

Dated 28 April 2023

AGREEMENT FOR THE SALE AND PURCHASE OF
THE ENTIRE ISSUED SHARE CAPITAL OF ECO
BUILDINGS GROUP LTD

between

- (1) Etrur Albani
- (2) Genard Kadiu
- (3) Linden Holdings (Malta) Limited
- (4) Dominic Redfern
- (5) Max Gustav Kapp
- (6) Thomas Noel Collister Jackson

and

- (7) Fox Marble Holdings PLC

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THIS AGREEMENT is made on 28 April 2023

BETWEEN:

- (1) **THE PERSONS** whose names and addresses are set out in column 1 of Schedule 1 (**Sellers**); and
- (2) **FOX MARBLE HOLDINGS PLC**, a company registered in England and Wales (company number 07811256), whose registered office is at 160 Camden High Street, London, England, NW1 0NE (**Buyer**),

each a **Party** and together the **Parties**.

Background

- A. The Company (as defined below) is a private company limited by shares and is incorporated in England and Wales. Details of the Company are set out in Schedule 2.
- B. The Sellers are the legal and beneficial owners of the Shares (as defined below), being in aggregate the entire allotted and issued share capital of the Company.
- C. The Sellers have agreed to sell and Buyer has agreed to purchase the Shares on the terms of this Agreement.
- D. As at the date of this Agreement, the Buyer Shares are admitted to trading on AIM.
- E. The Acquisition will constitute a reverse takeover under the AIM Rules for Companies and will result in the Buyer's existing admission being cancelled and a new application will be made for its securities to be admitted to trading on AIM, as enlarged on Completion.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, including the schedules, the following words and expressions have the following meanings unless the context otherwise requires:

Accounting Standards means the International Financial Reporting Standards, International Accounting Standards and other pronouncements issued or adopted by the International Accounting Standards Board and the Interpretations issued by the International Financial Reporting Interpretations Committee (as in force for the financial year ending on the Company Accounts Date);

Acquisition means the conditional acquisition of the Shares by the Buyer on the terms of this Agreement;

Act means the Companies Act 2006 (as amended);

Admission means the re-admission of the entire enlarged issued share capital of the Buyer (including the Consideration Shares, the CLN Shares and the Placing Shares) to trading on AIM in accordance with Rule 14 of the AIM Rules for Companies and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies;

Admission Document means the admission document and Circular in the agreed form to be issued by the Buyer in relation to, inter alia, the Transaction, the Placing and Admission;

Agreement means this agreement;

AIM Rules for Companies means the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to trading on AIM as published by the London Stock Exchange Group from time to time;

AIM Rules for Nominated Advisers means the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers as published by the London Stock Exchange Group from time to time

AIM means the market of that name operated by the London Stock Exchange Group;

AIM Rules means together the AIM Rules for Companies and the AIM Rules for Nominated Advisers;

Albania Power of Attorney means the power of attorney dated 13 April 2022, granted by the directors of the Company on its behalf, in favour of Mr Rigert Koni, the Company's Albanian legal counsel, for the purposes of incorporating the Albanian Subsidiary and dealing with the corresponding administrative matters;

Albanian Subsidiary means the wholly owned subsidiary of the Company, Eco Buildings Group Albania Sh.p.k, registered under the laws of Albania with company number M21827038H;

Associated Person means in relation to the Company, a person (including an employee, agent or subsidiary) who performs or has performed services for or on the Company's behalf;

Benefits means pensions, benefits on retirement, life assurance, lump-sum, death, ill-health, disability, accident or other like benefits;

Bonus Issue means the bonus issue of 8,232,857 preference shares of £0.01 each in the capital of the Company to the holders of Buyer Shares immediately prior to Completion, such preference shares having the rights set out in the New Articles;

Broker means Tavira Securities Limited, being the broker of the Buyer;

Business means the business of the Company being through its wholly owned subsidiaries, designs, manufacturers and constructs buildings made from glass fibre reinforced gypsum modular sections;

Business Day means a day other than a Saturday or Sunday or public holiday in England;

Buyer Accounts means the audited annual accounts of the Buyer for the accounting reference period ended on the Buyer Accounts Date, comprising a balance sheet and a profit and loss account, including the notes thereon;

Buyer Accounts Date means 31 December 2021;

Buyer Interim Accounts means the unaudited interim accounts of the Buyer set out (or otherwise referenced) in the Admission Document;

Buyer Claim means a claim made against the Sellers by the Buyer pursuant to the Seller Warranties;

Buyer CT Claim means a claim made against the Sellers by the Buyer pursuant to the Seller CT Warranties;

Buyer CT Warranties means the capacity and title warranties given by the Buyer as set out in clause 10;

Buyer Data Room means the folder relating to the Buyer of the data room for the Transaction identified as "Project Caerus", as at the close of business on the Business Day prior to the

date of this Agreement, a copy of the content of which has been downloaded by representatives of the Buyer and the Sellers and also contained on a USB stick provided by the Buyer's Solicitors on or about the date of this Agreement;

Buyer Disclosure Documents means the documents uploaded to the Buyer Data Room;

Buyer GM means a general meeting of the Buyer, notice of which is set out in the Pathfinder Document, at which the Resolutions are to be proposed, and any adjournment thereof;

Buyer Shares means the ordinary shares of £0.01 each in the capital of the Buyer;

Buyer Tax Covenant means the tax covenant granted by the Buyer as set out in Part 3 of Schedule 10;

Buyer Tax Covenant Claim means a claim made against the Sellers by the Buyer pursuant to the Seller Tax Covenant;

Buyer Tax Warranties means the tax warranties given by the Buyer to the Sellers set out in Part 2 of Schedule 10;

Buyer Warranties means the warranties to be given by the Buyer to the Sellers as set out in Schedule 7 and the Buyer Tax Warranties;

Buyer's Solicitors means Hill Dickinson LLP of The Broadgate Tower, 20 Primrose Street, London EC2A 2EW (Ref: Sam Hudson);

Capital Reorganisation means the proposed capital reorganisation of the Buyer as referred to in paragraph 11 of Part I of the Admission Document;

Cash Settlement Notice has the meaning given to it in paragraph 5.3 of each of Schedule 6 and Schedule 8;

Change of Control has the meaning given in section 1124 of the Corporation Tax Act 2010 and the expression "**Change of Control**" shall be construed accordingly;

Change of Name means the change of name of the Buyer to Eco Buildings Group PLC, or such other name as is agreed between the parties;

Circular means the Company's circular in agreed form to be despatched by the Buyer to its shareholders following the date of this Agreement incorporating a notice of general meeting of the Buyer in relation to the approval of the Resolutions;

Claim means a Buyer Claim or a Seller Claim, as the context requires;

Claim Value means the amount due to be paid pursuant to a Claim, a Buyer Tax Covenant Claim or a Seller Tax Covenant Claim, as settled or finally determined;

CLN Holders means Laurie Beevers, Nick Dart, Forest Nominees, L`Horizon and James Norwood, being the holders of the Convertible Loan Notes 2022;

CLN Shares means the Buyer Shares to be issued to the CLN Holders by the Buyer on Admission;

Company means Eco Buildings Group Ltd, details of which are set out in Schedule 2;

Company Accounts means the unaudited annual accounts of the Company for the accounting reference period ended on the Company Accounts Date, comprising a balance sheet and a profit and loss account, including the notes thereon;

Company Accounts Date means 31 December 2021;

Company Interim Accounts means the unaudited interim accounts of the Company set out in the Admission Document;

Completion means completion of the sale and purchase of the Shares in accordance with this Agreement;

Conditions means the conditions set out in clause 5.1;

Confidential Information means all trade secrets, data, know how and other such information (in whatever form held including written, oral, visual and electronic) which is for the time being not publicly known which is used in, or otherwise relates to, any part of the Company's business including (i) any goods manufactured and/or sold, or services rendered by, the Company, (ii) the operations, management, administration or other financial affairs of the Company, (iii) the sale or marketing of any of the goods manufactured and/or sold, or services rendered by, the Company or (iv) the Company Intellectual Property;

Consideration means the sum calculated in accordance with clause 3.1 (unless adjusted pursuant to the terms of this Agreement) which shall be the total sum payable by the Buyer to the Sellers in respect of the sale of the Shares in accordance with this Agreement;

Consideration Shares has the meaning given to it in clause 3.1;

Contemplated Proceedings means the proceedings Fox Kosovo is contemplating bringing against (i) Mr. Fisnik Selmi and (ii) the Independent Commission for Mines and Minerals and the Kosovo Forestry Agency, details of which have been included in the legal due diligence report relating to the Buyer and prepared by Hill Dickinson LLP;

Convertible Loan Notes 2022 means the £632,500 convertible loan notes issued to the CLN Holders by the Company pursuant to various Convertible Loan Note Instruments as detailed in paragraph 13.50 of Part IX of the Admission Document;

Data Protection Law means any and all data protection and privacy legislation in force from time to time in those parts of the world in which the Company operates and/or processes personal data (either directly or via a third party) including the UK GDPR, the Data Protection Act 2018, the Privacy and Electronic Communications (EC Directive) Regulations 2003 (as revised by the Privacy and Electronic Communications (EC Directive) (Amendments) Regulations 2011) and the Digital Economy Act 2017 and all guidance or codes practice issued by any supervisory authority;

Debt means, and without double counting:

- (a) all amounts in the nature of borrowings owed to any banking, financial, credit or other similar institution (together with accrued interest) including overdrafts, finance leases, hire purchase and receivables sold or discounted otherwise than on a non-recourse basis;
- (b) any actual amounts due under any guarantees, indemnities, letters of credit or other similar assurance against the financial loss of any person;
- (c) all amounts due to creditors in respect of foreign exchange contracts, derivative instruments or hedging arrangements;
- (d) any liabilities in respect of accrued corporation tax calculated plus any deferred tax due at the date of Completion in respect of PAYE, national insurance contributions, VAT and/or corporation tax;
- (e) any amounts relating to redemption, pre-payment, premiums or penalties and amounts due in respect of the repayment of any loans (together with accrued interest);

- (f) bonuses and other payments to employees and others (other than accrued but unpaid salary in the ordinary course) to the extent that they have not been paid; and
- (g) (in respect of the Company only) all amounts due to any of the Sellers for any services provided to the Company prior to the Completion Date;

Deeds of Novation means the conditional deeds of novation to be entered into between the Buyer, the Company and the CLN Holders pursuant to which the obligation to repay the Convertible Loan Notes 2022 issued to the CLN Holders by the Company is to be novated to the Buyer;

Disclosed means fairly disclosed, whether generally or specifically, in (in the case of the Company) the Seller Disclosure Documents or (in the case of the Buyer) the Buyer Disclosure Documents, the Admission Document or the Legal Reports in such a manner and with sufficient detail so as to enable the Buyer or the Sellers, as the case may be, to identify the nature and scope of the matter disclosed and to make an informed assessment of its effect;

Employee means any person employed by the Company or the Buyer (as applicable) under a contract of employment;

Encumbrance means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, right of set-off, third-party right or interest, assignment by way of security, other encumbrance or security interest of any kind or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect howsoever arising;

Enforcement Proceedings means the claim brought to a private enforcement agent on 27 April 2021 by Agrofarma NTP against Fox Kosovo for unpaid invoices totalling €12,950.21;

Environment means all or any of the following media, namely, the air, water and land; and any natural organisms supported by any of those media;

Fox Kosovo means Fox Marble Kosova Sh.p.k, a subsidiary of the Buyer;

Group means, in relation to a company:

- (a) that company;
- (b) any company which is from time to time a direct or indirect subsidiary of that company; and
- (c) any company of which that company is a subsidiary from time to time (its holding company) and any other direct or indirect subsidiaries of any such holding company from time to time;

Insurance Policies all insurance policies maintained by or on behalf of the Company or the Buyer (as applicable);

Intellectual Property means all intellectual property rights, including:

- (a) patents, trade marks, copyright, rights in designs, rights in inventions, database rights and topography rights (whether or not registered);
- (b) applications for any of the rights in (a) above, together with the right to apply for registration of such rights;
- (c) know-how, trade secrets, confidential information, technical information, customer and supplier lists and any other proprietary knowledge and/or information of whatever nature and howsoever arising,

together with any rights or types of protection of the same or of a similar nature to those listed in (a), (b) or (c) which may subsist anywhere in the world and in each case for their full term and/or effect;

IT Systems means any and all information and communications technologies used by the Company or the Buyer (as applicable) including computer hardware, software, operating systems, data, internet and web sites, firmware, networking, peripherals and all associated documentation or other infrastructure equipment or systems;

Issue Price means the price per share at which the Placing Shares, the CLN Shares and the Consideration Shares are to be issued;

Legal Reports means the legal due diligence reports and opinions produced by (i) the Buyer's Solicitors in respect of both the Buyer and the Company (ii) the Buyer's Kosovan counsel (iii) the Buyer's Macedonian Counsel and (iv) the Company's Albanian counsel in connection with Admission;

London Stock Exchange means London Stock Exchange Group Plc;

Long-Stop Date means 7 June 2023 (or such later date as may be agreed between the Buyer and the Sellers (acting by the Sellers' Representative));

Material Adverse Change means any fact, matter, change, event, condition, circumstance or effect that individually or in the aggregate materially and adversely affects, or could reasonably be expected to materially and adversely affect, the business, operations, assets, position (financial, trading or otherwise), liabilities, profits, or prospects of the Company or the Buyer (as applicable), taken as a whole or which is reasonably likely to lead to any such fact, matter, change, event, condition, circumstance or effect at any time prior to Completion;

Material Contracts means an agreement or arrangement to which the Company or the Buyer (or any of their subsidiaries), as applicable, is a party or is bound by and which:

- (a) is not a contract entered into in the ordinary course of business; and
- (b) has either been entered into in the two years immediately preceding publication of the Admission Document; or has been entered into at any time which contains any provision under which any relevant party has any obligation or entitlement which is material to their Group as at the date of the registration document.

New Articles means the new articles of association of the Buyer to be adopted immediately prior to Completion;

Nominated Adviser means SPARK Advisory Partners Limited, the nominated adviser to the Buyer pursuant to the AIM Rules;

Panel means the UK Panel on Takeovers and Mergers;

Pathfinder Document means the document in the agreed form to be published by the Buyer in connection with Admission;

Pension Scheme means the National Employment Savings Trust;

Personal Data has the meaning given to it in applicable Data Protection Law from time to time;

Placing means the conditional placing by the Broker (as broker to the Buyer) on behalf of the Buyer of the Placing Shares at the Issue Price pursuant to the Placing Agreement;

Placing Agreement means the conditional agreement dated on or around the date of this Agreement between the Buyer (1), the Broker (2) the Nominated Adviser (3) and the directors of the Buyer (4) relating to the Placing;

Placing Shares means the new Buyer Shares to be issued to placees pursuant to a placing of Buyer Shares as contemplated by the Pathfinder Document and the Placing Agreement;

Pre-Completion means pre-completion of this Agreement in accordance with clause 4.2;

Property means the leasehold real property leased by the Buyer or Fox Marble Kosova Sh.p.k (one of the Buyer's subsidiaries), details of which are set out in Schedule 11;

Relevant Authority means any government, government department or governmental, quasi-governmental, supranational, federal, statutory, regulatory or investigative body, authority, court, tribunal or Recognised Investment Exchange in any jurisdiction;

Relevant Proportion means in relation to each of the Sellers, the proportion of the total value of any claim under the Seller Warranties and/or under the Seller Tax Covenant that a Seller will be responsible for settling as set out against the name of that Seller in Column 4 of Schedule 1;

Resolutions means the resolutions set out in the Circular to be proposed by the Buyer at the Buyer GM including in respect of the issue of the Consideration Shares, the CLN Shares and the Placing Shares, the Change of Name and the approval of the Waiver;

Restricted Period means the period of 18 months from the date of Completion;

Seller Claim means a claim made against the Buyer by the Sellers pursuant to the Buyer Warranties;

Seller CT Claim means a claim made against the Buyer by the Sellers pursuant to the Buyer CT Warranties;

Seller CT Warranties means the capacity and title warranties given by the Sellers under clause 8;

Seller Data Room means the folder relating to the Company of the data room for the Transaction identified as "**Project Caerus**", as at the close of business on the Business Day prior to the date of this Agreement, a copy of the content of which has been downloaded by representatives of the Buyer and the Sellers and also contained on a USB stick provided by the Buyer's Solicitors on or about the date of this Agreement;

Seller Disclosure Documents means the documents uploaded to the Seller Data Room;

Seller Lock-in Agreements means the agreements, in the agreed form, under which each Seller and the Buyer agree to certain lock-in and orderly market restrictions in respect of the Consideration Shares;

Seller Tax Covenant means the tax covenant granted by the Sellers as set out in Part 3 of Schedule 9;

Seller Tax Covenant Claim means a claim by the Sellers under the Buyer Tax Covenant;

Seller Tax Warranties means the tax warranties given by the Sellers to the Buyer set out in Part 2 of Schedule 9;

Seller Warranties means the warranties to be given by the Sellers to the Buyer as set out in Schedule 5 and the Seller Tax Warranties;

