale Group during any accounting period ending on or within the six years before Completion has not, to any material extent, depended on any concession, agreements or other formal or informal arrangement with any Taxation Authority.
- 1.10 All transactions in respect of which any clearance or consent was required from any Taxation Authority have been entered into by any member of the Sale Group after such consent or

clearance has been properly obtained, any application for such clearance or consent has been made on the basis of true and accurate disclosure of all relevant material facts and considerations, and all such transactions have been carried into effect only in accordance with the terms of the relevant clearance or consent.

- 1.11 Each member of the Sale Group has duly submitted all claims, disclaimers and elections the making of which has been assumed for the purposes of the Accounts and none of such claims, disclaimers or elections are likely to be disputed or withdrawn.
- 1.12 The Accounts make full provision or reserve within UK GAAP for any period ending on or before the date to which they were drawn up for all Taxation assessed or liable to be assessed on each member of the Sale Group or for which each member of the Sale Group is accountable at that date, whether or not any member of the Sale Group has (or may have) the right of reimbursement against any other person. Proper provision has been made and shown in the Accounts for deferred taxation in accordance with UK GAAP.
- 1.13 No member of the Sale Group is nor will become liable to make to any person (including any Taxation Authority) any payment in respect of any liability to Taxation of any other person where that other person fails to discharge liability to Taxation to which he is or may be primarily liable.
- 1.14 Each member of the Sale Group has sufficient records to determine the tax consequence which would arise on any disposal or realisation of any asset owned at the Accounts Date or acquired since that date but prior to Completion.
- 1.15 No member of the Sale Group is a member of a group of companies or a fiscal consolidation or fiscal unity for the purposes of any Tax.
- 1.16 No member of the Sale Group is not a qualifying company within the meaning of Schedule 46 of Finance Act 2009 (Duties of Senior Accounting Officers of Qualifying Companies).
- 1.17 No member of the Sale Group has entered into a managed payment plan within section 59G of TMA 1970 nor into any arrangement with any Tax Authority for the deferred payment of any liability to Taxation.
- 1.18 No member of the Sale Group is party to or bound by or has any obligation under any agreement for the sale and purchase of shares or a business or part of a business under which any claim could be made against any member of the Sale Group in respect of or relating to tax or any Tax Sharing Agreement (where “**Tax Sharing Agreement**” means any Tax allocation agreement, Tax indemnification agreement, Tax sharing agreement or similar contract or arrangement, whether or not written).

2. EVENTS SINCE THE ACCOUNTS DATE

- 2.1 Since the 2022 Accounts Date:
 - 2.1.1 no member of the Sale Group has been involved in any transaction outside the ordinary course of business which has given or may give rise to a liability to Taxation on each member of the Sale Group (or would have given or might give rise to such a liability but for the availability of any relief, allowance, deduction or credit);
 - 2.1.2 there has been no change of law, or any proposal by a Government entity to change law, which if it had been reflected in the Accounts would have reduced the amount of any Tax asset included in the Account or would have created or increased the amount of a provision for deferred Tax in the Accounts;
 - 2.1.3 no accounting period of any member of the Sale Group has ended;
 - 2.1.4 no disposal has taken place or other event occurred which will or may have the effect of crystallising a liability to Taxation which should have been included in the provision for deferred tax contained in the Accounts if such a disposal or other event had been planned or predicted at the date on which the Accounts were drawn up;

- 2.1.5 no payment other than ordinary course business entertainment expenditure has been made by any member of the Sale Group which will not be deductible for corporation tax purposes in computing the profits of any member of the Sale Group (and such sums payable by such member of the Sale Group shall include all remuneration and other sums (including any payments made directly or indirectly in consideration or in consequence of, or otherwise in connection with, the termination of the holding of any office or employment) paid or payable and all benefits provided or agreed to be provided to employees or officers of any member of the Sale Group); and
- 2.1.6 no Event has occurred which has or may have the effect of prejudicing any Relief taken into account in computing or eliminating the provision for deferred tax contained in the Accounts or in determining the amount of any Tax asset.

3. CHARGEABLE GAINS

- 3.1 No liability to Taxation would be incurred (or would be incurred but for the availability of any relief, allowance, deduction or credit) by any member of the Sale Group on a disposal by it of all or any of its assets for in the case of each asset owned by it at the Accounts Date, a consideration equal to the value attributed to that asset in preparing the Accounts.
- 3.2 No asset of any member of the Sale Group has any "held-over gain" as referred to in section 154 of TCGA 1992 to which section 154(2) of TCGA 1992 applies.
- 3.3 No member of the Sale Group has within the last six years acquired any asset from any other company which was, at the time of such acquisition, a member of the Sale Group for the purposes of any Tax.
- 3.4 No member of the Sale Group has made a claim under Sections 24, 48 or 280 of the TCGA 1992 and no elections under sections 171A 1992 or sections 792 and 793 of the CTA 2009.

4. CAPITAL ALLOWANCES

- 4.1 No balancing charge under the CAA 2001 (or any other legislation relating to capital allowances) would be made on any member of the Sale Group on the disposal of any pool of assets (that is, all those assets whose expenditure would be taken into account in computing whether a balancing charge would arise on a disposal of any other of those assets) or of any asset not in such a pool, on the assumption that the disposals are made for a consideration equal to the book value shown in or adopted for the purpose of the Accounts for the assets in the pool or (as the case may be) for the asset.
- 4.2 No event has occurred since the Accounts Date (otherwise than in the ordinary course of business) whereby any balancing charge may fall to be made against, or any disposal value may fall to be brought into account by any member of the Sale Group under the CAA 2001 (or any other legislation relating to capital allowances).
- 4.3 No member of the Sale Group has claimed any research and development tax relief or tax credit nor any first-year tax credits (within the meaning of section 262A of, and Schedule 1A to, CAA 2001).
- 4.4 No member of the Sale Group has incurred any expenditure which qualifies for allowances under Part 3A of CAA 2001 (business premises renovation allowance).
- 4.5 The Disclosure Letter gives full details of all expenditure incurred by all members of the Sale Group on the provision of or replacement of integral features (within the meaning of section 33A of CAA 2001).

5. DISTRIBUTIONS AND OTHER PAYMENTS

- 5.1 No distribution or deemed distribution within the meaning of section 1000 or 1002-1027 of CTA 2010 has been made (or will be deemed for tax purposes to have been made) by any member of

the Sale Group except dividends shown in their audited accounts and no member of the Sale Group is bound to make any such distribution.

- 5.2 No securities within the meaning of section 1114 of CTA 2010 issued by any member of the Sale Group and remaining in issue at the date of this Agreement were issued in such circumstances that the interest payable under them falls to be treated as a distribution under section 1000 of CTA 2010, nor has any member of the Sale Group agreed to issue any such securities.
- 5.3 No rents, interest, annual payments or other sums of an income nature paid or payable by any member of the Sale Group or which any member of the Sale Group is under an existing obligation to pay in the future are or may be wholly or partially disallowable as deductions, management expenses or charges in computing profits for the purposes of corporation tax.
- 5.4 No member of the Sale Group has within the period of seven years preceding Completion been engaged in, nor been a party to, any of the transactions set out in Chapter 5 of Part 23 of CTA 2010, nor has it made or received a chargeable payment as defined in section 1086 of CTA 2010.

6. LOAN RELATIONSHIPS

All interests, discounts and premiums payable by any member of the Sale Group in respect of its loan relationships (within the meaning of 302 of the CTA 2009) are eligible to be brought into account by any member of the Sale Group as a debit for the purposes of Part 5 of the CTA 2009 at the time and to the extent that such debits are recognised in the statutory accounts of any member of the Sale Group.

7. CLOSE COMPANIES

- 7.1 No member of the Sale Group at any time during the last six years ending at the Accounts Date been a close company within the meaning of section 439 of the CTA 2010.
- 7.2 No distribution within section 1064 of the CTA 2010 has been made by any member of the Sale Group during the last six years ending at the Accounts Date, nor have such distributions been made between the Accounts Date and Completion.
- 7.3 Any loans or advances made or agreed to be made by any member of the Sale Group within sections 455, 459 and 460 of the CTA 2010 have been disclosed in the Disclosure Letter any member of the Sale Group has not released or written off or agreed to release or write off the whole or any part of any such loans or advances.

8. INTANGIBLE ASSETS

- 8.1 For the purposes of this paragraph 8, references to intangible fixed assets mean intangible fixed assets and goodwill within the meaning of Part 8 of the CTA 2009 to which the provisions of that legislation apply and references to an intangible fixed asset shall be construed accordingly.
- 8.2 If any member of the Sale Group realises each of its intangible fixed assets to which Part 8 of the CTA 2009 applies for a consideration equal to its book value as shown in or adopted for the purposes of the Accounts, no credit would be required to be brought into account.
- 8.3 No claims or elections have been made by any member of the Sale Group under Chapter 7 of Part 8 of the CTA 2009, or section 827 of the CTA 2009 in respect of any intangible fixed asset of any member of the Sale Group.
- 8.4 Since the Accounts Date:
 - 8.4.1 no member of the Sale Group owns an asset which has ceased to be a chargeable intangible asset in the circumstances described in section 859 of the CTA 2009.
 - 8.4.2 no member of the Sale Group has realised or acquired an intangible fixed asset for the purposes of Part 8 of the CTA 2009.

8.4.3 No circumstances have arisen which have required, or will require, a credit to be brought into account by any member of the Sale Group on a revaluation of an intangible fixed asset.

8.5 No member of the Sale Group holds or has held any right to which Part 8A of the CTA 2010 applies or an exclusive licence in respect of such right within section 357BA of the CTA 2010.

9. COMPANY RESIDENCE ETC.

9.1 Each member of the Sale Group has within the past seven years been resident in England for corporation tax purposes and has not at any time in the past seven years been treated for the purposes of any double taxation arrangements having effect by virtue of section 2 of the TIOPA 2010 or for any other tax purpose as resident in any other jurisdiction.

9.2 No member of the Sale Group is subject to Tax in any jurisdiction other than its place of incorporation by virtue of having a permanent establishment or other place of business in that jurisdiction.

9.3 No member of the Sale Group is liable for any Tax as the agent of any other person or business or constitute a permanent establishment of any other person, business or enterprise for any Tax purpose.

10. TRANSFER PRICING

All transactions or arrangements made by all members of the Sale Group have been made on fully arm's length terms so far as is relevant for the purposes of Taxation. There are no circumstances in which Part 4 of the TIOPA 2010 or any other rule or provision could apply causing any Taxation Authority to make an adjustment to the terms on which such transaction or arrangement is treated as being made for Taxation purposes and no such adjustment has been made, threatened or attempted in fact.

11. ANTI AVOIDANCE

11.1 No person, acting in the capacity of an Associated Person (as defined in section 44(4) of the Criminal Finances Act 2017 ("CFA 2017")) of any member of the Sale Group has committed:

11.1.1 a UK tax evasion facilitation offence under section 45(5) of the CFA 2017; or

11.1.2 a foreign tax evasion facilitation offence under section 46(6) of the CFA 2017.

11.2 The Sale Group has in place (and has had in place at all times since 30 September 2017) such prevention procedures (as defined in sections 45(3) and 46(4) of the CFA 2017) as are proportionate to its business risk and are in line with any guidance published from time to time pursuant to section 47 of the CFA 2017.

11.3 No member of the Sale Group has at any time been a party to or otherwise involved in a transaction or series of transactions in relation to which the main purpose or one of the main purposes was the avoidance of tax.

11.4 No member of the Sale Group has:

11.4.1 been or will be required to provide HM Revenue & Customs with any information pursuant to Part 7 of the Finance Act 2004 or any related regulations (DOTAS) or Schedule 17 of the Finance (No.2) Act 2017 (disclosure of VAT and other tax avoidance schemes);

11.4.2 done anything which could result in an adjustment being made to counteract a tax advantage pursuant to Part 5 of the Finance Act 2013 (GAAR) or under the "Halifax" principle (*Halifax plc v Customs & Excise Commissioners* [2006] STC 919);

12. INHERITANCE TAX

- 12.1 No member of the Sale Group has made any transfer of value within sections 94 and 202 of the IHTA 1984, nor has it received any value such that liability might arise under section 199 of the IHTA 1984, nor has it been a party to associated operations in relation to a transfer of value as defined by section 268 of the IHTA 1984.
- 12.2 There is no unsatisfied liability to inheritance tax attached to or attributable to the Shares or any asset of any member of the Sale Group and no member of the Sale Group is subject to any Inland Revenue charge as mentioned in section 237 and 238 of the IHTA 1984.
- 12.3 No asset owned by any member of the Sale Group or the Shares are liable to be subject to any sale, mortgage or charge by virtue of section 212(1) of the IHTA 1984.