Sellers' Representative means Etrur Albani or such other person as is appointed in accordance with Clause 17;

Service Agreements means the service agreements and appointment letters entered into by the Buyer with each of Sanjay Bowry, Etrur Albani, Dominic Redfern and Dr Ahmet Shala to be effective from Admission;

Share Settlement Notice has the meaning given to it in paragraph 5.1 of each of Schedule 6 and Schedule 8;

Shares means 1,000 ordinary shares of £1.00 each in the capital of the Company, comprising the Company's entire issued share capital (or any number of them, as the context requires);

Supervisory Authority means all authorities established pursuant to Data Protection Law;

Tax and **Taxation** have the meanings given in Schedules 9 and 10;

Tax Authority has the meaning given in Schedules 9 and 10;

Tax Claim means a claim by the Buyer under the Seller Tax Covenant or involving or relating to breach of a Seller Tax Warranty;

Transaction means the transaction contemplated by this Agreement or any part of such transaction;

Transaction Documents means this Agreement and any other document entered into pursuant to it (including those referred to in Schedule 3);

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

Waiver has the meaning given to it in clause 5.1.2;

Whitewash means the vote of independent shareholders of the Buyer approving the issue of the Consideration Shares without the Sellers making an offer for the entire issued share capital of the Buyer under Rule 9 of the Takeover Code; and

1.2 In this Agreement, a reference to:

1.2.1 a **subsidiary** shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a **holding company** shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act);

1.2.2 a document in the **agreed form** is a reference to a document in a form approved and, for the purposes of identification, signed by or on behalf of each party;

1.2.3 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the date of this Agreement and any subordinate legislation made under the statutory provision before or after the date of this Agreement and includes any statute, statutory provision or subordinate legislation that it amends or re-enacts;

1.2.4 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);

- 1.2.5 a party means a party to this Agreement and includes its permitted assignees and/or the successors in title to substantially the whole of its undertaking and, in the case of an individual, to his estate and personal representatives;
 - 1.2.6 a company (other than the **Company**) shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established;
 - 1.2.7 this Agreement includes its schedules;
 - 1.2.8 a sub-clause in a clause, or to a paragraph in a schedule, are to a sub-clause of that clause or a paragraph of that schedule;
 - 1.2.9 a clause, paragraph or schedule, unless the context otherwise requires, is a reference to a clause or paragraph of, or schedule to, this Agreement;
 - 1.2.10 any agreement, covenant, representation, warranty or undertaking on the part of two or more parties is made or given by such parties severally;
 - 1.2.11 writing shall, subject to clause 18.5, include any mode of reproducing words in a legible and non-transitory form;
 - 1.2.12 **includes** and **including** shall mean including without limitation; and
 - 1.2.13 this Agreement or any provision of this Agreement or any document are to this Agreement, that provision or that document as in force for the time being and as amended from time to time in accordance with the terms of this Agreement or that document or with the agreement of the relevant parties.
- 1.3 The contents table and headings in this Agreement are for convenience only and do not affect its interpretation.
 - 1.4 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
 - 1.5 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 of Corporation Tax Act 2010 (except that in construing section 1122 **control** has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1122 or 450 requires) which shall apply in relation to this Agreement as it applies in relation to that Act.
- 2 SALE AND PURCHASE**
- 2.1 Each of the Sellers shall sell with full title guarantee and free from any Encumbrance, and the Buyer shall purchase, the number of Shares set opposite the name of that Seller in column (2) of Schedule 1.
 - 2.2 Section 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 shall have no effect for the purposes of this Agreement.
 - 2.3 Title to, beneficial ownership of and any risk attaching to the Shares shall pass to the Buyer on Completion and the Shares shall be sold and purchased together with all rights and benefits attached to or accruing to them at or at any time after Completion.
 - 2.4 The Buyer shall not be obliged to complete the purchase of any of the Shares unless the purchase of all the Shares is completed and all the Conditions have been satisfied or (where capable of being waived) waived.

- 2.5 Each of the Sellers irrevocably waives any right of pre-emption or other right or restriction on transfer in respect of any of the Shares conferred on him (whether under the articles of association of the Company or otherwise) and shall procure the irrevocable waiver of any such right or restriction conferred on any other person who is not a party to this Agreement.
- 2.6 On the date of this Agreement, the Buyer shall deliver to the Sellers a copy of the board resolutions of the Buyer approving (inter alia) the terms of and entry into this Agreement.

3 **CONSIDERATION**

- 3.1 The consideration payable by the Buyer to the Sellers for the Shares shall be the sum of £30,000,000.25 to be satisfied by the issue and allotment of 54,545,455 Buyer Shares to the Sellers at the Issue Price which the Buyer shall allot and issue to the Sellers (by way of share certificates delivered to each Seller, or into such CREST account(s) as each Seller notifies to the Buyer prior to Admission) on Admission ("**Consideration Shares**") in the number set out by their respective names at column 2 of Schedule 1.
- 3.2 Each Consideration Share issued to the Sellers shall be credited as fully paid and free from Encumbrances, provided that it is hereby agreed that restrictions shall apply to the transferability of the Consideration Shares pursuant to the terms and conditions of the Seller Lock-in Agreements.
- 3.3 The Consideration Shares shall rank *pari passu* in all respects with the existing Buyer Shares, including the right to receive all dividends declared, made or paid after the Completion Date.
- 3.4 The Buyer shall take such steps as required to procure the Consideration Shares are admitted to trading on AIM on the Completion Date.

4 **PRE-COMPLETION**

- 4.1 Pre-Completion pursuant to this Agreement shall not occur unless and until the following has taken place or been waived by the Parties on or before the fourth business day prior to the Long-Stop Date:
- 4.1.1 the Sellers shall do the things listed in Part 1 of Schedule 3; and
- 4.1.2 subject to the Sellers complying with clause 4.1.1, at or immediately before Pre-Completion the Buyer shall do the things listed in Part 2 of Schedule 3.
- 4.2 Pre-Completion shall be deemed to have taken place automatically once each of the matters in clause 4.1.1 and clause 4.1.2 have been satisfied or been waived by the Parties.

5 **CONDITIONS AND COMPLETION**

- 5.1 Completion of the sale and purchase of the Shares pursuant to this Agreement is subject to and conditional upon the following Conditions being satisfied, or (in the case of clauses 5.1.1, and 5.1.4 only) waived by the Sellers, on or before the Long-Stop Date:
- 5.1.1 Pre-Completion having taken place in accordance with clause 4;
- 5.1.2 the granting of a waiver by the Panel for the purposes of Rule 9 of the UK City Code on Takeovers and Mergers with respect to the issue of the Consideration Shares, the CLN Shares and the Placing Shares such waiver being conditional upon the passing of Resolutions ("**Waiver**");
- 5.1.3 the Resolutions having been passed by the Buyer's shareholders;
- 5.1.4 no Material Adverse Change having occurred in relation to the Buyer or the Company;

- 5.1.5 this Agreement not having been terminated pursuant to Clause 2.4;
 - 5.1.6 the Placing Agreement becoming unconditional in all respects;
 - 5.1.7 the allotment and issue of the Placing Shares, the CLN Shares and the Consideration Shares becoming unconditional in all respects; and
 - 5.1.8 Admission becoming effective.
- 5.2 Once all the conditions referred to in clause 5.1 have been satisfied or (where applicable) waived by the Parties, Completion shall be deemed to have taken place automatically.
- 5.3 Any documents delivered under or in connection with clause 4, this clause 5 and/or Schedule 3 in anticipation of Completion (and any agreement or documents executed pursuant to this Agreement) shall (in so far as not already dated) be delivered undated and shall remain the absolute property of and shall be held strictly to the order of the delivering party until Completion takes places as provided in clause 5.2 and shall be held by the recipient in accordance with the terms of this clause 5.3 (and shall be unconditionally released to them in the event that Completion does not occur before the Long-Stop Date and this Agreement will terminate automatically in such event save in respect of those clauses which survive such termination).
- 5.4 On Completion all deeds, agreements and documents delivered or made under clauses 4.1.1 and 4.1.2 shall thereupon be deemed to have come into effect and shall become the absolute property of the parties entitled thereto (being the parties to whose solicitors or agents the relevant deeds, agreements, documents and payments were delivered) and shall all be with the date of Completion.
- 5.5 The Sellers and the Buyer shall be deemed to warrant immediately prior to Completion that no Material Adverse Change has occurred, in the case of the Sellers in relation to the Company and in the case of the Buyer, in relation to the Buyer, since the date of this Agreement.
- 5.6 Each of the Parties shall:
- 5.6.1 use its respective reasonable endeavours to procure the satisfaction of each of the Conditions (including (but not limited to) by providing such assistance as the other Party may reasonably require in the performance of its obligations under clause 5.1) as soon as possible, but in any event before the Long-Stop Date;
 - 5.6.2 notify the other Party immediately upon it becoming aware of the satisfaction of any of those Conditions (with the Party responsible for procuring the satisfaction of a Condition (as set out in clause 5.8 below) notifying the other as and when a Condition has been satisfied); and
 - 5.6.3 provide to the other Party evidence (in such form and substance as that Party may reasonably require) of the satisfaction of such Conditions.
- 5.7 If at any time either the Sellers or the Buyer become aware of a fact or circumstance that might prevent a Condition being satisfied, as applicable:
- 5.7.1 the Sellers' Representative shall immediately notify the Buyer; or
 - 5.7.2 the Buyer shall immediately inform the Sellers' Representative,
- in each case by notice in writing.
- 5.8 The Buyer shall be solely responsible for procuring the satisfaction of the Conditions set out in clauses 5.1.2, 5.1.3, 5.1.4 (in respect of itself only), 5.1.6, 5.1.7 and 5.1.8. The Sellers shall be solely responsible for procuring the satisfaction of the Condition set out in clause 5.1.4 (in respect of the Company only). The Buyer and the Sellers shall be jointly responsible for

procuring the satisfaction of the Conditions set out in clause 5.1.1 and 5.1.5. By mutual written agreement only, the Parties may waive the Conditions set out clauses 5.1.1 and 5.1.4. No other Condition is capable of being waived.

5.9 If any of the Conditions is not satisfied or waived on or before the Long-Stop Date, each Party's further rights and obligations under this Agreement shall immediately terminate provided that:

5.9.1 termination does not affect a Party's accrued rights, liabilities and obligations at the date of termination; and

5.9.2 the obligations of the Parties under clauses 14 to 20 shall remain in full force and effect.

6 CONDUCT PENDING COMPLETION

6.1 Between the execution of this Agreement and Completion or the earlier termination of the rights and obligations of the Parties under this Agreement, the Sellers shall:

6.1.1 comply with Schedule 4;

6.1.2 not commit, and shall not procure or permit the commission of, any act or omission which:

6.1.2.1 constitutes a Claim or Tax Claim or would constitute a Claim or Tax Claim if Completion were to take place;

6.1.2.2 constitutes a breach by the Sellers of clause 6.1 or clause 14 or any other provision of this Agreement; or

6.1.2.3 has a material adverse effect on the turnover, profitability or future prospects of the Company or any of its assets; and

6.1.3 promptly notify the Buyer, together with reasonable details, if they become aware of a fact, event or circumstance which constitutes a breach of clause 6.1.1 or which is described in sub-clauses 6.1.2.1 to 6.1.2.3 (inclusive) of clause 6.1.2.

6.2 Between the execution of this Agreement and Completion or the earlier termination of the rights and obligations of the Parties under this Agreement, the Buyer shall:

6.2.1 comply with paragraphs 1 and 2 of Schedule 4;

6.2.2 not commit, and shall not procure or permit the commission of, any act or omission which:

6.2.2.1 constitutes a Claim or Tax Claim or would constitute a Claim or Tax Claim if Completion were to take place;

6.2.2.2 constitutes a breach by the Buyer of clause 6.2.1 or clause 14 or any other provision of this Agreement; or

6.2.2.3 has a material adverse effect on the turnover, profitability or future prospects of the Company or any of its assets; and

6.2.3 promptly notify the Sellers, together with reasonable details, if it becomes aware of a fact, event or circumstance which constitutes a breach of clause or which is described in sub-clauses 6.2.2.1 to 6.2.2.3 (inclusive) of clause 6.2.2.

7 SELLER WARRANTIES

- 7.1 The Sellers hereby severally warrant to the Buyer in the terms of the Seller Warranties. Immediately before the time of Completion, the Sellers are deemed to warrant to the Buyer in the terms of the Seller Warranties and, for this purpose only, where in a Seller Warranty there is an express or implied reference to the “date of this agreement” that reference is to be construed as a reference to the “date of Completion”.
- 7.2 The Seller Warranties are qualified by the facts and circumstances Disclosed. No disclosure can be made against the Seller CT Warranties.
- 7.3 The Sellers waive and may not enforce a right which they may have in respect of a misrepresentation, inaccuracy or omission in or from information or advice supplied or given by the Company or any of its officers or employees for the purpose of assisting the Sellers to make a representation or give a Seller Warranty.
- 7.4 Each Seller Warranty and Seller CT Warranty is to be construed independently and (except where this agreement provides otherwise) is not limited by the terms of any other Seller Warranty, Seller CT Warranty or any other provision of this agreement.
- 7.5 Unless otherwise specified, where any Seller Warranty refers to the knowledge, information, belief or awareness of the Sellers (or a similar expression) the Sellers shall be deemed to have such knowledge, information, belief or awareness as the Sellers would have obtained had the Sellers made due and careful enquiries into the subject matter of that Seller Warranty with the other Sellers and the directors of the Company.
- 7.6 Subject to paragraph 5 of Schedule 6, any payment made by the Sellers in accordance with this clause 7:
- 7.6.1 shall be made in full without any deduction or withholding by way of set off, counterclaim or otherwise; and
- 7.6.2 shall be treated as a reduction in the Consideration.
- 7.7 Notwithstanding any other provision of this agreement the liability of each of the Sellers in respect of a Buyer Claim and, where specified, a Buyer Tax Covenant Claim or a Buyer CT Claim shall be limited or settled (as appropriate) in accordance with Schedule 6.

8 SELLER CT WARRANTIES

Each Seller severally, and in respect of himself only, warrants to the Buyer at the date of this Agreement and again on the date of Completion that:

- 8.1 in respect of any Seller which is not an individual person, it has the requisite power and authority to enter into and perform this Agreement and each agreement referred to in this Agreement to which it is a party;
- 8.2 this Agreement constitutes (or shall constitute when executed) valid, legal and binding obligations on him or it in accordance with its terms;
- 8.3 compliance with the terms of this Agreement shall not breach or constitute a default under:
- 8.3.1 any agreement or instrument to which he is a party or by which he or it is bound; or
- 8.3.2 any law, regulation, order, judgment, decree or other restriction applicable to him or it in any relevant jurisdiction;

- 8.4 he or it is the sole legal and beneficial owner of the Shares set opposite his or its name in Column 2 of Schedule 1 and is entitled to transfer full ownership of them on the terms set out in this Agreement;
- 8.5 he has not had a bankruptcy petition presented against him or been declared bankrupt or entered into any composition or arrangement with, or for, his creditors (or been the subject of any other event analogous to the foregoing in any jurisdiction); and
- 8.6 there is no agreement, arrangement or obligation requiring:
- 8.6.1 the sale, transfer or disposition;
 - 8.6.2 the grant to any person of any Encumbrance over, or any legal or equitable interest on, or right (conditional or not) to require the sale, transfer, or disposition,
- of the Shares set opposite his or its name in Column 2 of Schedule 1.

9 BUYER WARRANTIES

- 9.1 The Buyer hereby warrants to the Sellers in the terms of the Buyer Warranties. Immediately before the time of Completion, the Buyer is deemed to warrant to the Sellers in the terms of the Buyer Warranties and, for this purpose only, where in a Buyer Warranty there is an express or implied reference to the “date of this agreement” that reference is to be construed as a reference to the “date of Completion”.
- 9.2 The Buyer Warranties are qualified by the facts and circumstances Disclosed. No disclosure can be made against the Buyer CT Warranties.
- 9.3 The Buyer waives and may not enforce a right which it may have in respect of a misrepresentation, inaccuracy or omission in or from information or advice supplied or given by the Buyer or any of its officers or employees for the purpose of assisting the Buyer to make a representation or give a Buyer Warranty.
- 9.4 Each Buyer Warranty and Buyer CT Warranty is to be construed independently and (except where this agreement provides otherwise) is not limited by the terms of any other Buyer Warranty, Buyer CT Warranty or any other provision of this agreement.
- 9.5 Unless otherwise specified, where any Buyer Warranty refers to the knowledge, information, belief or awareness of the Buyer (or a similar expression) the Buyer shall be deemed to have such knowledge, information, belief or awareness as the Buyer would have obtained had the Buyer made all due and careful enquiries into the subject matter of that Buyer Warranty with the directors of the Buyer.
- 9.6 Subject to paragraph 5 of Schedule 8, any payment made by the Buyer in accordance with this clause 9 shall be made in full without any deduction or withholding by way of set off, counterclaim or otherwise.
- 9.7 Notwithstanding any other provision of this agreement the liability of the Buyer in respect of a Seller Claim and, where specified, a Seller Tax Covenant Claim or a Seller CT Claim shall be limited or settled (as appropriate) in accordance with Schedule 8.