13. VAT

- 13.1 Each member of the Sale Group is a taxable person and is registered in the UK for the purposes of VAT with quarterly prescribed accounting periods.
- 13.2 Each member of the Sale Group has complied fully with all statutory provisions, rules, regulations, orders and directions in respect of VAT, promptly submitted accurate returns, and maintained and obtained full and accurate and up to date VAT records, invoices and other requisite documents and has preserved such records, invoices and other document as required by law. No member of the Sale Group has been:
- 13.2.1 subject to any interest, forfeiture, surcharge or penalty; or
 - 13.2.2 given any notice under sections 59, 59A or 64 of the VATA 1994; or
 - 13.2.3 given a warning within section 76(2) of the VATA 1994; or
 - 13.2.4 required to give security under paragraph 4 of Schedule 11 to the VATA 1994.
- 13.3 VAT has been duly paid by each member of the Sale Group or provision has been made in the Accounts for all amounts of VAT for which each member of the Sale Group is liable.
- 13.4 All supplies made by each member of the Sale Group are taxable supplies and no member of the Sale Group has been, or will be, denied full credit for all input tax by reason of the operation of sections 25 and 26 of the VATA 1994 and regulations made thereunder or for any other reasons and no VAT paid or payable by any member of the Sale Group is not input tax as defined in section 24 of the VATA 1994 and regulations made thereunder.
- 13.5 No member of the Sale Group is, or has been, for VAT purposes, a member of any group of companies. No act or transaction has been effected in consequence of which any member of the Sale Group is or may be held liable for any VAT arising from supplies made by another company. No direction has been given, nor will be given, by HM Revenue & Customs under Schedule 9A to the VATA 1994 as a result of which any member of the Sale Group would be treated as a member of another group for the purposes of VAT.
- 13.6 No member of the Sale Group has owned nor has at any time within the period of ten years preceding the date hereof owned any assets which are capital items subject to the capital goods scheme under Part XV of the VAT Regulations 1995.
- 13.7 For the purposes of paragraph 3 of Schedule 10 to the VATA 1994, each member of the Sale Group and any relevant associates of each member of the Sale Group (within the meaning of paragraph 3 of Schedule 10 to the VATA 1994) have not and have no intention or obligation to opt to tax (pursuant to paragraph 2 of Schedule 10 to the VATA 1994) in respect any properties of each member of the Sale Group.
- 13.8 No member of the Sale Group has in the last four years made any claim for bad debt relief under section 36 of the VATA 1994 and there are no existing circumstances by virtue of which any refund of VAT obtained or claimed may be required to be repaid or there could be a claw back of input VAT each member of the Sale Group under section 36(4) of the VATA 1994.

14. EMPLOYEES AND PENSION

- 14.1 Each member of the Sale Group and any employee benefit trust or other third party has not made or agreed to make, any payment to, or provided or agreed to provide any benefit for, any director or former director, officer or employee (or associate of any of the foregoing) of any member of the Sale Group, which is or will not be allowable as a deduction in computing the profits of any member of the Sale Group for Tax purposes, whether up to or after the Accounts Date.
- 14.2 No member of the Sale Group participates in a scheme under section 713 of the ITEPA 2003.
- 14.3 No member of the Sale Group has been granted any dispensations relating to the Taxation of its directors or employees or the reporting of benefits provided to such directors or employees.
- 14.4 No member of the Sale Group has paid or agreed to pay any remuneration (including bonuses) or other emoluments or provided any benefit to any director, other officer or employee of it other than such payments as were or will be allowable as a deduction in computing the profits of any member of the Sale Group for the purposes of corporation Tax.
- 14.5 The Disclosure Letter contains details of all schemes established by any member of the Sale Group approved by HMRC under Schedules 2, 3 and 4 to the ITEPA 2003 or notified to HMRC as meeting the relevant statutory requirements (“**Tax-advantaged Schemes**”) and of all options granted under Schedule 4 to the ITEPA 2003. HMRC approval was not, before 6 April 2014, withdrawn in respect of any Tax-advantaged Scheme for which approval had previously been given, and the Warrantors are not aware of any circumstances under which a Tax-advantaged Scheme may cease to meet the relevant statutory requirements.
- 14.6 In relation to the Options and the CSOP:
- 14.6.1 complete and accurate details of each Option (including board minutes and any amendments thereto where applicable), together with copies of any registration, notification or declarations given to HM Revenue & Customs, all annual returns filed with HM Revenue & Customs, and any correspondence with HM Revenue & Customs Shares and Assets Valuation are Disclosed in Part 2, paragraph 14.6.1 of the Disclosure Letter;
- 14.6.2 the CSOP and the Options meet the requirements of Parts 2 to 6 of Schedule 4 of ITEPA 2003;
- 14.6.3 there have been no material amendments to the terms of the Options or the CSOP;
- 14.6.4 the unrestricted market value of the shares under the Options was agreed with HMRC Shares and Assets Valuation prior to the date of grant, and the Options were not granted at an exercise price manifestly less than the agreed unrestricted market value;
- 14.6.5 all registrations, notifications and declarations (including notification under paragraph 28A of Schedule 4 of ITEPA 2003 and annual return under paragraph 28D of Schedule 4 of ITEPA 2003) have been made to HM Revenue & Customs within the relevant time period and no penalties have arisen or are expected to arise in respect of any such registrations, notifications and declarations;
- 14.6.6 they have been administered in accordance with the requirements of HM Revenue & Customs and ITEPA and in accordance with the powers and provisions contained in its CSOP and all applicable laws, regulations and requirements of any competent governmental body or regulatory authority; and
- 14.6.7 no claim has been threatened or made or litigation commenced against the Company in respect of any matter arising out of or in connection with the Options and there are no circumstances which may give rise to any such claim or litigation.
- 14.6.8 The Options meet the requirements for the Company to obtain a deduction for corporation tax under Part 12 CTA 2009.

- 14.7 No member of the Sale Group has issued or created any securities, interests in securities or securities options to which Chapters 3, 3A, 3B, 3C, 3D, 4 or 5 Part 7 of the ITEPA 2003 apply.
- 14.8 No shares or securities have been issued by any member of the Sale Group, and no options have been granted or issued in respect of such shares or securities, in respect of which (including, without limitation, in respect of any sub-division thereof) any member of the Sale Group will or may be liable to account for income tax under the PAYE system or to collect or pay any National Insurance contributions.
- 14.9 No person has acquired any securities, any securities option or any interest in securities (in each case within the meaning of Part 7 ITEPA) where the right or opportunity to acquire the same is or was available by reason of an employment with any member of the Sale Group for the purposes of Part 7 ITEPA for which an election pursuant to section 431 ITEPA has not been made. All joint elections in respect of restricted securities made by any member of the Sale Group with current or former employees or directors under Chapter 2 of Part 7 of ITEPA have been properly made using forms approved by HMRC and within the applicable time limits.
- 14.10 There is no agreement, formal or informal, between the Sellers to redistribute the consideration payable under the Agreement between themselves otherwise than in accordance with this Agreement and the consideration due to each shareholder is proportionate to their shareholding.
- 14.11 As at the date of this Agreement, no Employee is or may become entitled to receive (whether or not by way of exercise of an option granted to him) at any time after the execution of this Agreement any amount to which Section 696 of the ITEPA 2003 and any regulations made thereunder may apply (income provided in other ways).
- 14.12 The Disclosure Letter contains details of any payments or loans made to, any assets made available or transferred to, or any assets earmarked, however informally, for the benefit of, any employee or director or former employee or director (or any person linked with such employee or director or former employee or director) of any member of the Sale Group by an employee benefit trust or another third party, falling within the provision of Part 7A of the ITEPA 2003.
- 14.13 There are no trusts or other arrangements in place, whether funded or established by any member of the Sale Group or of which the Warrantors are aware, under which any employees or former employees of any member of the Sale Group or any persons associated with such employees or former employees can obtain a benefit in any form.