10 BUYER CT WARRANTIES

The Buyer warrants to the Sellers at the date of this Agreement and again on the date of Completion that:

- 10.1 it is a company duly incorporated and validly existing under the laws of England and Wales;
- 10.2 it is entering into this Agreement on its own behalf and not on behalf of any other person;

- 10.3 subject to the satisfaction of the Conditions, it has all requisite power and authority to enter into and perform each of this Agreement and each agreement referred to in this Agreement to which it is a party;
- 10.4 this Agreement constitutes (or shall constitute when executed) valid, legal and binding obligations on it in accordance with its terms;
- 10.5 compliance with the terms of this Agreement shall not breach or constitute a default under:
 - 10.5.1 any agreement or instrument to which it is a party or by which it is bound including its articles of association; or
 - 10.5.2 any law, regulation, order, judgment, decree or other restriction applicable to him in any relevant jurisdiction;
- 10.6 the entire issued ordinary share capital of the Buyer has been and is admitted to trading on AIM;
- 10.7 save as contemplated by this Agreement or as set out in the Admission Document, no commitment has been given to:
 - 10.7.1 create an Encumbrance affecting the issued shares of the Buyer (or any unissued shares or debentures or other unissued securities of the Buyer); or
 - 10.7.2 issue any share capital,and no person has claimed any rights in connection with any of those things;
- 10.8 when issued, the Consideration Shares will be duly and lawfully allotted to each Seller fully paid and free from any Encumbrance and together with all rights that attach (or may in the future attach) to such Consideration Shares including, in particular, the right to receive all dividends and distributions declared, received or paid on or after Completion and that such Consideration Shares will rank pari passu in all respects with the existing Buyer Shares;
- 10.9 the Consideration Shares will at Completion represent the percentage of the enlarged issued share capital of the Buyer as is specified in the Admission Document on the page titled "Admission and Placing Statistics";
- 10.10 the execution and delivery of, and the performance by the Buyer of its obligations under, this Agreement will not:
 - 10.10.1 require consent of the Buyer's shareholders other than as set out in the Resolutions;
 - 10.10.2 contravene or conflict with, or result in a breach of, any provision of the Buyer's memorandum or articles of association or any instrument to which it is a party or by which it is bound;
 - 10.10.3 contravene or conflict with, or result in a breach of, any order, judgment or decree of any Relevant Authority by which the Buyer, or any of its assets, is bound;
 - 10.10.4 result in a violation or breach of any applicable law, rule or regulation of any Relevant Authority; or
 - 10.10.5 require the consent or approval of a third party under any agreement to which the Buyer is a party other than as required in respect of the satisfaction of the Conditions.

11 TAX

The provisions of Schedules 9 and 10 shall apply.

12 RESTRICTIVE COVENANTS

- 12.1 Each of the Sellers hereby severally undertakes with the Buyer (for itself and for the benefit of the Company) that they will not, either solely or jointly with or through any other person, on its own account or as agent, manager, advisor or consultant for any other person or otherwise howsoever:
- 12.1.1 during the Restricted Period carry on or be engaged, concerned or interested in, or assist, a business which competes, directly or indirectly, with a business of the Company as operated at the date of Completion in a territory in which such business is operated at that date;
 - 12.1.2 during the Restricted Period solicit custom or business from any person in respect of goods and/or services competitive with those manufactured and/or supplied by the Company during the period of 12 months prior to the date of Completion, such person having been a customer of the Company in respect of such goods and/or services during such period;
 - 12.1.3 during the Restricted Period accept custom or business from any person in respect of goods and/or services competitive with those manufactured and/or supplied by the Company during the period of 12 months prior to the date of Completion, such person having been a customer of the Company in respect of such goods and/or services during such period;
 - 12.1.4 during the Restricted Period place custom or business with any person in respect of goods and/or services the same as or similar to those supplied to the Company during the period of 12 months prior to the date of Completion, such person having been a supplier to the Company in respect of such goods and/or services during such period, where the placing of such custom or business causes or would cause such person to cease supplying, or to materially reduce its supply of, those goods and/or services to the Company;
 - 12.1.5 during the Restricted Period induce, solicit or endeavour to entice to leave the service or employment of the Company any person who, during the period of 12 months prior to the date of Completion, was an employee of the Company occupying a senior, managerial, technical, sales or research position or was a consultant of the Company or carried out duties for and on behalf of the Company and who (in any such case) is in possession of Confidential Information or able to influence the client, customer, supplier or other relationships or connections of the Company;
 - 12.1.6 during the Restricted Period employ any person who, during the period of 12 months prior to the date of Completion, was an employee of the Company occupying a senior, managerial, technical, sales or research position or was a consultant of the Company or carried out duties for and on behalf of the Company and who (in any such case) is in possession of Confidential Information or able to influence the client, customer, supplier or other relationships or connections of the Company;
 - 12.1.7 in relation to a business which is competitive with the business of the Company as carried on at the date of Completion use any of the Intellectual Property belonging to the Company (in particular, a name including the words "Eco Buildings") or use in that context anything which is intended, or is likely, to be confused with any of the Intellectual Property belonging to the Company; or
 - 12.1.8 knowingly do or say anything which is harmful to the Company's reputation or which leads a person to cease to deal with the Company on substantially equivalent terms to those previously offered or at all.
- 12.2 Each restriction in clause 12.1 constitutes an entirely independent restriction on each Seller and if one or more of the restrictions is held to be against the public interest or unlawful or in

any way an unreasonable restraint of trade, or unenforceable in whole or in part for any reason, the remaining restrictions or parts thereof (as appropriate) shall continue to bind the Sellers.

- 12.3 The Sellers, having taken independent advice, agree that the restrictions in clause 12.1 are reasonable and entered into for the purpose of protecting the goodwill of the Company. If, however, any restriction in clause 12.1 shall be held to be void but would be valid if deleted in part or reduced in application, such undertaking shall apply with such deletion or modification as may be necessary to make it valid and enforceable.
- 12.4 Nothing in clause 12.1 shall prevent any Seller from being the holder of or beneficially interested in any class of securities in any company if such class of securities is listed or dealt in on the London Stock Exchange or any other recognised stock or investment exchange.

13 FURTHER UNDERTAKINGS AND OBLIGATIONS OF THE SELLERS

13.1 Waiver of Claims

Each Seller confirms that with effect from the date of Completion:

- 13.1.1 neither it nor any person connected with it has any claim against the Company on any account whatsoever save in respect of any accrued but unpaid salary that has been incurred in the ordinary course;
- 13.1.2 there are no agreements or arrangements under which the Company has any actual, contingent or prospective obligation to or in respect of the Sellers or any person connected with it; and
- 13.1.3 any claim which the Sellers or any person connected with it has against the Company is hereby waived in full with effect from Completion, any obligation owed to any Seller or any such connected person by the Company is hereby released with effect from Completion and the Sellers indemnifies the Buyer and the Company against any loss, liability or cost incurred in connection with any such claim or obligation.

13.2 Further assurance

- 13.2.1 Each of the Sellers covenants with the Buyer that they will at its own cost do everything possible to give the Buyer full and unrestricted legal and beneficial title to the Shares and to give effect to the provisions of this agreement including, on receiving the Buyer's reasonable request:
- 13.2.1.1 doing and executing, or arranging for the doing and executing of, each act, document and thing necessary to implement this agreement; and
- 13.2.1.2 giving to the Buyer all information it possesses or to which it has access relating to the Company's business and allowing the Buyer to copy any document containing that information.
- 13.2.2 Forthwith following Completion the Sellers shall (and shall procure that any other person shall) send to the Buyer at its registered office for the time being all records, correspondence, documents, files, memoranda and other papers belonging to the Company and which are not located at the Property or delivered at Completion (whether or not such documents are referred to in Schedule 4).

13.3 Dealing with Shares pending registration

- 13.3.1 Each of the Sellers undertakes to the Buyer that for so long as it remains the registered holder of any of the Shares after Completion they will:

- 13.3.1.1 hold the Shares and the dividends and other distributions of profits or surplus or other assets declared, paid or made in respect of them after Completion and all rights arising out of or in connection with them in trust for the Buyer;
 - 13.3.1.2 deal with and dispose of the Shares and all such dividends, distributions and rights as the Buyer may direct;
 - 13.3.1.3 vote at all meetings which it shall be entitled to attend as the registered holder of the Shares in such manner as the Buyer shall direct; and
 - 13.3.1.4 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.
- 13.3.2 For the purpose of giving effect to clause 13.2.1 each of the Sellers hereby appoints the Buyer (acting by any of its directors from time to time) to be its attorney in its name and on its behalf to exercise all or any of the rights in relation to the Shares as the Buyer in its absolute discretion sees fit from Completion to the day on which the Buyer or its lawful nominee is registered in the register of members of the Company as the holder of the relevant Shares, including:
- 13.3.2.1 receiving notice of, attending and voting at a general meeting, class meeting or other meeting of the Company;
 - 13.3.2.2 completing and returning any meeting requisition, form of proxy, consent to short notice, written resolution or other document required to be signed by the registered holder of the Shares;
 - 13.3.2.3 dealing with, and giving directions as to, any moneys, securities, benefits, documents, notices or other communications (in whatever form) arising by right of the Shares or received in connection with the Shares from the Company or any other person; and
 - 13.3.2.4 executing, delivering and doing all deeds, instruments and acts in the relevant Seller's name as may be done in that Seller's capacity as the registered holder of the Shares,
- and for that purpose each of the Sellers hereby authorises the Company to send any written resolutions, notices or other communications in respect of the Shares registered in its name to the Buyer. The power of attorney granted by this clause 13.3.2 is granted by the Sellers to secure the interest of the Buyer in the Shares and, accordingly, shall be irrevocable.

14 **CONFIDENTIAL INFORMATION AND ANNOUNCEMENTS**

- 14.1 Subject to clause 14.5, the Parties undertake to keep confidential the terms of this Agreement and all information that it has acquired about the other Parties and to use the information only for the purposes contemplated by this Agreement.
- 14.2 The Buyer does not have to keep confidential or restrict its use of information about the Company after Completion.
- 14.3 Any Party may disclose any information that it is otherwise required to keep confidential under this Clause:
 - 14.3.1 to such professional advisers, consultants and employees or officers of its group as are reasonably necessary to advise on this agreement or in relation to the facilitation of the transactions contemplated by this Agreement;

- 14.3.2 with the written consent of the other Party.
- 14.4 Subject to clause 14.5 but notwithstanding any other Clause of this Agreement, except as required by law or by any court, governmental or administrative authority or regulatory or supervisory body of competent jurisdiction (including the rules applicable to an issuer whose shares are traded on a “prescribed market” (within the meaning of FSMA)), no Party shall issue (and shall procure that no person connected with it nor any of its directors, officers or employees shall make) any announcement relating to or in connection with this Agreement or any matters contained in it, without the written consent of the other Parties (such consent not to be withheld, conditioned or delayed).
- 14.5 Nothing in this Agreement shall prevent disclosure of any matter contemplated by this Agreement by:
- 14.5.1 the Buyer in any document published by it in connection with Admission; or
- 14.5.2 the Buyer in the Pathfinder Document or any regulatory announcement made in connection therewith;
- 14.5.3 the Parties, to the extent any Party is required by law or any competent regulatory authority.
- 14.6 In regards to any announcement made by the Buyer in connection with the Acquisition and clause 14.5, the Buyer shall use reasonable endeavours to share proposed drafts of any relevant announcement with the other in good time before the release of such announcement to enable to the other to comment on the proposed announcement as applicable.
- 14.7 This clause 14 shall survive Completion.

15 **ASSIGNMENT**

- 15.1 No party shall assign, transfer, charge, make the subject of a trust or deal in any other manner with this agreement or any of its rights under this agreement or purport to do any of the same without the prior written consent of the other Party except that the Buyer may assign the benefit of any provision to which it is entitled from time to time, in whole or in part and without restriction, at any time.
- 15.2 This agreement shall be binding on and shall enure for the benefit of each Party’s successors and permitted assignees.

16 **THIRD PARTY RIGHTS**

- 16.1 The Company, any person to whom the benefit of any provision of this agreement is assigned in accordance with clause 15.1 and each person falling within the category of persons described in clause 15.2 shall be entitled under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement which confers (expressly or impliedly) any benefit on any such person.
- 16.2 Subject to clause 16.1, a person who is not a party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce a provision of this agreement.

17 **SELLERS’ REPRESENTATIVE**

- 17.1 Each of the Sellers hereby appoints the Sellers’ Representative to be his representative for the purposes of this Agreement, and irrevocably authorises the Sellers’ Representative to:
- 17.1.1 receive any notice which may be given to the Sellers or any of them; and

- 17.1.2 give any notice which may be given by the Sellers or any of them under this Agreement.
- 17.2 The Sellers may at any time by notice in writing to the Buyer terminate the appointment of the person appointed as the Sellers' Representative and appoint another person to be the Sellers' Representative in his place. To be effective, such notice must be signed by all of the Sellers and must specify a postal address within the United Kingdom for the person who is being appointed as the new Sellers' Representative and notice of such appointment must have been delivered to the Buyer in accordance with clause 18.

18 NOTICES

- 18.1 Any notice given under this agreement shall be in writing in the English language and signed by or on behalf of the party giving it and shall be served by sending it to the party due to receive it by any of the following methods:

- 18.1.1 delivering it by hand; or
- 18.1.2 sending it by pre-paid first class recorded delivery post or other next working day delivery service providing proof of delivery;
- 18.1.3 sending it by pre-paid airmail providing proof of delivery in the case of an address for service outside the United Kingdom); or
- 18.1.4 sending it by reputable national courier; or
- 18.1.5 sending it by email.

- 18.2 For the purposes of clause 18.1, a notice shall be sent to the address for that party set out in this agreement or (in either case) to such other address or email address as was last notified in writing to the other party, or to the following addresses:

if to the Sellers, to the Sellers' Representative, as follows:

For the attention of:

Address:

Email:

if to the Buyer:

Fox Marble Holdings Plc

Address: 160 Camden High Street, London, England, NW1 ONE

Email:

For the attention of:

Copied to: (provided always that a copy shall not constitute notice)

- 18.3 Subject to clause 18.1, in the absence of evidence of earlier receipt, any notice given pursuant to this clause shall be deemed to have been received:

- 18.3.1 if delivered by hand, at the time of actual delivery to the address referred to in clause 18.2;

- 18.3.2 in the case of pre-paid first class post or other next working day delivery service, two Business Days after the date of posting;
 - 18.3.3 in the case of pre-paid airmail, five Business Days after the date of posting;
 - 18.3.4 in the case of a reputable national courier, five Business Days after collection by the courier; and
 - 18.3.5 in the case of email, one hour after the document or information is sent.
- 18.4 If deemed receipt occurs before 9.00am on a Business Day, the notice shall be deemed to have been received at 9.00am on that day and if deemed receipt occurs after 5.00pm on a Business Day or on any day which is not a Business Day, the notice shall be deemed to have been received on the next Business Day.
- 18.5 For the avoidance of doubt, notice given under this agreement shall not be validly served if sent by fax or telex or by means of a website.

19 GENERAL

- 19.1 Except where this agreement provides otherwise, each party shall pay its own costs relating to the negotiation, preparation, execution and performance by it of this agreement and of each document referred to in it.
- 19.2 A variation of this agreement is valid only if it is in writing and signed by or on behalf of each party. The Buyer and the Sellers shall not be required to obtain the consent of the Company or any other third party on whom a benefit is conferred under this agreement to the termination or variation of this agreement or to the waiver or settlement of any right or claim arising under it.
- 19.3 The failure or delay in exercising a right or remedy provided by this agreement or by law does not constitute a waiver of that (or any other) right or remedy. No single or partial exercise of a right or remedy provided by this agreement or by law prevents the further exercise of that (or any other) right or remedy.
- 19.4 The Buyer's rights and remedies contained in this agreement are cumulative and not exclusive of any rights or remedies provided by law.
- 19.5 Except to the extent that they have been performed or where this agreement provides otherwise, the obligations contained in this agreement remain in force after Completion.
- 19.6 This agreement, together with all agreements entered into or to be entered into pursuant to the terms of this agreement, constitutes the entire agreement between the parties in connection with the matters dealt with therein and (save in respect of fraudulent misrepresentation) supersedes and extinguishes all previous agreements between the parties (whether orally or in writing) in connection with the matters dealt with therein.
- 19.7 Except as otherwise stated in this Agreement, and in the absence of any other written agreement between the parties in relation thereto, the parties agree that any cash sum due from one party to the other pursuant to any provision of this Agreement may be paid by telegraphic transfer of funds to the receiving party's solicitors whose receipt shall constitute a full discharge of the paying party's obligation to make any such payment and the paying party shall not be concerned with the application of any such amount.
- 19.8 If the Sellers are required by law to make a deduction or withholding in respect of any sum payable under this agreement such sum shall be increased by such additional amount as will ensure that after such deduction or withholding (as the case may be) the Buyer will receive the same amount as it would have received in the absence of any such deduction or withholding.
- 19.9 If any Tax Authority charges to Tax any sum paid by the Sellers under or pursuant to this agreement then the Sellers shall pay such additional amount as will ensure that the total amount

paid, less the tax chargeable on such amount, is equal to the amount that would otherwise be payable under this agreement.