15. STAMP DUTY

- 15.1 Any document that may be necessary or desirable in proving the title of any member of the Sale Group to any asset which is owned by any member of the Sale Group at Completion or any document which any member of the Sale Group may wish to enforce or produce in evidence is duly stamped for stamp duty purposes. No such documents which are outside the United Kingdom would attract duty if they were brought into the United Kingdom.
- 15.2 For the purposes of the remaining provisions of this paragraph 15, the terms "land transaction" and "effective date" shall be construed in accordance with Part 4 of the Finance Act 2003. The Disclosure Letter contains full details of any Relief from stamp duty or stamp duty land tax that has been claimed or obtained (including details of the parties to the relevant transaction, its subject matter and date and the nature of the Relief claimed), being a Relief which will or may be withdrawn or restricted as a result of, or which could affect the amount of any such tax chargeable in respect of:
- 15.2.1 any Event that is planned to occur prior to Completion; or
- 15.2.2 any of the transactions contemplated by this Agreement; or
- 15.2.3 any Event that might occur after Completion,

for the avoidance of doubt, including, without limitation, full details of any Relief from stamp duty land tax by virtue of paragraph 1, 7 or 8 of Schedule 7 to the Finance Act 2003 that has been

claimed or obtained in respect of a land transaction the effective date of which is less than three years before the date of this Agreement. The Disclosure Letter sets out true and accurate details of any land transaction (which has an effective date prior to Completion; or in respect of which the date of the contract for the land transaction is prior to Completion, and, in either case, in respect of which any member of the Sale Group will be or which the Warrantors are aware, or ought reasonably to be aware, may become subject to an obligation to deliver a return or further return or to pay additional stamp duty land tax or to pay stamp duty land tax where none was payable before (including details of the parties to the relevant transaction, its subject matter, the effective date and the nature of the amount of stamp duty land tax already paid together with records kept in connection with any land transaction which has already been delivered).

16. MISCELLANEOUS

None of the shares of any member of the Sale Group nor any property owned by any member of the Sale Group is subject to any charge imposed by a taxing authority.

Part 2- Tax Covenant

IT IS AGREED as follows:

1. INTERPRETATION

1.1 In this Tax Covenant unless the context otherwise requires:

- “Accounts”** means the 2022 Individual Accounts;
- “Accounts Relief”** means:
- (a) any Relief which is taken into account in computing and so reducing or eliminating any provision for deferred Tax which appears in the Accounts or which, but for such Relief, would have appeared in the Accounts; and
 - (b) any Relief to the extent that it was treated as an asset in the Accounts;
- “Buyer’s Relief”** means:
- (a) any Accounts Relief;
 - (b) any Post Accounts Date Relief; and
 - (c) to the extent not a Post Accounts Date Relief, any Relief arising to any member of the Buyer’s Group (other than any member of the Sale Group) at any time;
- “Claim for Tax”** means any claim, counterclaim, determination, notice, demand, assessment, return, account, letter or other document issued or prepared or action taken by or on behalf of any Taxation Authority, or any form of return, computation or self-assessment or other document prepared or submitted by any person or any other circumstances indicating that any member of the Sale Group is or may be placed or is sought to be placed under a Liability for Tax;
- “Deemed Tax Liability”** means:
- (a) any liability (including a liability which is a primary liability of some other person and whether or not there is a right of recovery against another person) to make a payment or increased payment of or on account of Tax, or an amount in respect of Tax, for which the Buyer would have been able to make a claim against the Warrantors under this Tax Covenant and which would have arisen but for being satisfied, avoided or reduced by the use of set off of any Buyer’s Relief; and
 - (b) the disallowance, loss, clawback, reduction, restriction, non-availability or modification of any Accounts Relief;
- “Dividend”** shall include anything which is deemed to be a dividend or distribution for the purposes of any Taxation;

“Event” includes (without limitation) any event (including the death, winding up or dissolution of any person), act (including Completion, the migration of a company or the inclusion of a company within a group of companies for any purpose), failure, omission, transaction (including the purchase or sale of an asset and including the sale of the Shares pursuant to this Agreement), receipt, Dividend, distribution or failure to make sufficient distributions to avoid an apportionment or deemed distribution of income, arrangement or change in circumstances whether or not any member of the Sale Group was a party thereto;

“Liability for Tax” means:

- (a) any liability (including a liability which is a primary liability of some other person and whether or not there is a right of recovery against another person) to make an actual payment or increased payment of or on account of Tax, or an amount in respect of Tax; and
- (b) any Deemed Tax Liability;

“Post Accounts Date Relief” means any Relief which arises in respect of, by reference to or in consequence of, any period ending after Completion or any Event occurring after Completion or arising in the ordinary course of business to the Company in respect of, by reference to or in consequence of any period commencing after the 2022 Accounts Date;

“Relief” means:

- (a) any relief, loss, allowance, exemption, set-off or credit in respect of any Taxation;
- (b) any deduction in computing income, profits or gains for the purposes of any Taxation; or
- (c) any right to repayment or saving of Taxation including any repayment supplement, fee or interest in respect of tax; and

any reference to the “loss” of a Relief shall include the absence, unavailability of, failure to obtain non-existence or cancellation of any such Relief, or to such Relief being available only in a reduced amount; and

any reference to “use” or “set off” of a Relief shall be construed accordingly and shall include use or set off in part;

1.2 In interpreting this Tax Covenant:

1.2.1 words and expressions defined in the Agreement shall have the same meanings in this Tax Covenant except where otherwise provided or expressly defined in this Tax

Covenant and, unless the context otherwise requires, clause 1 (*Definitions and interpretation*) of the Agreement shall apply to the interpretation of this Tax Covenant;