- 19.10 Each provision of this agreement is severable and distinct from the others. If any provision is or at any time becomes to any extent or in any circumstances invalid, illegal or unenforceable for any reason, it shall to that extent or in those circumstances be deemed not to form part of this agreement but (except to that extent or in those circumstances in the case of that provision) the validity, legality and enforceability of that and all other provisions of this agreement shall not be affected or impaired and shall remain valid and enforceable.
- 19.11 If any provision of this agreement is found to be illegal, invalid or unenforceable in accordance with clause 19.10 but would be legal, valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modification(s) as may be necessary to make it legal, valid or enforceable.
- 19.12 This agreement may be executed in any number of counterparts each of which when executed and delivered is an original but all the counterparts together shall constitute the same document.
- 19.13 Delivery of a copy of this agreement showing an executed signature page of a counterpart by Adobe™ Portable Document Format (PDF) sent by electronic mail shall take effect as delivery of an executed counterpart of this agreement. If such method is adopted, without prejudice to the validity of this agreement, each party shall provide the others with a hard copy original of that executed counterpart as soon as reasonably practicable thereafter.

20 **GOVERNING LAW AND JURISDICTION**

- 20.1 This agreement is governed by English law.
- 20.2 The courts of England have exclusive jurisdiction to hear and decide any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this agreement (including non-contractual disputes and claims) and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England.
- 20.3 Each party irrevocably waives any objection which it might at any time have to the courts of England being nominated as the forum to decide any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this agreement (including non-contractual disputes and claims) and agrees not to claim that the courts of England are not a convenient or appropriate forum.

IN WITNESS whereof the parties have executed this agreement as a deed and it is hereby delivered on the day and year first before written.

SCHEDULE 1 – THE SELLERS

(1) Name and address	(2) Number of Shares held	(3) Consideration (to be satisfied by the issue of Consideration Shares) (£)	(4) Number of Consideration Shares to be issued	(4) Relevant Proportion (%)
Etrur Albani of	300	9,000,000.35	16,363,637	30
Genard Kadiu of	210	6,300,000.30	11,454,546	21
Linden Holdings (Malta) Limited, registered at	205	6,149,999.90	11,181,818	20.5
Dominic Redfern of	200	6,000,000.05	10,909,091	20
Thomas Noel Collister Jackson of	45	1,349,999.75	2,454,545	4.5
Max Gustav Kapp of	40	1,199,999.90	2,181,818	4
Total	1,000	30,000,000.25	54,545,455	100

SCHEDULE 2 – THE COMPANY

1	Registered number:	13774419
2	Date of incorporation:	30 November 2021
3	Place of incorporation:	England and Wales
4	Type of company:	Private limited company
5	Address of registered office:	Building 3, North London Business Park, Oakleigh Road South, London, England, N11 1GN
6	Principal place of business:	Building 3, North London Business Park, Oakleigh Road South, London, England, N11 1GN
7	Share capital:	£1,000
8	Issued loan capital:	£0
9	Directors:	Etrur Albani and Dominic Redfern
10	Secretary:	N/A
11	Accounting reference date:	31 December
12	Charges:	None
13	Tax residence:	England
14	VAT registration no.:	N/A
15	Bank accounts:	Bank: Account Name: Eco Buildings Group Ltd Sort Code: Account Number:

SCHEDULE 3 – PRE-COMPLETION AND COMPLETION

PART 1

1 ITEMS FOR DELIVERY AT OR IMMEDIATELY PRIOR TO PRE-COMPLETION BY THE SELLERS

The Sellers shall deliver to the Buyer:

- 1.1 executed transfers transferring the Shares to the Buyer or its nominee(s);
- 1.2 the share certificates for the Shares or an indemnity in the agreed form in respect of any missing certificate;
- 1.3 any waiver, consent or other document necessary to give the Buyer or its nominee(s) full legal and beneficial ownership of the Shares;
- 1.4 a certified copy of any power of attorney under which any document to be delivered to the Buyer pursuant to this Schedule 3 has been executed;
- 1.5 a letter from the Sellers confirming that it has ceased to be a registrable person (within the meaning of section 790C of the Act) in relation to the Company;
- 1.6 the Seller Lock-in Agreements duly executed by the Sellers;
- 1.7 the Deeds of Novation duly signed by the Company and the CLN Holders;
- 1.8 letters from each of the Sellers confirming that they take responsibility for the information contained in the Admission Document about them (as it pertains to their membership of a concert party);
- 1.9 the statutory registers and minute books (written up to the date of Pre-Completion and including the Minutes), the common seal (if any), certificate of incorporation and any certificates of incorporation on change of name of the Company and each of its subsidiaries; and
- 1.10 each of the Company's and its subsidiaries security code and authentication code for the Companies House WebFiling Service and the Protected Online Filing Scheme (if applicable).

PART 2

2 PRE-COMPLETION OBLIGATIONS OF THE BUYER

At or before Pre-Completion, the Buyer shall:

- 2.1 allot and issue the Consideration Shares to the Sellers, subject only to Admission;
- 2.2 allot and issue the CLN Shares and the Placing Shares, subject only to Admission;
- 2.3 make the relevant applications for the Consideration Shares, the CLN Shares and the Placing Shares to be admitted to trading on AIM with effect from Admission;
- 2.4 despatch the Admission Document to its shareholders on the date of (or on the next Business Day following the date of this Agreement (or such longer period as the Buyer and the Sellers may agree) in a form acceptable to the Sellers (acting reasonably) and complying with the AIM Rules and all relevant law and regulations;
- 2.5 deliver to the Sellers, or the Sellers' nominee as applicable, the following documents duly executed (where applicable) by the Buyer:

- 2.5.1 where holding in certificated form, a certificate for the Consideration Shares;
- 2.5.2 Seller Lock-in Agreements duly executed by the Buyer, the Nominated Adviser and the Broker;
- 2.5.3 the Placing Agreement duly signed by the Buyer, the Nominated Adviser and the Broker;
- 2.5.4 the Deeds of Novation duly signed by the Buyer;
- 2.5.5 a copy of the Waiver;
- 2.5.6 evidence of completion of the Capital Reorganisation;
- 2.5.7 evidence of completion of the Bonus Issue;
- 2.5.8 a copy of the New Articles;
- 2.5.9 the Service Agreements;
- 2.5.10 evidence of the appointment of Sanjay Bowry, Don Nicolson, Dominic Redfern, Dr Etrur Albani and Dr Ahmet Shala as directors of the Buyer;
- 2.5.11 a print of the Resolutions;
- 2.5.12 a copy of the board minutes of the Buyer approving (inter alia) the Placing, the despatch of the Admission Document, the terms of and entry into the Placing Agreement and other relevant agreements relating to the Placing and Admission and the convening of the general meeting to pass the Resolutions;
- 2.5.13 a copy of the board or committee resolution of the Buyer approving (inter alia) the allotment and issue of the CLN Shares, the Placing Shares and the Consideration Shares in accordance with the delivery instructions contained in the board resolution of the Buyer in the agreed form, and Admission; and
- 2.5.14 the execution and delivery of any other documents to be delivered by Buyer.

SCHEDULE 4– CONDUCT PRIOR TO COMPLETION

The Sellers undertake to the Buyer, and the Buyer undertakes to the Sellers, that from the date of this agreement until Completion:

- 1 **(in the case of the Buyer) it shall and (in the case of the Sellers) they shall procure that the Company shall, respectively:**
 - 1.1 operate its business in the usual way and in the same manner and on the same terms as in the period prior to Completion so as to maintain that business as a going concern and comply with all applicable legal and administrative requirements in any jurisdiction;
 - 1.2 consult with the representatives and advisers of the other with regard to the management and operation of the Company/Buyer (as applicable) before taking any action which could materially affect it, its business or any of its assets and provide those representatives and advisers with such information as they may reasonably request in connection therewith;
 - 1.3 take all steps to preserve the assets of the Company/the Buyer (as applicable);
 - 1.4 continue each of the Insurance Policies and not do or omit to do anything which would make any of the Insurance Policies void or voidable or might result in an increase in the premium payable under any of the Insurance Policies or prejudice the ability to effect equivalent insurance in the future;
 - 1.5 notify the other of the resignation of any employee or officer or of any intention of any such employee or officer to resign which intention has been notified to them;
- 2 **(in the case of the Buyer) it shall not, and (in the case of the Sellers) they shall procure that the Company shall not, without the prior written consent of the other(s), such consent not to be unreasonably withheld or delayed:**
 - 2.1 create, allot, issue, acquire, repay, redeem, repurchase or grant any option over any (or any interest in any) shares or other securities or loan capital or agree, arrange or undertake (in each case whether conditionally or unconditionally) to do any of those things;
 - 2.2 acquire or agree, arrange or undertake to acquire (in each case whether conditionally or unconditionally) any share, loan capital or other interest in any corporate body, partnership or other venture;
 - 2.3 acquire or agree, arrange or undertake to acquire any material asset, other than in the ordinary course of business and requiring expenditure of less than £20,000 in aggregate;
 - 2.4 assume or incur, or agree, arrange or undertake to assume or incur, a material liability, obligation or expense (actual or contingent) except in the ordinary course of business and amounting to £20,000 in aggregate;
 - 2.5 dispose of, or agree, arrange or undertake to dispose of, or grant any option over any asset of the Company/Buyer (as applicable) (other than stock disposed of in the ordinary course of business);
 - 2.6 amend, or agree, arrange or undertake to amend, any terms of its borrowings or indebtedness in the nature of borrowing, or create or incur, or agree, arrange or undertake to create or incur, any borrowing or indebtedness in the nature of borrowing;
 - 2.7 make any payment out of any bank account other than payments in the ordinary course of business of £20,000 in aggregate to the same person;
 - 2.8 give, or agree, arrange or undertake to give, a guarantee, indemnity or other agreement to secure or incur financial or other obligations relating to the obligations of another person;

- 2.9 amend or terminate any Material Contract, without first notifying the other of its intention to do so;
- 2.10 declare, make or pay any dividend or other distribution of its assets;
- 2.11 make any change to its accounting policies or practices;
- 2.12 make a claim under section 152 of the Taxation of Chargeable Gains Act 1992 which affects any of its assets;
- 2.13 dismiss any officer, employee or other person currently engaged by them; employ or engage, or offer to employ or engage, any person not employed or engaged by the Company at the date of this agreement; amend the terms and conditions of employment or engagement of any person currently employed or engaged by them; or provide or agree to provide any non-contractual or gratuitous benefit to any officer or employee of them or any person engaged by them or any of their respective dependents;
- 2.14 supply or agree to supply any goods or services on any terms which are materially different to the Company's standard terms of business included in the Disclosure Documents;
- 2.15 except for the collection of debts in the ordinary course of business, commence any civil, criminal, arbitration, administrative or other proceeding or compromise, settle, release, discharge or compound any such proceedings or a liability, claim, action, demand or dispute, or waive a right in relation to any such proceedings; or
- 2.16 in the case of the Sellers, pay any management or other charge to the Sellers;
- 3 **the Sellers shall not:**
 - 3.1 create, or agree to create, an Encumbrance over any of the Shares;
 - 3.2 dispose of, or agree to dispose of, or grant any option over, any interest in any of the Shares (in each case whether conditionally or unconditionally); or
 - 3.3 pass any resolution of the Company in general meeting or by way of a written resolution without the Buyer's prior written consent.

SCHEDULE 5 – SELLER WARRANTIES

In this Schedule 5, a reference to the Company shall be construed as a reference to the Company and each of its subsidiaries.

1 **The Company**

- 1.1 The Company does not have any right to require the transfer, creation, issue or allotment of any share, loan capital or other securities (or any rights or interest in them) and no Encumbrance has been created or been agreed to be created in favour of any person affecting any unissued shares or unissued securities of the Company.
- 1.2 The Company has not agreed to become a member of any partnership or other incorporated or unincorporated association, joint venture or consortium (other than recognised trade associations).
- 1.3 Save for the Albanian Subsidiary, the Company does not have any branch or permanent establishment outside its country of incorporation.
- 1.4 The Company is the sole legal and beneficial owner of the whole of the allotted and issued share capital of each of its subsidiaries, accurate particulars of which have been disclosed in the Data Room.

2 **Constitutional and Corporate Documents**

- 2.1 The Company is validly incorporated, in existence and registered under the laws of its jurisdiction of incorporation and has full power to conduct its business as conducted at the date of this Agreement.
- 2.2 True and complete copies of the constitution, articles of association and incorporation documents of the Company and each of its subsidiaries have been included in the Data Room.
- 2.3 All statutory books and registers of the Company and each of its subsidiaries have been properly kept and are up to date and no notice or allegation that any of them is incorrect or should be rectified has been received.
- 2.4 All returns, particulars, resolutions and other documents which the Company and its subsidiaries is required by law to file with or deliver to any authority in any jurisdiction (including, in particular, the Registrar of Companies in Ireland, England and Wales) have been correctly made up and filed or, as the case may be, delivered.
- 2.5 The Shares constitute the entire issued share capital of the Company.

3 **Information provided by the Sellers and included in the Admission Document**

The factual information provided by the Sellers concerning the Company which is included by the Buyer in the Admission Document is and will be when the same is published true and accurate in all material respects and not misleading.

- 4 So far as the Sellers are aware, there are no other facts relating to the Company which are not or will not be disclosed in the Admission Document which, in the context of the Acquisition of the Company under this Agreement and Admission would be material for disclosure therein or

the omission of which would make any statement relating to the Company contained in the Admission Document misleading in any material respect.

5 Information

- 5.1 The information in respect of the Sellers as set out in Schedule 2 is complete and accurate.
- 5.2 Information and documentation supplied by the Sellers in the Data Room related to the Company was given in good faith and such information was, when supplied, and, so far as the Sellers are aware, remains true and accurate in all material respects and no material fact or matter has been omitted, or has since been corrected.

6 Company Accounts

- 6.1 The Company Accounts:
 - 6.1.1 have been prepared in accordance with the Accounting Standards;
 - 6.1.2 show a true and fair view of the assets, liabilities, and state of affairs of the Company as at the Company Accounts Date; and
 - 6.1.3 are not affected by any extraordinary, exceptional, or non-recurring items or any other factor that would make the financial position and results shown by the Company Accounts unusual or misleading in any material respect save as set out in the Company Accounts.
- 6.2 The Company Interim Accounts:
 - 6.2.1 have been prepared on a basis consistent with the Company Accounts; and
 - 6.2.2 fairly present the assets and liabilities and profits and losses of the Company as at and to the date to which they have been prepared.

7 Changes since the Company Accounts Date

- 7.1 Since the Company Accounts Date in relation to the Company:
 - 7.1.1 the Company has conducted its business in the normal course;
 - 7.1.2 the Company has not been in dispute with any of its creditors regarding payments owed;
 - 7.1.3 the Company has not acquired, invested or disposed of (or agreed to acquire, invest or dispose of) any individual item in excess of £50,000.00, save for the acquisition of all tangible and intangible assets of Gulf Walling FZCO pursuant to the asset transfer agreement dated 7 September 2022 for the consideration of US\$1,000,000;
 - 7.1.4 no dividend or other distribution of profits or assets has been or agreed to be declared, made or paid by the Company; and
 - 7.1.5 the Company has not borrowed or raised any money or given or taken any form of financial security, save for in connection with the issue of the Convertible Loan Notes 2022.

8 Finance and guarantees

- 8.1 The Company:

- 8.1.1 has not given or entered into any guarantee or Encumbrance in respect of the borrowings or other obligations of any other person;
 - 8.1.2 is not responsible for the Debt, or for the default in the performance of any obligation, of any other person;
 - 8.1.3 has no outstanding loan capital or lent any money that has not been repaid; or
 - 8.1.4 has no debts owing to it other than debts that have arisen in the ordinary course of its business.
- 8.2 The Company has not received any grants, allowances or subsidies` during the last three years from any body.
- 8.3 Save as Disclosed, the Company has no Debt.

9 **Insolvency**

- 9.1 The Company:
- 9.1.1 is not insolvent or unable to pay its debts within the meaning of the Act or any other applicable insolvency legislation; or
 - 9.1.2 has not stopped paying its debts as they fall due.
- 9.2 So far as the Sellers are aware no step has been taken to initiate any process by or under which:
- 9.2.1 the ability of the creditors of the Company to take any action to enforce their debts is suspended, restricted or prevented;
 - 9.2.2 some or all of the creditors of the Company accept, by agreement, company voluntary arrangement, or in pursuance of a court order, an amount less than the sums owing to them in satisfaction of those sums;
 - 9.2.3 a person is appointed to manage the affairs, business and assets of the Company on behalf of the Company's creditors; or
 - 9.2.4 no holder of a charge over the Company's assets is appointed, or has appointed another person, to control the business and assets of the Company.
- 9.3 In relation to the Company:
- 9.3.1 no liquidator, administrator, examiner, administrative receiver or other receiver has been appointed;
 - 9.3.2 no documents have been filed with the court for the appointment of an administrator, examiner, receiver or a liquidator; and
 - 9.3.3 no order has been made or petition presented, meeting convened or resolution passed for the winding up of the Company, or for it to be placed under the protection of the Court under Part 10 of the Act, nor has any receiver been appointed or any distress, execution or other process been levied in respect of the Company or its assets.
- 9.4 So far as the Sellers are aware, no process has been initiated which could lead to the Company going into liquidation or being dissolved and its assets being distributed among its creditors, shareholders or other contributors.