- 1.2.2 any reference to an Event which occurred on or before Completion includes a series or combination of Events only the first or some of which occurred on or before Completion and the second or successive Events are effected after Completion and are inside the ordinary course of business of any member of the Sale Group as presently carried on at Completion; and
 - 1.2.3 any reference to income, profits or gains earned, accrued or received or an Event which has occurred includes income, profits or gains deemed for Tax purposes to have been or treated as or regarded as earned, accrued or received or an Event deemed for Tax purposes to have or treated as having or regarded as having occurred, as the case may be.
 - 1.2.4 in the case of any conflict between the provisions of the Agreement and this Tax Covenant, the provisions of this Tax Covenant shall prevail;
 - 1.2.5 any reference to “**includes**” or “**including**” shall be read as “includes, without limitation” or “including, without limitation”; and
 - 1.2.6 the phrase “**to the extent that**” shall mean “to the extent that (but only insofar as)” so that if, for example, a provision was included in respect of a particular Liability for Tax in the Accounts, but the actual amount of that Liability for Tax is greater than the provision, paragraph 3.1.1 would only exclude coverage under the covenants in paragraph 2.1 in respect of the amount actually provided for (and not the excess).
 - 1.2.7 where a reference is made to the Company, such reference shall also be taken to include each of the Subsidiaries unless the context requires otherwise and, for the avoidance of doubt, the references contained in paragraph 2 to the Company shall include the Subsidiaries.
- 1.3 For the purposes of this Tax Covenant, any stamp duty which would have to be paid by the Company after Completion in order to enforce in the United Kingdom or elsewhere any document entered into prior to Completion or prove or obtain registration of the title of the Company to any asset owned at Completion or otherwise required so that the document is accepted or admissible for any purposes (including for the purpose of any Tax) will be deemed to be a Liability for Tax of the Company arising in respect of an Event which occurred before Completion.

2. COVENANT TO PAY

- 2.1 The Warrantors covenant with the Buyer to pay to the Buyer an amount equal to:
- 2.1.1 any Liability for Tax of the Company which has arisen or may arise wholly or partly in respect or in consequence of:
 - (a) any income, profits or gains earned, accrued or received on or before the Completion Date or in respect of a period ending on or before the Completion Date;
 - (b) any Event occurring or deemed to occur on or before the Completion Date (including, without prejudice to the foregoing, the execution or performance of this Agreement);

- (c) any failure to discharge or default in discharging any of the Warrantors' obligations under this Tax Covenant, including any failure to meet any relevant time limit; and
- 2.1.2 any Deemed Tax Liability;
- 2.1.3 any Liability for Tax arising in consequence of an Event occurring, or any income profits or gains earned, accrued or received at any time for which the Company is liable as a result of having at any time before Completion been under the control of any person or associated with any person and that person or any other person failing to discharge any Liability for Tax;
- 2.1.4 any liability for inheritance tax (disregarding the fact that the inheritance tax is not yet payable, or may be paid by instalments) of:
 - (a) any person other than the Company arising as a result of a transfer of value before Completion (whether or not in conjunction with the death of any person whenever occurring) which is at Completion, or becomes after Completion, charged or secured on or gives rise to a power to sell, mortgage or charge or is otherwise payable out of the Shares or any asset of the Company or the proceeds of sale thereof; or
 - (b) the Company which arises as a result of a transfer of value made by or to the Company on or before Completion (whether or not in conjunction with the death of any person whenever occurring);
- 2.1.5 any liability of the Buyer or the Company or any member of the Buyer's Group to account for income tax under the PAYE system or national insurance contributions (together with any related interest and/or penalties) which arises at any time in respect of all current and former Employees and officeholders of the Company and relates to:
 - (a) the acquisition, grant, exercise, disposal, release or variation of any option or other right to acquire shares or an interest in shares granted prior to Completion; or
 - (b) the acquisition, disposal, release or variation of, or the receipt of any benefit or any other event occurring in respect of, any shares, rights attaching to shares or interest in share acquired on or before Completion; or
 - (c) the acquisition, disposal, release or variation of, or the receipt of any benefit or any other event occurring in respect of, any shares, rights attaching to shares or interest in shares acquired as a result of the exercise of any option or right or the vesting of any interest or right granted on or before Completion; or
 - (d) any "relevant step" taken by a "relevant third person" as defined in part 7A ITEPA 2003, on or before Completion; or
 - (e) the failure after Completion by an Employee to make good to the Company after Completion any income tax for which the Company is required to account for in respect of any notional payment as defined in section 222 of the ITEPA 2003 and arising in respect of any shares, options, rights or interests referred to in any of paragraphs (a) to (c) above;

- 2.1.6 any liability of the Buyer or the Company to account for income tax under the PAYE system or for employee's national insurance contributions or any liability of the Company to account for employer's national insurance contributions which arises in consequence of or in connection with the payment of the Purchase Price together with any related fine, penalty or interest;
- 2.1.7 any Liability for Tax arising as a result of or in connection with Part 7A of the ITEPA 2003 including any liability arising at any time as a consequence of or in respect of or by reference to any payments or loans made to, any assets made available or transferred to, or any assets earmarked, however informally, for the benefit of, any employee or former employee of the Company, or for the benefit of any relevant person, by an employee benefit trust or another third party where the arrangement giving rise to the charge was entered into at a time when the third party was acting on the instructions of, or for the benefit of, the Warrantors or an associate of any of the Warrantors;
- 2.1.8 any liability of the Company as a result of, or in connection with, any claim being made against the Company in respect of or relating to Tax under the terms of any indemnity, covenant, warranty, guarantee or election entered into or created on or before Completion;
- 2.1.9 any liability of the Company or any member of the Buyer's Group to account for income tax, national insurance contributions and/or apprenticeship levy (including, but not limited to, under section 222 ITEPA and regulation 22(4) of the Social Security (Contributions) Regulations 2001) or their equivalent in any other jurisdiction, whether arising before, on or after Completion in respect of the grant, exercise, surrender, exchange or other disposal of an option or other right to acquire securities, in each case where the grant of the option was made under the CSOP on or before Completion;
- 2.1.10 all costs, expenses, disbursements and professional fees reasonably and properly incurred by the Buyer or the Company in connection with any liability falling within paragraphs 2.1.1 to 2.1.9 above or in successfully taking or defending any action under this Tax Covenant which leads to a recovery by the Buyer under this Tax Covenant or the Tax Warranties.
- 2.2 Each of the covenants contained in paragraphs 2.1.1 to 2.1.10 above 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 Warrantors in respect of a liability under one covenant shall discharge any liability under the other to the extent of such payment and insofar as it arises from the same subject matter.