9.5 So far as the Sellers are aware, no distress, execution or other process has been levied or enforced on, and no creditor or encumbrancer has taken control of, any goods or assets of the Company.

9.6 No asset of the Company has been acquired or sold for a consideration otherwise than for market value.

10 **Contacts**

10.1 Not including the Transaction Documents to which the Company is a party and, other than as Disclosed, the Company is not a party to any agreement which:

10.1.1 is not in the ordinary and usual course of its business or materially differs from its standard terms of business;

10.1.2 may be terminated as a result of any Change of Control of the Company;

10.1.3 is long term (i.e. not terminable on 60 days' notice or less without payment of compensation or damages);

10.1.4 cannot readily be fulfilled or performed by the Company on time or without undue or unusual expenditure of money, effort or personnel;

10.1.5 is loss making to the Company;

10.1.6 is for the supply of goods and/or services by or to the Company on terms under which retrospective or future discounts, price reductions or other financial incentives are given;

10.1.7 is not on arm's length terms; or

10.1.8 provides for payments or other dealings in or calculated by reference to any currency other than pounds sterling, euro, US dollars or Canadian dollars;

and there exists no outstanding offers, proposals, estimates or quotations which, if accepted or incorporated into an agreement or arrangement, would result in an agreement or arrangement which, if now in existence, would fall within this Paragraph Schedule 79.

10.2 Details of all Material Contracts are disclosed.

10.3 Each Material Contract is valid, in full force and effect and binding on the parties to it.

10.4 The Company has not defaulted under or breached a Material Contract and:

10.4.1 so far as the Sellers are aware, no other party to a Material Contract has defaulted under or breached such a contract; and

10.4.2 no such default or breach by the Company or, so far as the Sellers are aware, any other party to a Material Contract is likely or has been threatened.

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

11 **Assets**

Save as Disclosed, all assets owned or used by the Company which are required for the operation of the business of it substantially carried out on at the date of this Agreement are

either legally and beneficially owned by the Company free from any Encumbrance or are used by the Company under a valid licence.

12 **Customers and suppliers**

12.1 In the 12 months ending from Completion, the business of the Company has not been materially affected in an adverse manner as a result of any one or more of the following things happening to it:

12.1.1 the loss of any of its customers or suppliers;

12.1.2 a reduction in trade with its customers or in the extent to which it is supplied by any of its suppliers; or

12.1.3 a change in the terms on which it trades with or is supplied by any of its customers or suppliers.

13 **Insurance**

13.1 There are no material outstanding claims under any of the Insurance Policies or in respect of the validity of, any of the Insurance Policies and, so far as the Sellers are aware, no circumstances exist which are likely to give rise to such a claim.

13.2 All the required Insurance Policies within the Company's current level of operations are in full force and effect, and so far as the Sellers are aware, are not void or voidable and nothing has been done or not done by the Company (or, so far as the Sellers are aware, by anyone else) which could make any of the Insurance Policies void or voidable.

13.3 Completion will not terminate, or entitle any insurer to terminate, any of the Insurance Policies.

13.4 Details of all claims made by or on behalf of the Company under any employers' liability insurance policy in the last five years and under any other insurance policy in the last three years are disclosed.

14 **Intellectual Property**

14.1 So far as the Sellers are aware, the Intellectual Property owned by the Company is not being opposed, nor is any third party seeking its invalidation or revocation. Neither the Sellers nor, so far as the Sellers are aware, has the Company received written notice of any opposition to the grant of, or notice of any legal proceedings or claims relating to, any of the Intellectual Property.

14.2 All registration, renewal and other maintenance fees in respect of registered Intellectual Property owned by the Company have been paid in full and, so far as the Sellers are aware, there has been no act or omission by the Company that would jeopardise its validity, subsistence or enforceability.

14.3 Save as set out in the Data Room, all Intellectual Property owned by the Company is registered in the name of the Company and so far as the Sellers are aware, are in force.

14.4 So far as the Sellers are aware, all the Intellectual Property is legally and beneficially owned by the Company free from Encumbrances or used by the Company under licence. There is no agreement or commitment in writing to give or create any Encumbrance over or affecting Company rights in the Intellectual Property and no claim has been made in writing by any person to be entitled to any such Encumbrance.

14.5 The Company has not received written notice in the past 12 months of any legal proceedings, claims or complaints instituted against it in relation to any of the Intellectual Property. So far as

the Sellers are aware, the use by the Company of the Intellectual Property does not infringe the Intellectual Property of any third party.

- 14.6 The Company has not issued any notice of any legal proceedings, claims or complaints in the past 12 months against a third party regarding the infringement of the Intellectual Property. So far as the Sellers are aware, no third party in the past 12 months has infringed the Intellectual Property owned by the Company and no third party is currently infringing the Intellectual Property owned by the Company.
- 14.7 The Intellectual Property owned by the Company is all the material Intellectual Property required for the operation of the business of the Company substantially as carried on at the date of this Agreement.

15 **Information Technology**

- 15.1 Brief particulars of the IT Systems have been included in the Data Room.
- 15.2 Brief particulars of all websites currently or previously operated and other internet operations currently or previously carried on, by or on behalf of the Company are disclosed in the Data Room.
- 15.3 The Company is the legal and beneficial owner and exclusive user of, or has the contractual right to use, and is in possession of the IT Systems free from Encumbrances and all other rights exercisable by other parties.
- 15.4 The Company has obtained all necessary rights from third parties to enable their exclusive and unrestricted use of the IT Systems for the purposes of its business both before and after Completion.
- 15.5 The Company is not aware of any fact, matter, event or circumstance which may adversely affect the continued use of the IT Systems after Completion.
- 15.6 The Company has at all times implemented and maintained appropriate procedures, for ensuring the security of the IT Systems.

16 **Compliance with laws**

So far as the Sellers are aware, the Company conducts its business in all material respects in accordance with its constitution and all applicable laws and regulations. The Company has not received notice in writing from any third party of any breach or potential breach by it of any such applicable laws and regulations.

17 **Licences and Consents**

- 17.1 The Company has all the licences, consents, permits and authorities necessary to carry on its business.
- 17.2 All the licences, consents, permits and authorities granted to or held or maintained by or on behalf of the Company are valid and subsisting and, in the reasonable opinion of the Sellers, there is no reason why any of them should be suspended, cancelled, revoked or not renewed on the same terms.

18 **Disputes and Investigations**

- 18.1 The Company is not, nor has it, during the three years immediately preceding the date of this Agreement been:
- 18.1.1 engaged in any litigation, administrative, mediation or arbitration proceedings or other proceedings 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 the Company's business); or

- 18.1.2 received any notice from a third party that it intends to initiate proceedings against it of the nature referred to in Paragraph 18.1.1; or
 - 18.1.3 involved in any material dispute with, or the subject of any enforcement proceedings or so far as the Sellers are aware any investigation or inquiry by, any governmental, regulatory or similar body or agency.
- 18.2 No Director is, to the extent that it relates to the business of the Company, engaged in or subject to any of the matters mentioned in Paragraph 18.1.
- 18.3 The Company and none of its property and assets is affected by any existing judgments, orders or rulings and the Company has not given any binding undertakings arising from legal proceedings to a court, governmental, regulatory or similar body or agency other third party.
- 18.4 The Company has not been convicted of any offence and no current or former Employee has been convicted of any offence in relation to the Company.
- 18.5 So far as the Sellers are aware no such proceedings, investigation or inquiry as are mentioned in Paragraph 18.1 or Paragraph 18.2 are pending or threatened and, so far as the Sellers are aware, no circumstances exist which are likely to give rise to any such proceedings, investigation or inquiry.

19 **Data Protection**

- 19.1 The Company has at all times fully complied with all Data Protection Law in all material respects. In particular, the Company has:
- 19.1.1 if so required by Data Protection Law, paid on time and in full any fees due to all relevant Supervisory Authorities;
 - 19.1.2 collected, obtained, Processed, transferred, disclosed and deleted Personal Data only in accordance with the terms of its privacy policy;
 - 19.1.3 appointed a data protection officer and a representative (as defined in Article 4(17) of the GDPR) if required to do so under Data Protection Law;
 - 19.1.4 as required by Data Protection Law, maintained complete, accurate and up to date records of all its processing activities;
 - 19.1.5 carried out and maintained complete, accurate and up-to-date records of, all data protection impact assessments required under Data Protection Law and full and accurate copies of any data protection impact assessments carried out (whether or not required by Data Protection Law) on or behalf of the Company in relation to its processing activities is disclosed;
 - 19.1.6 issued appropriate privacy notices to data subjects which comply with all applicable requirements of Data Protection Law and only Processed those data subjects' Personal Data in accordance with such privacy notices;
 - 19.1.7 put in place an appropriate procedure to ensure that the Company can comply with the requirements set out in Data Protection Law regarding personal data breaches and data subjects' exercise of their rights under Data Protection Law; and
 - 19.1.8 so far as the Sellers are aware, not suffered a personal data breach as defined in Article 4(12) of the GDPR and, in the reasonable opinion of the Sellers, no such breach is suspected.

- 19.2 The Company has not received any statutory notice, warrant or other communication from a Supervisory Authority alleging and/or enforcing non-compliance with Data Protection Law, or requesting an audit or compliance check relating to Data Protection Law, or requiring the Company to undertake an audit or compliance check or to change or delete any data or prohibiting the transfer of data to a third party or out of the European Union.
- 19.3 The Company has:
- 19.3.1 undertaken sufficient due diligence on each of its processors; and
 - 19.3.2 an agreement in place with each of its processors (full and accurate copies of which are disclosed) which incorporates the terms stipulated by Article 28 of the GDPR and complies with all other applicable requirements of Data Protection Law.
- 19.4 The Company has not disclosed or transferred any Personal Data outside the European Economic Area or where it has done so has first put in place valid transfer mechanisms as set out in Chapter V of the GDPR to ensure such transfer is lawful.
- 19.5 In relation to the Company, no individual has claimed, complained or taken, or, so far as the Sellers are aware, has a right to claim or take, compensation or action:
- 19.5.1 for breach or alleged breach of their rights under Data Protection Law; or
 - 19.5.2 pursuant to any contract entered into which requires compliance with Data Protection Law or with technical and organisational measures to protect data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access.
- 19.6 The Company has taken measures to ensure that the Personal Data it holds is adequate, relevant, not excessive and not kept longer than necessary in relation to the purpose for which it is Processed and that it is accurate and, where necessary, kept up to date. A full and accurate copy of the Company's data retention policy is disclosed

20 **Bribery and Corruption**

- 20.1 The Company is not engaged in any activity, practice or conduct which would constitute an offence under the Criminal Justice (Corruption Offences) Act 2018 and/or the Bribery Act 2010 or any other applicable anti-corruption laws.
- 20.2 So far as the Sellers are aware, not having made specific enquiry of any Associated Person, no Associated Person has bribed another person (within the meaning under the Criminal Justice (Corruption Offences) Act 2018 and/or the meaning given in section 7(3) of the Bribery Act 2010) intending to obtain or retain business for any Target Company.
- 20.3 The Company is not, to the Sellers' knowledge, aware of any Associated Person not having made specific enquiry of any Associated Person is 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 either the under the Criminal Justice (Corruption Offences) Act 2018 and/or the Bribery Act 2010 or any other anti-corruption laws, and so far as the Sellers are aware no such investigation, inquiry or proceedings have been threatened or are pending.
- 20.4 The Company is not ineligible to be awarded any contract or business as a result of being convicted of bribery or corruption.

21 **Employment**

- 21.1 The name of each person who is a Director has been Disclosed.

- 21.2 The Data Room includes anonymous details of all Employees including:
- 21.2.1 the company which employs or engages them;
 - 21.2.2 their remuneration and contractual benefits;
 - 21.2.3 the commencement date of their contract and the date on which their continuous service began; and
 - 21.2.4 their contractual notice period or, if employed on a fixed term, the expiry date of the fixed term.
- 21.3 The Data Room includes anonymous details of anyone who is not an employee and who is providing services to the Company under an agreement which is not a contract of employment with the Company (including, in particular, where the individual acts as a consultant or is on secondment from an employer which is not the Company) and the particulars of the terms on which the individual provides services, including:
- 21.3.1 the company which engages them;
 - 21.3.2 the nature of the services provided;
 - 21.3.3 their remuneration and contractual benefits; and
 - 21.3.4 their contractual notice period or, if a fixed term, the expiry date of the fixed term.
- 21.4 The Data Room includes anonymous details of all Employees who are on secondment, maternity, paternity, or long term sick leave.
- 21.5 Notice has not been served to terminate the contract of employment of any senior Employee of the Company (whether by the Company or by the Employee) and no dispute under any Employment Legislation or otherwise is outstanding between the Company and any Employee relating to their employment, its termination and any reference given by the Company regarding them.
- 21.6 Except for under the terms of a service agreement between Sanjay Bowry and the Company in respect of his position as Chief Executive Officer, no offer of employment has been made by the Company where the future employee's salary would exceed £20,000 which has not yet been accepted, or which has been accepted but where the employment has not yet started.
- 21.7 The Acquisition of the Shares by the Buyer and compliance with the terms of this agreement will not entitle any Directors, officers or senior Employees of the Company to terminate their employment or receive any payment or other benefit.
- 21.8 All contracts between the Company and its Employees 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 other than wages, commission or pension).
- 21.9 The Company has not incurred any liability for failure to provide information or to consult with Employees under any employment legislation.
- 21.10 The Company has not made or agreed to make a payment or provided or agreed to provide a benefit to a present or former Director, officer or senior Employee or to their dependants in connection with the actual or proposed termination or suspension of employment or variation of an employment contract.

- 21.11 The Company is not involved in any material industrial or trade dispute or negotiation regarding a claim with any trade union, group or organisation of employees or their representatives representing Employees.
- 21.12 So far as the Sellers are aware the Company has complied with the provisions of the GDPR in respect of all personal data held or processed by them relating to the Employees.
- 21.13 There are no sums owing to or from any Employee other than reimbursement of expenses, wages for the current salary period and accrued holiday pay for the current holiday year.
- 21.14 The Company has not agreed to any future variation in the contract of any Employee.
- 21.15 The Data Room includes:
- 21.15.1 copies of all standard form contracts, handbooks, policies and other documents which apply to all of the Employees; and
 - 21.15.2 copies of all agreements or arrangements with any trade union, employee representative or body of employees or their representatives which may affect any Employee.
- 21.16 No Employee is subject to a current disciplinary warning or procedure.

22 Pensions

- 22.1 The Company is not and has never participated in an arrangement or agreement to provide pensions, annuities, lump sums, gratuities or similar benefits on retirement, long-term ill-health or death, or pursuant to a pension sharing order, in relation to the service or historic service of a present or former employee of the Company or any other person, or for the benefit of that individual's dependents.
- 22.2 The Company has complied with its automatic enrolment obligations as required by the Pensions Act 2008 and associated legislation. No notices, fines, or other sanctions have been issued by the Pensions Regulator and no instances of non-compliance with the automatic enrolment obligations have been notified to the Pension Regulator in respect of the Company.

23 Power of Attorney

- 23.1 Save for the Albania Power of Attorney, there are no powers of attorney in force given by the Company.
- 23.2 No person, as agent or otherwise, is entitled or authorised to bind or commit the Company to any obligation not in the ordinary course of the Company's business.
- 23.3 Details of all persons (excluding Directors) who have authority to bind the Company in the ordinary course of the Company's business are disclosed.

24 Property

- 24.1 The Company does not own or occupy any property and the Company has no liability in respect of any property. The Company has not given any guarantee or indemnity for any liability relating to any property or any other land and buildings.

SCHEDULE 6 – LIMITATIONS ON THE SELLERS' LIABILITY

1. Application of this Schedule

- 1.1 Subject to Paragraph 1.2, the provisions of this Schedule shall operate to limit the liability of the Sellers in respect of any Buyer Claim and, where specifically stated, any Buyer Tax Covenant Claim and/or Buyer CT Claim.
- 1.2 Save as specifically stated, nothing in this Schedule applies to limit the liability of a Seller that arises as a result of;
 - 1.2.1 a Buyer Claim or a Buyer Tax Covenant Claim that arises as a result of dishonesty, fraud or wilful concealment by that Seller;
 - 1.2.2 a Buyer CT Claim.