3. EXCLUSIONS

- 3.1 Subject to paragraph 3.2, the covenant contained in paragraph 2 shall not apply and the Buyer shall have no claim against the Warrantors under it or under the Tax Warranties to the extent that:
- 3.1.1 provision or reserve (excluding a provision for deferred tax) in respect of the liability in question is made in the Accounts or to the extent that such liability was paid or discharged on or before Completion and such payment or discharge in fact occurred;
- 3.1.2 in the case of a claim under this Tax Covenant, the Buyer has recovered damages from the Warrantors for breach of any of the Warranties or otherwise under the Agreement in respect of the same liability;
- 3.1.3 the liability in question arises or is increased as a result of a change in legislation announced after Completion or the withdrawal or amendment after Completion and of any published concession or published statement of practice previously made by the

relevant Taxation Authority, provided that this sub-paragraph 3.1.3 will not apply to an payment under paragraph 7;

3.1.4 the liability in question arises as a result of a voluntary act or omission of the Company after Completion outside the ordinary course of business of the Company which the Buyer knew or ought reasonably to have known would give rise to the liability in question other than any of the following:

- (a) an act carried out pursuant to a legally binding obligation entered into before Completion or at the direction of the Warrantors;
- (b) an act which the Company was required to do by any legislation (whether relating to Tax or otherwise);
- (c) any disclosure to a Taxation Authority or other government, state, municipal, local or federal regulatory authority; or
- (d) the payment of any stamp duty or the bringing into the United Kingdom of any document referred to in paragraph 1.3 above;

3.1.5 the liability in question would not have arisen but for a change of accounting policy or practice of the Company adopted after the date of Completion otherwise than to accord with Law or UK GAAP in force at Completion;

3.1.6 the liability in question would not have arisen but for the failure or omission by the Company to make any claim, election, surrender or disclaimer, or give any notice or consent to do any other thing, after Completion, the making, giving or doing of which was taken into account in preparing the Accounts and of which the Warrantors gave written notice to the Buyer after Completion;

3.1.7 the liability in question arises as a result of any transaction or Event occurring in the ordinary course of business of the Company after the 2022 Accounts Date;

3.1.8 any Relief (other than a Buyer's Relief) arising in respect of an Event occurring on or before Completion is available to the Company to set against or otherwise mitigate the liability in question; or

3.1.9 the liability in question is for secondary Class 1 national insurance contributions (including interest, fines and penalties in respect of such contributions) where such contributions arise out of arrangements relating to the exercise or surrender of the Options held by the Minority Option Holders pursuant to the Option Holders TFG Letter.

3.2 The exclusion in paragraph 3.1.4, shall not apply to any liability under paragraph 2.1.9.

4. AMOUNT OF LIABILITY FOR TAX

4.1 The amount of any Liability for Tax shall be as follows:

4.1.1 to the extent that a Liability for Tax involves a liability of the Company to make an actual payment or increased payment of Tax, the amount of such payment or increased payment;

4.1.2 to the extent that a Liability for Tax involves a Deemed Tax Liability within paragraph (a) of the definition, the amount of Tax which the Buyer's Relief in fact saves;

- 4.1.3 to the extent that a Liability for Tax involves a Deemed Tax Liability within paragraph (b) of the definition (other than a right to a repayment of Tax) the amount of Tax which the use of the Accounts Relief would have saved had the Accounts Relief been used by the Company in the period in which the relevant Taxation Authority first disallows, withdraws, claws-back, reduces, restricts or modifies the Accounts Relief or threatens to do so (irrespective of whether the Company then had sufficient profits or was otherwise in a position actually to use the Accounts Relief); and
- 4.1.4 to the extent that a Liability for Tax involves the disallowance or reduction by any Taxation Authority of a right to a repayment of Tax, the amount of the repayment so disallowed or lost.

5. TIME FOR PAYMENT

- 5.1 Any amount which the Warrantors are obliged to pay to the Buyer under this Tax Covenant shall be paid in cleared funds on or before the following dates which shall be its due date for payment:
 - 5.1.1 in the case of a Liability for Tax which involves a liability of the Company to make an actual payment or increased payment of Tax to a Taxation Authority, the later of the date following 10 Business Days after the Buyer has served notice on the Warrantors demanding payment and:
 - (a) in the case of a Liability for Tax in respect of which there is no provision for payment by instalments, the latest date on which the tax in question can be paid to the relevant Taxation Authority in order to avoid a liability to penalties or interest occurring;
 - (b) in the case of a Liability for Tax in respect of which there is a provision for payment by instalments, each date on which an instalment of such Tax becomes payable (and so that on each such date an appropriate proportion of the amount claimed shall be paid) and the Buyer shall notify the Warrantors of the proportion at least ten Business Days before each instalment is payable;
 - 5.1.2 in the case of a Liability for Tax which involves a Deemed Tax Liability within paragraph (a) of the definition, the later of the date following ten Business Days after the Buyer has served notice on the Warrantors demanding payment and the date upon which the Tax satisfied, avoided or reduced by the Relief would have been requested to be paid to the Taxation Authority in order to prevent a liability to interest or a fine, surcharge or penalty arising in respect of the Liability for Tax in question; and
 - 5.1.3 in any other case, the 7^h Business Day after service by the Buyer to the Warrantors of a written demand for payment.
- 5.2 Except to the extent that the Warrantors' liability under paragraph 2 compensates the Buyer for the late payment by virtue of it extending to interest and penalties if any amount payable by the Warrantors to the Buyer under this Tax Covenant is not paid on or before the due date for payment, that sum shall carry interest at the rate of 3% per cent above the base lending rate of HSBC Bank plc from the due date until payment.

6. CONDUCT OF CLAIMS

- 6.1 If the Buyer becomes aware of any Claim for Tax which could give rise to a claim being made by the Buyer under this Tax Covenant or the Tax Warranties it shall notify the Sellers' Representative as soon as reasonably practicable.

- 6.2 The Buyer agrees to take and procure that the Company shall take such action and give such information and assistance as the Sellers' Representative may reasonably request to resist, appeal or compromise any Claim for Tax notified to the Sellers' Representative in accordance with paragraph 6.1 PROVIDED THAT:
- 6.2.1 the Warrantors have indemnified and secured the Buyer and the Company to the reasonable satisfaction of the Buyer against any reasonable loss, liability, costs or damages and expenses which may thereby be incurred, including the Tax the subject matter of the claim;
 - 6.2.2 neither the Buyer, nor the Company shall be obliged to comply with any request of the Sellers' Representative that involves contesting any Claim for Tax before any tribunal, court or appellate body unless leading Tax counsel instructed by agreement between the Buyer and the Sellers' Representative (and with the Buyer approving the Instructions to Counsel and being invited to any conference with Counsel) and at the sole expense of the Warrantors has recommended that course of action in writing;
 - 6.2.3 neither the Buyer, nor the Company, shall be obliged to take any step which it reasonably considers would be materially prejudicial to the Tax affairs of the Buyer or the Company or their dealings with any Taxation Authority or would otherwise materially prejudice the commercial position of the Buyer or the Company;
 - 6.2.4 where, pursuant to any applicable law (or any notice provided by any Taxation Authority pursuant to any applicable law), all or part of the Tax which is the subject of the Claim for Tax is required to be paid to the relevant Taxation Authority before an appeal can be made or any action taken in respect of the Claim for Tax, the Warrantors shall first have paid to the Buyer an amount equal to the Tax (or relevant part thereof) required so to be paid;
 - 6.2.5 the provisions of this paragraph 6 shall not apply to any claim under this Tax Covenant where any Taxation Authority alleges fraudulent conduct on the part of the Company prior to Completion or any of the Warrantors;
 - 6.2.6 the Warrantors shall not be entitled to conduct negotiations and proceedings in respect of the Claim for Tax in the name of the Company;
 - 6.2.7 a Warrantor's rights under this paragraph 6.2 cease if that Warrantor is declared bankrupt.
- 6.3 The Buyer shall and shall procure that the Company shall:
- 6.3.1 promptly keep the Sellers' Representative fully informed of relevant matters in the progress of the Claim for Tax and forward, or procure to be forwarded, to the Sellers' Representative copies of all relevant and material correspondence and other written communications;
 - 6.3.2 subject to paragraph 6.4, not settle any matter which could give rise to a claim under this Tax Covenant or increase the Liability for Tax for which the Warrantors are or may be liable under this Tax Covenant without the agreement of the Sellers' Representative (such agreement not to be unreasonably withheld or delayed); and
 - 6.3.3 allow the Sellers' Representative reasonable access at reasonable times and on reasonable notice to all relevant and non-confidential documents accounting and other records, to enable him to consider any matters referred to him in accordance with paragraphs 6.3.1 and 6.3.2 above.