2. General

- 2.1 Subject to Paragraph 1.2, the aggregate liability of each Seller in respect of all and any Buyer Claims and any Buyer Tax Covenant Claims and any claims for breach by that Seller of any provision of this Agreement shall not exceed the value of 50% of the value of the Consideration at Admission received by them pursuant to this Agreement.
- 2.2 The liability of each Seller in respect of each Buyer Claim and each Buyer Tax Covenant Claim and any claims for breach by that Seller of any provision of this Agreement shall not exceed that Sellers' Relevant Proportion.
- 2.3 The Sellers shall not be liable for a Buyer Claim unless:
 - 2.3.1 the amount of the Sellers' liability in respect of that Buyer Claim (together with any Claims which arise from the same event or set of circumstances, or relate to the same subject matter) exceeds £25,000; and
 - 2.3.2 when aggregated with the amount of the Sellers' liability for all Buyer Claims that are not excluded under Paragraph 2.3.1, exceeds £100,000, in which case the Sellers shall be liable for the whole amount claimed (and not just the amount by which the threshold in this Paragraph 2.3.1 is exceeded).

3. Buyer's knowledge

- 3.1 The Sellers shall not be liable in respect of a Buyer Claim and accordingly no Buyer Claim may be brought to the extent that the fact, matter or circumstance giving rise to such Buyer Claim is:
 - 3.1.1 Disclosed; or
 - 3.1.2 in the actual knowledge of the Buyer as at the date of this Agreement, with the Buyer having made reasonable and diligent enquires of its professional advisors.

4. Time limitations

- 4.1 The Sellers are not liable for a Buyer Claim or a Buyer Tax Covenant Claim unless the Buyer has given the Sellers notice in writing of the Buyer Claim or the Buyer Tax Covenant Claim (specifying, to the extent reasonably known to the Buyer at the relevant time, the nature of the

Buyer Claim or the Buyer Tax Covenant Claim and the amount claimed, provided that failure to give such details shall not prejudice the Buyer Claim or the Buyer Tax Covenant Claim):

4.1.1 in the case of a Buyer Claim for breach of any of the Seller Tax Warranties or a Buyer Tax Covenant Claim, within the period of seven years starting on the date of Completion; and

4.1.2 in the case of any other Buyer Claim, within the period of eighteen months starting on the date of Completion.

4.2 Any Buyer Claim (other than a claim under the Seller Tax Warranties) which has been notified to the Sellers in accordance with Paragraph 4.1 (and which has not been previously satisfied, settled or withdrawn) shall be deemed to have been withdrawn unless legal proceedings in respect of that Buyer Claim have been issued within the period of twelve months starting on the date on which notice of that Buyer Claim was given in accordance with Paragraph 4.1.

5. **Settlement of Buyer Claims and Buyer Tax Covenant Claims**

5.1 In the event of a Buyer Claim or a Buyer Tax Covenant Claim, the Sellers may elect in the first instance to satisfy the Claim Value by way of a reduction in the number of Consideration Shares received by it under this Agreement. Where any Seller elects to satisfy the Claim Value by way of a reduction in the number of Consideration Shares, it shall provide written notice to the Buyer stating that intention ("**Share Settlement Notice**") and specifying that the Seller(s) wish to either:

5.1.1 if lawful to do so, transfer a number of Buyer Shares to the Buyer which is equal to the Claim Value (the "**Transferred Shares**"). The value of Transferred Shares shall be calculated by reference to the volume weighted average price of the Buyer Shares traded on AIM over the previous five full days of trading immediately preceding (but not including) the date of transfer; or

5.1.2 sell Buyer Shares via the Buyer's nominated broker and consult with the Buyer in respect of such sales in order to maintain an orderly market of the Buyer Shares, provided that, if such broker is unable to arrange for the disposal of such Shares concerned at a price acceptable to the relevant Seller(s) within 5 Business Days of being formally instructed in connection with such disposal, the disposal of such Consideration Shares may be effected through a third party broker.

5.2 Upon receipt of a Share Settlement Notice from the Seller(s), the Buyer shall notify the Seller which of the options set out in paragraph 5.1.1 and 5.1.2 above is to be chosen to settle the Claim Value and the parties shall proceed in good faith to procure that such actions are taken as are reasonably necessary to procure settlement of the Claim Value as soon as reasonably practicable.

5.3 In the event that settlement of the Claim Value is not achieved pursuant to paragraph 5.1 and 5.2 within 90 days of a Share Settlement Notice being received by the Buyer, the Seller(s) shall, upon receipt of a written notice from the Buyer ("**Cash Settlement Notice**"), be obliged to settle the Claim Value in cash within 5 Business Days of such Cash Settlement Notice being received.

6. **Recovery from third parties**

- 6.1 If any Seller satisfies any Buyer Claim (other than a claim under the Seller Tax Warranties) and the Buyer (or any member of the Buyer's Group) is or becomes entitled to recover from some other person (including any Tax authority) any sum in respect of any matter giving rise to such Buyer Claim, the Buyer shall and shall procure that the relevant member of the Buyer's Group shall (subject to the Sellers indemnifying the Buyer to its reasonable satisfaction against the reasonable and properly incurred costs of doing so (which shall include, for the avoidance of doubt, any reasonable and properly incurred legal fees)) take all reasonable steps to enforce such recovery and shall keep the Sellers informed of the progress of any action taken.
- 6.2 If such Buyer Claim (other than a claim under the Seller Tax Warranties) was settled, the Buyer shall forthwith repay to each Seller in cash that Seller's Relevant Proportion of the sum recovered (whether by payment, discount, credit or otherwise) by the Buyer or relevant member of the Buyer's Group from such other person less the reasonable costs and expenses (including Taxation) incurred by the Buyer in recovering that sum from such other person.
- 6.3 Nothing in Paragraph 6.1 of this Schedule shall require the Buyer nor, after Completion, any member of the Buyer's Group to pursue any third party whereby doing so (in the opinion of the Buyer acting reasonably and in good faith) would materially adversely affect the business of the Buyer (which following completion will include the business of the Company).

7. **Conduct of Claims**

- 7.1 If the Buyer (or any member of the Buyer's Group) becomes aware of any matter which might give rise to a claim by or dispute with a third party ("**Buyer Third Party Claim**") which might give rise to a Buyer Claim, the Buyer shall:

- 7.1.1 as soon as reasonably practicable given written notice to the Sellers of the matter, provided that failure to give such details shall not prejudice any Buyer Claim or Buyer Tax Covenant Claim the Buyer may have;
- 7.1.2 keep the Sellers reasonably informed of the progress of the Buyer Third Party Claim; and
- 7.1.3 to the extent practicable, consult with the Sellers with respect to the handling of any Buyer Third Party Claim and consider (with no obligation to comply but there being an obligation to act in good faith to take reasonable regard to the commentary and suggestions provided by the Sellers) any reasonable requests made by the Sellers in relation to the Buyer Third Party Claim,

provided always that Buyer shall not have an obligation to provide such details of a Buyer Third Party Claim in circumstances where it is precluded from disclosing such details pursuant to applicable law and/or any regulatory authority.

- 7.2 The Buyer (or any member of the Buyer's Group) shall not agree to any compromise or settlement, or any payment, or admission of liability, in relation to a Buyer Third Party Claim without the prior consultation of the Sellers in accordance with the above, and for the avoidance of doubt, the Buyer shall not be obliged to follow any advice or suggestion of the Sellers as part of the above consultation, provided always that the Buyer shall act bone fides to minimise the

monetary amount sought against the Sellers in relation to the Buyer Third Party Claim, while at all times paying due consideration to the protection of the business of the Company going forward.

- 7.3 Any failure by the Buyer to comply with its obligations in this Paragraph 6 shall not relieve any of the Sellers from, or reduce their liability in respect of, any related Buyer Claim.

8. **Retrospective legislation**

No liability shall arise in respect of any Buyer Claim (other than a claim under the Seller Tax Warranties) to the extent that liability in respect of that Buyer Claim arises or is increased as a result of any legislation not in force at the date of this Agreement which takes effect retrospectively except for any retrospective legislation that relates to either countering the avoidance of Tax and/or the gross-up of Tax.

9. **Contingent liabilities**

If any Buyer Claim (excluding any Buyer Claim for breach of the Buyer Tax Warranties) arises by reason of some liability of the Company or a member of its Group which, at the time that Buyer Claim is notified to the Sellers, is contingent only or otherwise not capable of being quantified, the Sellers shall not be under any obligation to make any payment in respect of that Buyer Claim unless and until that liability ceases to be contingent and becomes an actual liability and is due and payable or becomes capable of being quantified (as the case may be).

10. **No double recovery**

The Buyer agrees that it shall not be entitled to recover damages from the Sellers under this Agreement more than once in respect of the same loss notwithstanding that it may give rise to one or more Buyer Claims and/or Buyer Tax Covenant Claims.

11. **Mitigation and rescission**

- 11.1 Nothing in this Schedule shall in any way diminish the Buyer's common law obligation to mitigate any loss or liability which might be the subject of a Buyer Claim.

- 11.2 Except as expressly provided otherwise in this Agreement, the Buyer agrees that rescission shall not be available as a remedy for any Buyer Claim or Buyer Tax Covenant Claim and agrees not to claim that remedy.

12. **Provision made in Company Accounts and Admission Document**

The Sellers shall not be liable in respect of any Buyer Claim (other than a claim under the Seller Tax Warranties) if and to the extent that the matter or circumstance giving rise to such Buyer Claim is Disclosed and/or expressly set out in and/or provided for in the Company Accounts and/or the Company Interim Accounts and/or the Admission Document.

13. **Changes after Completion**

The Sellers shall not be liable for any Buyer Claim (other than a claim under the Seller Tax Warranties) to the extent that it arises or is increased or extended by:

- 13.1 any change in the accounting reference date of the Buyer or the Company made on and/or after Completion;
- 13.2 any changes in accounting policy or practice of the Company on and/or after Completion; or
- 13.3 any voluntary act, omission, transaction or arrangement carried out on or after Completion by or on behalf of the Buyer or any member of the Buyer's Group; or
- 13.4 any increase in rates of Taxation or any change in the published practice of the Tax Authority in each case made on and/or after Completion with retrospective effect except for any retrospective legislation that relates to either countering the avoidance of Tax and/or the gross-up of Tax.

SCHEDULE 7–BUYER WARRANTIES

In this Schedule 7, a reference to the Buyer shall be construed as a reference to the Buyer and each of its subsidiaries.

1 **The Buyer**

- 1.1 The Buyer does not have any right to require the transfer, creation, issue or allotment of any share, loan capital or other securities (or any rights or interest in them) and no Encumbrance has been created or been agreed to be created in favour of any person affecting any unissued shares or unissued securities of the Buyer.
- 1.2 Other than in relation to Fox Marble LLC Al Muntab, the Buyer has not agreed to become a member of any partnership or other incorporated or unincorporated association, joint venture or consortium (other than recognised trade associations).
- 1.3 Other than the Buyer's branch in Italy, and its various subsidiaries incorporated and existing in Kosovo, the United States of America, the United Arab Emirates and India, the Buyer does not have any branch or permanent establishment outside its country of incorporation.
- 1.4 Other than in respect of Fox Marble Asia Limited, Stone Alliance LLC, Fox Marble FZC, Fox Marble India Private Limited and Fox Marble LLC, the Buyer is the sole legal and beneficial owner of the whole of the allotted and issued share capital of each of its subsidiaries, accurate particulars of which have been disclosed in the Data Room.

2 **Constitutional and Corporate Documents**

- 2.1 The Buyer is validly incorporated, in existence and registered under the laws of its jurisdiction of incorporation and has full power to conduct its business as conducted at the date of this Agreement.
- 2.2 True and complete copies of the constitution, articles of association and incorporation documents of the Buyer and each of its subsidiaries have been included in the Data Room.
- 2.3 All statutory books and registers of the Buyer and each of its subsidiaries have been properly kept and are up to date and no notice or allegation that any of them is incorrect or should be rectified has been received.
- 2.4 All returns, particulars, resolutions and other documents which the Buyer and its subsidiaries is required by law to file with or deliver to any authority in any jurisdiction (including, in particular, the Registrar of Companies in Ireland, England and Wales) have been correctly made up and filed or, as the case may be, delivered.
- 2.5 Particulars of the issued and unissued share capital of the Company are contained in the Admission Document and are true and accurate.

3 **Information included in the Admission Document**

- 3.1 The factual information concerning the Buyer contained in the Admission Document is and will be when the same is published true and accurate in all material respects and not misleading.
- 3.2 So far as the Buyer is aware, there are no other facts relating to the Buyer which is not or will not be disclosed in the Admission Document which, in the context of the Admission would be material for disclosure therein or the omission of which would make any statement relating to the Buyer contained in the Admission Document misleading in any material respect.

4 Information

- 4.1 Information and documentation supplied by the Buyer in the Buyer Data Room related to the Buyer was given in good faith and such information was, when supplied, and, so far as the Buyer is aware, remains true and accurate in all material respects and no material fact or matter has been omitted.

5 Buyer Accounts

- 5.1 The Buyer Accounts:

- 5.1.1 have been prepared in accordance with the Accounting Standards;
- 5.1.2 show a true and fair view of the assets, liabilities, and state of affairs of the Buyer as at the Buyer Accounts Date; and
- 5.1.3 are not affected by any extraordinary, exceptional, or non-recurring items or any other factor that would make the financial position and results shown by the Buyer Accounts unusual or misleading in any material respect save as set out in the Buyer Accounts.

- 5.2 The Buyer Interim Accounts:

- 5.2.1 have been prepared on a basis consistent with the Buyer Accounts; and
- 5.2.2 fairly present the assets and liabilities and profits and losses of the Buyer as at and to the date to which they have been prepared.

6 Changes since the Buyer Accounts Date

- 6.1 Save as disclosed in the Admission Document, since the Buyer Accounts Date in relation to the Buyer:

- 6.1.1 the Buyer has conducted its business in the normal course;
- 6.1.2 the Buyer has not been in dispute with any of its creditors regarding payments owed;
- 6.1.3 the Buyer has not acquired, invested or disposed of (or agreed to acquire, invest or dispose of) any individual item in excess of £50,000.00;
- 6.1.4 no dividend or other distribution of profits or assets has been or agreed to be declared, made or paid by the Buyer; and
- 6.1.5 the Buyer has not borrowed or raised any money or given or taken any form of financial security.

7 Finance and guarantees

- 7.1 The Buyer:

- 7.1.1 has not given or entered into any guarantee or Encumbrance in respect of the borrowings or other obligations of any other person;
- 7.1.2 is not responsible for the Debt, or for the default in the performance of any obligation, of any other person;
- 7.1.3 has no outstanding loan capital or lent any money that has not been repaid; or

- 7.1.4 has no debts owing to it other than debts that have arisen in the ordinary course of its business.
- 7.2 Other than the bounce back loan received from _____ and £25,000 received from the UK government pursuant to the government's furlough scheme in 2022, the Buyer has not received any grants, allowances or subsidies during the last three years from any body.
- 8 Insolvency**
- 8.1 The Buyer:
- 8.1.1 is not insolvent or unable to pay its debts within the meaning of the Act or any other applicable insolvency legislation; or
- 8.1.2 has not stopped paying its debts as they fall due.
- 8.2 So far as the Buyer is aware no step has been taken to initiate any process by or under which:
- 8.2.1 the ability of the creditors of the Buyer to take any action to enforce their debts is suspended, restricted or prevented;
- 8.2.2 some or all of the creditors of the Buyer accept, by agreement, company voluntary arrangement, or in pursuance of a court order, an amount less than the sums owing to them in satisfaction of those sums;
- 8.2.3 a person is appointed to manage the affairs, business and assets of the Buyer on behalf of the Buyer's creditors, other than in relation to the Enforcement Proceedings; or
- 8.2.4 no holder of a charge over the Buyer's assets is appointed, or has appointed another person, to control the business and assets of the Buyer.
- 8.3 In relation to the Buyer:
- 8.3.1 and other than in respect of the Enforcement Proceedings, no liquidator, administrator, examiner, administrative receiver or other receiver has been appointed;
- 8.3.2 no documents have been filed with the court for the appointment of an administrator, examiner, receiver or a liquidator; and
- 8.3.3 no order has been made or petition presented, meeting convened or resolution passed for the winding up of the Buyer, or for it to be placed under the protection of the Court under Part 10 of the Act, nor has any receiver been appointed or any distress, execution or other process been levied in respect of the Buyer or its assets.
- 8.4 So far as the Buyer is aware, no process has been initiated which could lead to the Buyer going into liquidation or being dissolved and its assets being distributed among its creditors, shareholders or other contributors.
- 8.5 So far as the Buyer is aware, no distress, execution or other process has been levied or enforced on, and no creditor or encumbrancer has taken control of, any goods or assets of the Buyer.
- 8.6 No asset of the Buyer has been acquired or sold for a consideration otherwise than for market value.
- 9 Contacts**

- 9.1 Not including the Transaction Documents to which the Buyer is a party or the leases relevant to the Property and, other than as Disclosed, the Buyer is not a party to any agreement which:
- 9.1.1 is not in the ordinary and usual course of its business or materially differs from its standard terms of business;
 - 9.1.2 may be terminated as a result of any Change of Control of the Buyer;
 - 9.1.3 is long term (i.e. not terminable on 60 days' notice or less without payment of compensation or damages);
 - 9.1.4 cannot readily be fulfilled or performed by the Buyer on time or without undue or unusual expenditure of money, effort or personnel;
 - 9.1.5 is loss making to the Buyer;
 - 9.1.6 is for the supply of goods and/or services by or to the Buyer on terms under which retrospective or future discounts, price reductions or other financial incentives are given;
 - 9.1.7 is not on arm's length terms; or
 - 9.1.8 provides for payments or other dealings in or calculated by reference to any currency other than pounds sterling, euro, US dollars or Canadian dollars;

and there exist no outstanding offers, proposals, estimates or quotations which, if accepted or incorporated into an agreement or arrangement, would result in an agreement or arrangement which, if now in existence, would fall within this Paragraph 9.