- 6.4 If the Sellers' Representative does not request the Buyer to take any action under paragraph 7.2 within ten Business Days of notice to the Sellers' Representative or no action is required to be taken by virtue of any of the provisions of paragraph 6.2 the Buyer shall be free to satisfy or settle the relevant Claim for Tax on such terms as it may in its absolute discretion think fit.
- 6.5 The Warrantors agree that the Sellers' Representative will act as their representative in giving instructions and requests for action under this paragraph and the Buyer shall be entitled to rely on the instructions and requests given by the Sellers' Representative alone.
- 6.6 The compliance of the Buyer and/or of the Company with the provisions of this paragraph 6 shall not be a condition precedent to the liability of the Warrantors under this Tax Covenant or the Tax Warranties.

7. PAYMENTS BY WARRANTORS

- 7.1 All sums payable by the Warrantors under this Tax Covenant shall be paid free of any rights of counterclaim or set off and free and clear of all deductions or withholdings (including Tax) unless the deduction or withholding is required by law, in which event or in the event that the Buyer shall incur any Liability for Tax chargeable or assessable in respect of any payment pursuant to this Tax Covenant, the Warrantors shall pay such additional amounts as shall be required to ensure that the net amount received and retained by the Buyer (after Tax) will equal the full amount which would have been received and retained by it had no such deduction or withholding been made and/or no such liability to Tax been incurred and, in applying this paragraph 7, no account shall be taken of the extent to which any Liability for Tax may be mitigated or offset by any Relief available to the Buyer so that where such Relief is available the additional amount payable under this paragraph 7 shall be the amount which would have been payable in the absence of such availability.
- 7.2 Any sums paid by the Warrantors under this Tax Covenant shall be treated, to the extent possible, as a reduction in the Purchase Price but nothing in this paragraph 7.2 shall be taken to be a limit on the amount of any payment the Warrantors are obliged to make pursuant to any provision of this Tax Covenant.

8. PRE COMPLETION TAX AFFAIRS

- 8.1 Subject to complying with the provisions of paragraph 8.2 below the Buyer or its duly authorised agents shall have the right, at its own cost and expense to prepare and submit the corporation tax returns and computations of the Company for all accounting periods ended prior to Completion and the accounting period current at Completion, to the extent that the same have not been submitted to the relevant Taxation Authority before the date hereof and to deal with all matters (including correspondence and negotiations) relating to the returns of the Company.
- 8.2 The Buyer covenants with the Warrantors:
- 8.2.1 to keep the Warrantors and their duly authorised agents fully informed of all matters relating to the submission, negotiation and agreement of the returns, computations and material correspondence relating to the Tax affairs of the Company prior to Completion;
 - 8.2.2 that none of such returns, computations and correspondence shall be transmitted to any Taxation Authority without first being submitted to the Warrantors and/or their duly authorised agents for their comments;
 - 8.2.3 to consider any reasonable comments and/or amendments to such returns, computations and correspondence by the Warrantors; and
 - 8.2.4 to deal with all such matters diligently and promptly and within any applicable time limit.

- 8.3 For the purposes of paragraph 8.2.2, the Buyer and/or its duly authorised agents shall deliver all the returns and computations and correspondence relating to the Tax affairs of the Company to the Warrantors at least 14 days prior to the submission of such returns and computations.
- 8.4 The Warrantors shall provide, and shall procure that the Company provides the Buyer with access to books, accounts, records and copies of any written communications from any Taxation Authority, relating to periods prior to Completion as the Buyer may reasonably require in connection with its rights pursuant to this paragraph 8.
- 8.5 If the Buyer becomes aware of any Claim for Tax which could give rise to a claim being made by the Buyer under this Tax Covenant or the Tax Warranties the provisions of paragraph 7 shall take precedence over the provisions of this paragraph.

9. OVER-PROVISIONS AND CORRESPONDING SAVINGS

- 9.1 If the auditors for the time being of the Company determine that any provision for Tax in the Accounts has proved to be an over-provision, then the amount of such over-provision shall constitute a "Saving" for the purposes of sub-paragraph 9.3 below.
- 9.2 If the auditors for the time being of the Company determine (at the request and expense of the Warrantors) that any Liability for Tax which has resulted in a payment becoming due under this Part of this Schedule or for breach of any of the Tax Warranties will give rise to a Relief which would not otherwise have arisen then, provided the Warrantors shall have paid the amount due under this Part of this Schedule or for breach of any of the Tax Warranties in respect of the Liability for Tax, as and when the liability of the Company to make an actual payment of Tax is reduced by reason of that Relief (or as and when any repayment of Tax occurs), the amount by which that liability is reduced (or the amount of the repayment) shall constitute a "Saving" for the purposes of sub-paragraph 9.3 below.
- 9.3 Where paragraph 9.1 or 9.2 above applies:
- 9.3.1 the amount of any Saving shall first be set off against any payment then due from the Warrantors under this Part of this Schedule or for breach of any of the Tax Warranties; and
- 9.3.2 to the extent there is an excess of Saving, a refund shall be made to the Warrantors of any payments by the Warrantors under this Part of this Schedule or for breach of any of the Tax Warranties.
- 9.4 Where any determination pursuant to sub-paragraph 9.1 or 9.2 above has been made, the Warrantors or the Buyer may request the auditors to review such determination in the light of subsequent events and to determine whether the amount that was the subject of the determination should be amended. If the auditors determine that any amount should be amended, such adjusting payment as may be required by virtue of this amendment shall be made as soon as practicable by or (as the case may be) to the Warrantors.