- 9.2 Details of all Material Contracts are disclosed.
- 9.3 Each Material Contract is valid, in full force and effect and binding on the parties to it.
- 9.4 The Buyer has not defaulted under or breached a Material Contract and:
- 9.4.1 so far as the Buyer is aware and save as disclosed in the Admission Document, no other party to a Material Contract has defaulted under or breached such a contract; and
 - 9.4.2 save as disclosed in the Admission Document, no such default or breach by the Buyer or, so far as the Buyer is aware, any other party to a Material Contract is likely or has been threatened.
- 9.5 No notice of termination of a Material Contract has been received or served by the Buyer and, so far as the Buyer is aware, there are no grounds for termination, rescission, avoidance, repudiation or a material change in the terms of any Material Contract.

10 **Assets**

Save as Disclosed, all assets owned or used by the Buyer which are required for the operation of the business of it substantially carried out on at the date of this Agreement are either legally and beneficially owned by the Buyer free from any Encumbrance or are used by the Buyer under a valid licence.

11 **Customers and suppliers**

- 11.1 Other than matters arising as a result of the Covid-19 pandemic, in the 12 months ending from Completion, the business of the Buyer has not been materially affected in an adverse manner as a result of any one or more of the following things happening to it:

- 11.1.1 the loss of any of its customers or suppliers;
- 11.1.2 a reduction in trade with its customers or in the extent to which it is supplied by any of its suppliers; or
- 11.1.3 a change in the terms on which it trades with or is supplied by any of its customers or suppliers.

12 **Insurance**

- 12.1 There are no material outstanding claims under any of the Insurance Policies or in respect of the validity of, any of the Insurance Policies and, so far as the Buyer is aware, no circumstances exist which are likely to give rise to such a claim.
- 12.2 All the Insurance Policies are in full force and effect, and so far as the Buyer is aware, are not void or voidable and nothing has been done or not done by the Buyer (or, so far as the Buyer is aware, by anyone else) which could make any of the Insurance Policies void or voidable.
- 12.3 Completion will not terminate, or entitle any insurer to terminate, any of the Insurance Policies.
- 12.4 Details of all claims made by or on behalf of the Buyer under any employers' liability insurance policy in the last five years and under any other insurance policy in the last three years are disclosed.

13 **Intellectual Property**

- 13.1 So far as the Buyer is aware, the Intellectual Property owned by the Buyer is not being opposed, nor is any third party seeking its invalidation or revocation and so far as the Buyer is aware, the Buyer has not received written notice of any opposition to the grant of, or notice of any legal proceedings or claims relating to, any of the Intellectual Property.
- 13.2 All registration, renewal and other maintenance fees in respect of the Intellectual Property owned by the Buyer have been paid in full and, so far as the Buyer is aware, there has been no act or omission by the Buyer that would jeopardise its validity, subsistence or enforceability.
- 13.3 Save as set out in the Buyer Data Room, all Intellectual Property owned by the Buyer is registered in the name of the Buyer and so far as the Buyer is aware, are in force.
- 13.4 So far as the Buyer is aware, all the Intellectual Property is legally and beneficially owned by the Buyer free from Encumbrances or used by the Buyer under licence. There is no agreement or commitment in writing to give or create any Encumbrance over or affecting Buyer rights in the Intellectual Property and no claim has been made in writing by any person to be entitled to any such Encumbrance.
- 13.5 The Buyer has not received written notice in the past 12 months of any legal proceedings, claims or complaints instituted against it in relation to any of the Intellectual Property. So far as the Buyer is aware, the use by the Buyer of the Intellectual Property does not infringe the Intellectual Property of any third party.
- 13.6 The Buyer has not issued any notice of any legal proceedings, claims or complaints in the past 12 months against a third party regarding the infringement of the Intellectual Property. So far as the Buyer is aware, no third party in the past 12 months has infringed the Intellectual Property owned by the Buyer and no third party is currently infringing the Intellectual Property owned by the Buyer.
- 13.7 The Intellectual Property owned by the Buyer is all the material Intellectual Property required for the operation of the business of the Buyer substantially as carried on at the date of this Agreement.

14 **Information Technology**

- 14.1 Brief particulars of the IT Systems have been included in the Buyer Data Room.
- 14.2 Brief particulars of all websites currently or previously operated and other internet operations currently or previously carried on, by or on behalf of the Buyer are disclosed in the Buyer Data Room.
- 14.3 The Buyer is the legal and beneficial owner and exclusive user of, or has the contractual right to use, and is in possession of the IT Systems free from Encumbrances and all other rights exercisable by other parties.
- 14.4 The Buyer has obtained all necessary rights from third parties to enable their exclusive and unrestricted use of the IT Systems for the purposes of its business both before and after Completion.
- 14.5 The Buyer is not aware of any fact, matter, event or circumstance which may adversely affect the continued use of the IT Systems after Completion.
- 14.6 The Buyer has at all times implemented and maintained appropriate procedures, for ensuring the security of the IT Systems.

15 **Compliance with laws**

So far as the Buyer is aware, the Buyer conducts its business in all material respects in accordance with its constitution and all applicable laws and regulations. The Buyer has not received notice in writing from any third party of any breach or potential breach by it of any such applicable laws and regulations.

16 **Licences and Consents**

- 16.1 Currently, all of the licenses held by the Buyer and/or its subsidiaries in Kosovo are either (i) suspended (ii) awaiting renewal or (iii) pending approval of an initial application meaning that the Group is unable to carry out any new exploration or mining activities in Kosovo at present. Save as disclosed in paragraph 15 of Part IX of the Admission Document, the Buyer has all the licences, consents, permits and authorities necessary to carry on its business.
- 16.2 Save as disclosed in paragraph 15 of Part IX of the Admission Document, all the licences, consents, permits and authorities granted to or held or maintained by or on behalf of the Buyer are valid and subsisting and, in the reasonable opinion of the Buyer, there is no reason why any of them should be suspended, cancelled, revoked or not renewed on the same terms.

17 **Disputes and Investigations**

- 17.1 Save as disclosed in paragraph 15 of Part IX of the Admission Document, the Buyer is not, or has, during the three years immediately preceding the date of this Agreement been:
 - 17.1.1 engaged in any litigation, administrative, mediation or arbitration proceedings or other proceedings 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 the Buyer's business); or
 - 17.1.2 received any notice from a third party that it intends to initiate proceedings against it of the nature referred to in Paragraph 17.1.1; or
 - 17.1.3 involved in any material dispute with, or the subject of any enforcement proceedings or so far as the Buyer is aware any investigation or inquiry by, any governmental, regulatory or similar body or agency.

- 17.2 No director of the Buyer is, to the extent that it relates to the business of the Buyer, engaged in or subject to any of the matters mentioned in Paragraph 17.1.
- 17.3 Save as disclosed in paragraph 15 of Part IX of the Admission Document, the Buyer and none of its property and assets is affected by any existing judgments, orders or rulings and the Buyer has not given any binding undertakings arising from legal proceedings to a court, governmental, regulatory or similar body or agency or other third party.
- 17.4 Save as disclosed in paragraph 15 of Part IX of the Admission Document, the Buyer has not been convicted of any offence and no current or former Employee has been convicted of any offence in relation to the Buyer.
- 17.5 Save as disclosed in paragraph 15 of Part IX of the Admission Document, so far as the Buyer is aware no such proceedings, investigation or inquiry as are mentioned in Paragraph 17.1 or Paragraph 17.2 are pending or threatened and, so far as the Buyer is aware, and other than the Contemplated Proceedings, no circumstances exist which are likely to give rise to any such proceedings, investigation or inquiry.

18 **Data Protection**

- 18.1 The Buyer has at all times fully complied with all Data Protection Law in all material respects. In particular, the Buyer has:
 - 18.1.1 if so required by Data Protection Law, paid on time and in full any fees due to all relevant Supervisory Authorities;
 - 18.1.2 collected, obtained, Processed, transferred, disclosed and deleted Personal Data only in accordance with the terms of its privacy policy;
 - 18.1.3 appointed a data protection officer and a representative (as defined in Article 4(17) of the GDPR) if required to do so under Data Protection Law;
 - 18.1.4 as required by Data Protection Law, maintained complete, accurate and up to date records of all its processing activities;
 - 18.1.5 carried out and maintained complete, accurate and up-to-date records of, all data protection impact assessments required under Data Protection Law and full and accurate copies of any data protection impact assessments carried out (whether or not required by Data Protection Law) on or behalf of the Buyer in relation to its processing activities is disclosed;
 - 18.1.6 issued appropriate privacy notices to data subjects which comply with all applicable requirements of Data Protection Law and only Processed those data subjects' Personal Data in accordance with such privacy notices;
 - 18.1.7 put in place an appropriate procedure to ensure that the Buyer can comply with the requirements set out in Data Protection Law regarding personal data breaches and data subjects' exercise of their rights under Data Protection Law; and
 - 18.1.8 so far as the Buyer is aware, not suffered a personal data breach as defined in Article 4(12) of the GDPR and, in the reasonable opinion of the Sellers, no such breach is suspected.
- 18.2 The Buyer has not received any statutory notice, warrant or other communication from a Supervisory Authority alleging and/or enforcing non-compliance with Data Protection Law, or requesting an audit or compliance check relating to Data Protection Law, or requiring the Buyer to undertake an audit or compliance check or to change or delete any data or prohibiting the transfer of data to a third party or out of the European Union.
- 18.3 The Buyer has:

- 18.3.1 undertaken sufficient due diligence on each of its processors; and
- 18.3.2 an agreement in place with each of its processors (full and accurate copies of which are disclosed) which incorporates the terms stipulated by Article 28 of the GDPR and complies with all other applicable requirements of Data Protection Law.
- 18.4 The Buyer has not disclosed or transferred any Personal Data outside the European Economic Area or where it has done so has first put in place valid transfer mechanisms as set out in Chapter V of the GDPR to ensure such transfer is lawful.
- 18.5 In relation to the Buyer, no individual has claimed, complained or taken, or, so far as the Buyer is aware, has a right to claim or take, compensation or action:
 - 18.5.1 for breach or alleged breach of their rights under Data Protection Law; or
 - 18.5.2 pursuant to any contract entered into which requires compliance with Data Protection Law or with technical and organisational measures to protect data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access.
- 18.6 The Buyer has taken measures to ensure that the Personal Data it holds is adequate, relevant, not excessive and not kept longer than necessary in relation to the purpose for which it is Processed and that it is accurate and, where necessary, kept up to date. A full and accurate copy of the Buyer's data retention policy is disclosed

19 **Bribery and Corruption**

- 19.1 The Buyer is not engaged in any activity, practice or conduct which would constitute an offence under the Criminal Justice (Corruption Offences) Act 2018 and/or the Bribery Act 2010 or any other applicable anti-corruption laws.
- 19.2 So far as the Buyer is aware, not having made specific enquiry of any Associated Person, no Associated Person has bribed another person (within the meaning under the Criminal Justice (Corruption Offences) Act 2018 and/or the meaning given in section 7(3) of the Bribery Act 2010) intending to obtain or retain business for the Buyer.
- 19.3 The Buyer is not, to the Buyer's knowledge, aware of any Associated Person not having made specific enquiry of any Associated Person is 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 either the under the Criminal Justice (Corruption Offences) Act 2018 and/or the Bribery Act 2010 or any other anti-corruption laws, and so far as the Buyer is aware no such investigation, inquiry or proceedings have been threatened or are pending.
- 19.4 The Buyer is not ineligible to be awarded any contract or business as a result of being convicted of bribery or corruption.

20 **Employment**

- 20.1 The name of each person who is a director of the Buyer has been Disclosed.
- 20.2 The Buyer Data Room includes anonymous details of all Employees including:
 - 20.2.1 the company which employs or engages them;
 - 20.2.2 their remuneration and contractual benefits;
 - 20.2.3 the commencement date of their contract and the date on which their continuous service began; and

- 20.2.4 their contractual notice period or, if employed on a fixed term, the expiry date of the fixed term.
- 20.3 The Buyer Data Room includes anonymous details of anyone who is not an employee and who is providing services to the Buyer under an agreement which is not a contract of employment with the Buyer (including, in particular, where the individual acts as a consultant or is on secondment from an employer which is not the Buyer) and the particulars of the terms on which the individual provides services, including:
- 20.3.1 the company which engages them;
- 20.3.2 the nature of the services provided;
- 20.3.3 their remuneration and contractual benefits; and
- 20.3.4 their contractual notice period or, if a fixed term, the expiry date of the fixed term.
- 20.4 The Buyer Data Room includes anonymous details of all Employees who are on secondment, maternity, paternity, or long term sick leave.
- 20.5 Notice has not been served to terminate the contract of employment of any senior Employee of the Buyer (whether by the Buyer or by the Employee) and no dispute under any Employment Legislation or otherwise is outstanding between the Buyer and any Employee relating to their employment, its termination and any reference given by the Buyer regarding them.
- 20.6 No offer of employment has been made by the Buyer where the future employee's salary would exceed £20,000 which has not yet been accepted, or which has been accepted but where the employment has not yet started.
- 20.7 The Acquisition of the Shares by the Buyer and compliance with the terms of this agreement will not entitle any directors, officers or senior Employees of the Buyer to terminate their employment or receive any payment or other benefit.
- 20.8 All contracts between the Buyer and its Employees 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 Buyer other than wages, commission or pension).
- 20.9 The Buyer has not incurred any liability for failure to provide information or to consult with Employees under any employment legislation.
- 20.10 The Buyer has not made or agreed to make a payment or provided or agreed to provide a benefit to a present or former director, officer or senior Employee of the Company, or to their dependants in connection with the actual or proposed termination or suspension of employment or variation of an employment contract.
- 20.11 The Buyer is not involved in any material industrial or trade dispute or negotiation regarding a claim with any trade union, group or organisation of employees or their representatives representing Employees.
- 20.12 So far as the Buyer is aware the Buyer has complied with the provisions of the GDPR in respect of all personal data held or processed by them relating to the Employees.
- 20.13 There are no sums owing to or from any Employee other than reimbursement of expenses, wages for the current salary period and accrued holiday pay for the current holiday year.
- 20.14 The Buyer has not agreed to any future variation in the contract of any Employee.
- 20.15 The Buyer Data Room includes:

- 20.15.1 copies of all standard form contracts, handbooks, policies and other documents which apply to all of the Employees; and
 - 20.15.2 copies of all agreements or arrangements with any trade union, employee representative or body of employees or their representatives which may affect any Employee.
- 20.16 No Employee is subject to a current disciplinary warning or procedure.

21 Pensions

- 21.1 Except as provided for by the Pension Scheme, the Buyer is not and has never participated in an arrangement or agreement to provide pensions, annuities, lump sums, gratuities or similar benefits on retirement, long-term ill-health or death, or pursuant to a pension sharing order, in relation to the service or historic service of a present or former employee of the Buyer or any other person, or for the benefit of that individual's dependents.
- 21.2 The Buyer has complied with its automatic enrolment obligations as required by the Pensions Act 2008 and associated legislation. No notices, fines, or other sanctions have been issued by the Pensions Regulator and no instances of non-compliance with the automatic enrolment obligations have been notified to the Pension Regulator in respect of the Buyer.
- 21.3 Full details of the Pension Scheme are set out in the Buyer Data Room, including (but not limited to):
 - 21.3.1 copies of all documents governing the Pension Scheme and of any related announcements and explanatory booklets;
 - 21.3.2 the two latest annual reports and accounts of the Pension Scheme;
 - 21.3.3 a list of all employees who are members of the Pension Scheme with all details relevant to their membership and necessary to establish their entitlements under the Pension Scheme; and
 - 21.3.4 all agreements for the provision of services and any insurance contracts relating to the Pension Scheme.
- 21.4 All contributions, insurance premiums, tax and expenses due to and in respect of the Pension Scheme have been duly paid. The contributions in respect of the Pension Scheme have been paid at the rates set out in the most recent schedule of contributions or the most recent payment schedule.

22 Power of Attorney

- 22.1 There are no powers of attorney in force given by the Buyer.
- 22.2 No person, as agent or otherwise, is entitled or authorised to bind or commit the Buyer to any obligation not in the ordinary course of the Buyer's business.
- 22.3 Details of all persons (excluding the Buyer's directors) who have authority to bind the Buyer in the ordinary course of the Buyer's business are disclosed.

23 Property

- 23.1 Other than the Property, true and accurate details of which are set out in Schedule 11, neither the Buyer, nor any company that has at any time been a subsidiary of the Buyer, has:
 - 23.1.1 any actual or contingent liability in respect of other land; or

- 23.1.2 given any guarantee or indemnity for any liability relating to any Property, any other land or any other land or buildings.
- 23.2 The Buyer:
 - 23.2.1 is solely legally and beneficially entitled to that Property subject to and in accordance with the terms of the relevant lease; and
 - 23.2.2 is in possession and actual occupation of that Property on an exclusive basis.
- 23.3 In relation to each lease, all sums due under the relevant lease have been paid as and when they became due and no lease sums have been:
 - 23.3.1 set off or withheld; or
 - 23.3.2 commuted, waived or paid in advance of the due date for payment.
- 23.4 No Property is subject to the payment of any outgoings other than non-domestic local business rates and water and sewerage charges, principal rent, insurance premiums and service charges and all outgoings have been paid when due and none is disputed.
- 23.5 So far as the Buyer is aware, there are no circumstances (but not so as to warrant that the repairing and decorating obligations in each Lease have been fulfilled) which (with or without taking other action) would entitle any third party to exercise a right of entry to, or take possession of all or any part of any Property, or which would in any other way affect or restrict the continued possession, enjoyment or use of the Property.
- 23.6 The current use of the Property is the permitted lawful use for the purposes of planning legislation and is in accordance with the provisions of any relevant lease.

SCHEDULE 8– LIMITATIONS ON THE BUYER'S LIABILITY

1. Application of this Schedule

- 1.1 Subject to Paragraph 1.2, the provisions of this Schedule shall operate to limit the liability of the Buyer in respect of any Seller Claim and, where specifically stated, any Seller Tax Covenant Claim and/or Seller CT Claim.
- 1.2 Save as specifically stated, nothing in this Schedule applies to limit the liability of a Seller that arises as a result of;
 - 1.2.1 a Seller Claim or a Seller Tax Covenant Claim that arises as a result of dishonesty, fraud or wilful concealment by the Buyer;
 - 1.2.2 a Seller CT Claim.

2. General

- 2.1 Subject to Paragraph 1.2, the aggregate liability of the Buyer in respect of all and any Buyer Claims and any Buyer Tax Covenant Claims and any claims for breach by the Buyer of any provision of this Agreement shall not exceed £2,264,035.
- 2.2 The Buyer shall not be liable for a Seller Claim unless:
 - 2.2.1 the amount of the Buyer's liability in respect of that Seller Claim (together with any Claims which arise from the same event or set of circumstances, or relate to the same subject matter) exceeds £25,000; and
 - 2.2.2 when aggregated with the amount of the Buyer's liability for all Seller Claims that are not excluded under Paragraph 2.2.1, exceeds £100,000, in which case the Buyer shall be liable for the whole amount claimed (and not just the amount by which the threshold in this Paragraph 2.2.1 is exceeded).

3. Buyer's knowledge

The Buyer shall not be liable in respect of a Seller Claim and accordingly no Seller Claim may be brought to the extent that the fact, matter or circumstance giving rise to such Seller Claim is:

- 3.1 Disclosed; or
- 3.2 in the actual knowledge of the Sellers as at the date of this Agreement, with the Sellers having made reasonable and diligent enquires of its professional advisors.

4. Time limitations

- 4.1 The Buyer is not liable for a Seller Claim or a Seller Tax Covenant Claim unless the Sellers have given the Buyer notice in writing of the Seller Claim or the Seller Tax Covenant Claim (specifying, to the extent reasonably known to the Sellers at the relevant time, the nature of the Seller Claim or the Seller Tax Covenant Claim and the amount claimed, provided that failure to give such details shall not prejudice the Seller Claim or the Seller Tax Covenant Claim):

- 4.1.1 in the case of a Seller Claim for breach of any of the Buyer Tax Warranties or a Seller Tax Covenant Claim, within the period of seven years starting on the date of Completion; and
 - 4.1.2 in the case of any other Seller Claim, within the period of eighteen months starting on the date of Completion.
- 4.2 Any Seller Claim (other than a claim under the Buyer Tax Warranties) which has been notified to the Buyer in accordance with Paragraph 4.1 (and which has not been previously satisfied, settled or withdrawn) shall be deemed to have been withdrawn unless legal proceedings in respect of that Seller Claim have been issued within the period of twelve months starting on the date on which notice of that Seller Claim was given in accordance with Paragraph 4.1.

5. **Settlement of Seller Claims and Seller Tax Covenant Claims**

- 5.1 In the event of a Seller Claim or a Seller Tax Covenant Claim, the Buyer may elect in the first instance to satisfy the Claim Value by issuing additional Consideration Shares to the Sellers Where the Buyer elects to satisfy the Claim Value by issuing additional Consideration Shares, it shall provide written notice to the Sellers' Representative stating that intention ("**Share Settlement Notice**"). The Share Settlement Notice shall specify the number of Consideration Shares to be issued to the Sellers which shall be calculated by reference to the volume weighted average price of the Buyer Shares traded on AIM over the previous five full days of trading immediately preceding (but not including) the date of the Share Settlement Notice.
- 5.2 Upon sending a Share Settlement Notice to the Sellers, the Buyer shall proceed in good faith to procure that such actions are taken as are reasonably necessary to procure settlement of the Claim Value as soon as reasonably practicable.
- 5.3 In the event that settlement of the Claim Value is not achieved pursuant to paragraph 5.1 and 5.2 within 90 days of a Share Settlement Notice being received by the Sellers' Representative, the Buyer shall, upon receipt of a written notice from the Sellers' Representative ("**Cash Settlement Notice**"), be obliged to settle the Claim Value in cash within 5 Business Days of such Cash Settlement Notice being received.

6. **Recovery from third parties**

- 6.1 If the Buyer satisfies any Seller Claim (other than a claim under the Buyer Tax Warranties) and the Sellers are or becomes entitled to recover from some other person (including any Tax authority) any sum in respect of any matter giving rise to such Seller Claim, the Sellers shall (subject to the Buyer indemnifying the Sellers to its reasonable satisfaction against the reasonable and properly incurred costs of doing so (which shall include, for the avoidance of doubt, any reasonable and properly incurred legal fees)) take all reasonable steps to enforce such recovery and shall keep the Buyer informed of the progress of any action taken.
- 6.2 If such Seller Claim (other than a claim under the Buyer Tax Warranties) was settled, the Sellers shall forthwith repay to the Buyer in cash the sum recovered (whether by payment, discount, credit or otherwise) by the Sellers from such other person less the reasonable costs and expenses (including Taxation) incurred by the Sellers in recovering that sum from such other person.

6.3 Nothing in Paragraph 6.1 of this Schedule shall require the Sellers to pursue any third party whereby doing so (in the opinion of the Buyer acting reasonably and in good faith) would materially adversely affect their business interests.

7. Conduct of Claims

7.1 If the Sellers become aware of any matter which might give rise to a claim by or dispute with a third party ("**Seller Third Party Claim**") which might give rise to a Seller Claim, the Sellers shall:

7.1.1 as soon as reasonably practicable given written notice to the Buyer of the matter, provided that failure to give such details shall not prejudice any Seller Claim or Seller Tax Covenant Claim the Sellers may have;

7.1.2 keep the Buyer reasonably informed of the progress of the Seller Third Party Claim; and

7.1.3 to the extent practicable, consult with the Buyer with respect to the handling of any Seller Third Party Claim and consider (with no obligation to comply but there being an obligation to act in good faith to take reasonable regard to the commentary and suggestions provided by the Buyer) any reasonable requests made by the Buyer in relation to the Seller Third Party Claim,

provided always that Sellers shall not have an obligation to provide such details of a Seller Third Party Claim in circumstances where it is precluded from disclosing such details pursuant to applicable law and/or any regulatory authority.

7.2 The Sellers shall not agree to any compromise or settlement, or any payment, or admission of liability, in relation to a Seller Third Party Claim without the prior consultation of the Buyer in accordance with the above, and for the avoidance of doubt, the Sellers shall not be obliged to follow any advice or suggestion of the Buyer as part of the above consultation, provided always that the Sellers shall act bone fides to minimise the monetary amount sought against the Buyer in relation to the Seller Third Party Claim, while at all times paying due consideration to the protection of the business interests of the Sellers going forward.

7.3 Any failure by the Sellers to comply with its obligations in this Paragraph 6 shall not relieve the Buyer from, or reduce their liability in respect of, any related Seller Claim.

8. Retrospective legislation

No liability shall arise in respect of any Seller Claim (other than a claim under the Buyer Tax Warranties) to the extent that liability in respect of that Seller Claim arises or is increased as a result of any legislation not in force at the date of this Agreement which takes effect retrospectively except for any retrospective legislation that relates to either countering the avoidance of Tax and/or the gross-up of Tax.

9. Contingent liabilities

If any Seller Claim (excluding any Seller Claim for breach of the Seller Tax Warranties) arises by reason of some liability of the Sellers which, at the time that Seller Claim is notified to the Buyer, is contingent only or otherwise not capable of being quantified, the Buyer shall not be

under any obligation to make any payment in respect of that Seller Claim unless and until that liability ceases to be contingent and becomes an actual liability and is due and payable or becomes capable of being quantified (as the case may be).

10. **No double recovery**

The Sellers agree that they shall not be entitled to recover damages from the Buyer under this Agreement more than once in respect of the same loss notwithstanding that it may give rise to one or more Seller Claims and/or Seller Tax Covenant Claims.

11. **Mitigation and rescission**

11.1 Nothing in this Schedule shall in any way diminish the Sellers' common law obligation to mitigate any loss or liability which might be the subject of a Seller Claim.

11.2 Except as expressly provided otherwise in this Agreement, the Sellers agree that rescission shall not be available as a remedy for any Seller Claim or Seller Tax Covenant Claim and agrees not to claim that remedy.

12. **Provision made in Buyer Accounts and Admission Document**

The Buyer shall not be liable in respect of any Seller Claim (other than a claim under the Buyer Tax Warranties) if and to the extent that the matter or circumstance giving rise to such Seller Claim is Disclosed and/or expressly set out in and/or provided for in the Buyer's published accounts or the Admission Document.

13. **Changes after Completion**

The Buyer shall not be liable for any Seller Claim (other than a claim under the Buyer Tax Warranties) to the extent that it arises or is increased or extended by:

13.1 any change in the accounting reference date of the Buyer or the Company made on and/or after Completion;

13.2 any changes in accounting policy or practice of the Company on and/or after Completion; or

13.3 any voluntary act, omission, transaction or arrangement carried out on or after Completion by or on behalf of the Sellers; or

13.4 any increase in rates of Taxation or any change in the published practice of the Tax Authority in each case made on and/or after Completion with retrospective effect except for any retrospective legislation that relates to either countering the avoidance of Tax and/or the gross-up of Tax.

**SCHEDULE 9
SELLER TAX SCHEDULE**

PART 1 - DEFINITIONS AND INTERPRETATION

1 The definitions set out in this paragraph 1 shall apply in this Schedule only:

Accounts Relief

- (a) any Relief which was treated as an asset of the Company in the Company Accounts or the Company Interim Accounts; or
- (b) any Relief which was taken into account in computing (and so reducing or eliminating) any provision for deferred Tax which appears in the Company Accounts or the Company Interim Accounts or which would have appeared in the Company Accounts or the Company Interim Accounts but for the presumed availability of such Relief.

Buyer's Group means the Buyer and any company within the same group or association of companies as the Buyer for the purposes of Tax.

CTA 2009 means the Corporation Tax Act 2009.

CTA 2010 means the Corporation Tax Act 2010.

Event includes (without limitation), the expiry of a period of time, the Company becoming or ceasing to be associated with any other person for any Tax purpose or ceasing to be or becoming resident in any country for any Tax purpose, the death, winding up or dissolution of any person, the earning, receipt or accrual for any Tax purpose of any income, profit or gains, the incurring of any loss or expenditure, and any transaction (including the execution and completion of this agreement), event, act or omission whatsoever, and any reference to an Event occurring on or before a particular date shall include Events that, for Tax purposes, are deemed to have, or are treated or regarded as having, occurred on or before that date.

IHTA means the Inheritance Tax Act 1984.

IHT Liability means:

- (a) any amount of inheritance tax which is at Completion unpaid and in respect of which HM Revenue & Customs has a charge on any of the Shares or assets of the Company or a power to sell, mortgage or charge any of the Shares or assets of the Company; or
- (b) any amount of inheritance tax which after Completion becomes a charge on or gives rise to a power to sell, mortgage or charge any of the Shares or assets of the Company being a liability in respect of additional inheritance tax payable on the death of any person within seven (7) years after a transfer of value if a charge on or power to sell, mortgage or charge any such Shares or assets of the Company existed at Completion or would have existed at Completion, if the death had occurred immediately before Completion and the inheritance tax payable as a result of such death had not been paid; or
- (c) any liability for inheritance tax that arises as a result of a transfer of value occurring or being deemed to occur on or before Completion (whether or not in conjunction with the death of any person whensoever occurring);

and in determining for the purposes of this Schedule whether a charge on or power to sell, mortgage or charge any of the Shares or assets of the Company exists at any time the fact that any inheritance tax is not yet payable or may be paid by instalments shall be disregarded and such inheritance tax shall be treated as becoming due and a charge or power to sell, mortgage or charge as arising, on the date of the transfer of value or other date or event on or in respect of which it becomes payable or arises and the provisions of section 213 of IHTA shall not apply.

ITEPA means the Income Tax (Earnings and Pensions) Act 2003.

Liability for Tax means:

- (a) any liability or increase in any liability of the Company to make a payment of or in respect of Tax whether or not the same is primarily payable by the Company and whether or not the Company has or may have any right of reimbursement against any other person or persons, in which case the amount of the Liability for Tax shall be the amount of the actual payment required to be made to eliminate or discharge the liability;
- (b) the Loss of any Accounts Relief (in which case the amount of the Liability for Tax shall be the amount of Tax which would (on the basis of the rate of Tax current at the date of Completion) have been saved but for such Loss, assuming for this purpose that the Company had sufficient profits or was otherwise in a position to use the Relief or, if the Accounts Relief was or is a right to repayment of Tax, the amount of the repayment of Tax (including any repayment supplement) so lost);
- (c) the set-off or use of any Accounts Relief or Post Completion Relief against any Tax or income, profits or gains in circumstances where, but for such set-off or use, the Company would have had a liability to make a payment (or increased payment) of or in respect of Tax in respect of which the Sellers would have been liable under this Schedule in which case the amount of the Liability for Tax shall be the amount of or in respect of Tax saved by the Company as a result of such set-off or use; and
- (d) any liability of the Company to make a payment pursuant to an agreement, arrangement, indemnity, guarantee or covenant entered into before Completion under which the Company has agreed to meet or pay a sum equivalent to or by reference to another person's Tax liability, in which case the Liability for Tax shall be equal to the amount of the liability.

Loss means any reduction, modification, loss, counteraction, nullification, utilisation, disallowance or clawback for whatever reason.

Overprovision means any provision for Tax (other than deferred tax) in the Company Accounts or the Company Interim Accounts which is an overprovision applying the accounting policies, principles, and practices adopted in relation to the preparation of the Company Accounts or the Company Interim Accounts other than as a result of:

- (a) an Event occurring after the Completion;
- (b) a reduction in the rates of Tax or any change in legislation or generally accepted accounting practice introduced after Completion; or
- (c) the use of any Post Completion Relief or Accounts Relief.

PAYE means the mechanism prescribed by Tax Statute for the collection of income tax, sums to which part 11 of ITEPA and regulations made under section 684 of ITEPA apply and Class 1, Class 1A and Class 1B contributions referred to in section 1(2) of the Social Security Contributions and Benefits Act 1992.

Post Completion Relief means:

- (a) any Relief, whenever arising, of the Buyer and/or any member of the Buyer's Group (other than the Company);
- (b) a Relief of the Company that arises after Completion.

Relief includes any loss, relief, allowance, credit, exemption or set-off available in relation to Tax or the computation of income, profits or gains for the purposes of Tax or any right to repayment of Tax.

Saving means the reduction or elimination of any liability of the Company to make an actual payment of corporation tax in respect of which the Sellers would not have been liable under Part 3 of this Schedule, by the use of any Relief arising as a result of a Liability for Tax in respect of which the Sellers have made a payment under Part 3 of this Schedule.

Tax or Taxation means:

- (a) any form of taxation, duty, impost, contribution, levy, tariff or withholding in each case in the nature of tax, whether of the United Kingdom or elsewhere, whenever imposed;
 - (b) any amount of or in respect of any such taxation, duty, impost, contribution, levy or tariff as is referred to in paragraph (a) above (including but not limited to PAYE) which is required by law to be deducted, withheld or paid or which is payable by virtue of any Tax Statute relating to anything referred to in paragraph (a) above; and
 - (c) any penalty, charge, surcharge, fine or interest payable in connection with