10. RECOVERY FROM OTHER PERSONS

- 10.1 If, in the event of any payment becoming due from the Warrantors pursuant to paragraph 2 or for breach of any of the Tax Warranties, the Company becomes entitled to recover from some other person any sum in respect of the liability that has resulted in that payment becoming due from the Warrantors then the Buyer shall promptly notify the Warrantors of the Company's entitlement and shall, if so required by the Warrantors and at the Warrantors' sole expense, take all appropriate steps to procure enforcement of that recovery (keeping the Warrantors fully informed of the progress of any action taken) and shall account to the Warrantors for whichever is the lesser of:

10.1.1 any sum so recovered (including any interest or repayment supplement paid by the relevant Taxation Authority or other person on or in respect thereof less any Tax chargeable on the Company in respect of that recovered amount); and

10.1.2 the amount paid by the Warrantors pursuant to paragraph 2 or for breach of any of the Tax Warranties in respect of the liability in question.

11. NOTICES

The provisions of clause 15 (*Notices*) of the Agreement shall apply to this Tax Covenant.

12. WAIVER

12.1 The failure by the Buyer to exercise or delay in exercising any right or remedy under this Tax Covenant shall not constitute a waiver of the right or remedy or a waiver of any other rights or remedies the Buyer may otherwise have and no single or partial exercise of any right or remedy under this Tax Covenant shall prevent any further exercise of the right or remedy or the exercise of any other right or remedy.

12.2 The Buyer's rights and remedies contained in this Tax Covenant are in addition to, and not exclusive of, any other rights or remedies available at law.

Executed as a deed by)
AUKETT SWANKE GROUP PLC)
acting by a Director:)
Robert Fry)
.....)
in the presence of:)

DocuSigned by:
Robert Fry
.....8527388848699852903046G.....

) Director

Name of witness Mary Elliott
Signature of witness: DocuSigned by:
Mary Elliott
.....4C92G599F64F4EB.....

Address: [Redacted]
Occupation: [Redacted]

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

DocuSigned by:
N. Clark
.....E4GFB9ECB97741F.....

Signature of witness: DocuSigned by:
Caroline Sparks
.....68BEA289CGFA401.....
Name: Caroline sparks

Address: [Redacted]
Occupation: [Redacted]

Signed as a deed by)
KEITH GRAHAM MCCULLAGH)
in the presence of:)

DocuSigned by:
Keith McCullagh
.....E3245C8ECD544E1.....

Signature of witness: DocuSigned by:
Alexandra McCullagh
.....C53B06A8A69A4BB.....
Name: Alexandra McCullagh

Address: [Redacted]
Occupation: [Redacted]

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

DocuSigned by:
Freddie Jenner
.....3E9CC6E5B3D14E6.....

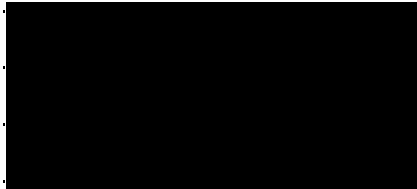
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DocuSigned by:
Angel Dale
.....623567F8BA5B486.....

Angel Dale

Name:

Address:



Occupation:

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

DocuSigned by:
Melanie Jenner
.....35EFDACF90D0417.....

Signature of witness:

DocuSigned by:
Scott Beange
.....A57B32157FD44DB.....

Scott Beange

Name:

Address:



Occupation:

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

DocuSigned by:
Jason Brameld
.....05CF3352939E4B7.....

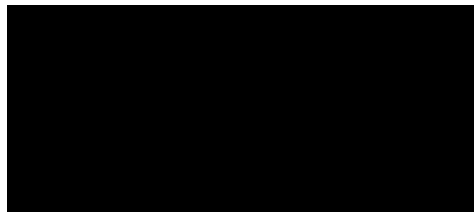
Signature of witness:

DocuSigned by:
Sarah Brameld
.....A40DE3991B26417.....

Sarah Brameld

Name:

Address:



Occupation:

Signed as a deed by)
SIOBHAN ADELE ROBINSON)
in the presence of:)

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Siobhan Adele Robinson
.....86E793FC1AF2419:.....

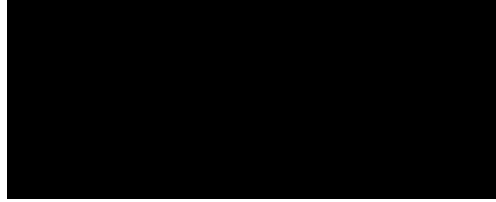
Signature of witness:

DocuSigned by:
Caroline Wynn Griffiths
.....44898D9BFE6B4BF.....
Caroline Wynn Griffiths

Name:

Address:

Occupation:



Signed as a deed by)
JEAN ELIZABETH MCCULLAGH)
in the presence of:)

DocuSigned by:
Jean Elizabeth McCullagh
.....53C29F5298D440B:.....

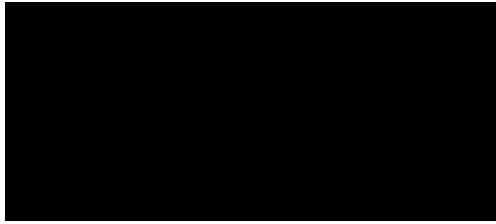
Signature of witness:

DocuSigned by:
Alexandra McCullagh
.....C53B06A8A69A4BB.....
Alexandra McCullagh

Name:

Address:

Occupation:



Signed as a deed by)
NICHOLAS CLARK)
as attorney to **PAMELA ANN CLARK**)
pursuant to a power of attorney)
dated 14 February 2023)
in the presence of:)

DocuSigned by:
NClark
.....E4CFB3ECB97741F:.....

Signature of witness:

DocuSigned by:
Caroline Sparks
.....68BEA299CFA401:.....
Caroline Sparks

Name:

Address:

Occupation:



Signed as a deed by)
NICHOLAS CLARK
as attorney to **SIMON CLARK**)
pursuant to a power of attorney
dated 15 February 2023
in the presence of:)

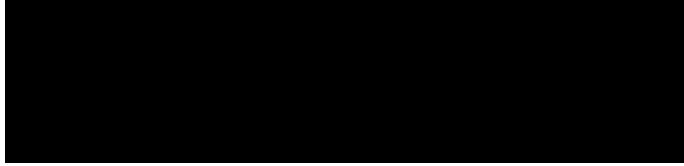
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N Clark
E4CFB3ECB97741F.....

Signature of witness:

DocuSigned by:
Caroline Sparks
68BEA299CCFA401.....
Caroline Sparks

Name:

Address:



Occupation:

Signed as a deed by)
NICHOLAS CLARK
as attorney to **AMANDA BOYCE**)
pursuant to a power of attorney
dated 15 February 2023
in the presence of:)

DocuSigned by:
N Clark
E4CFB3ECB97741F.....

Signature of witness:

DocuSigned by:
Caroline Sparks
68BEA299CCFA401.....
Caroline Sparks

Name:

Address:



Occupation: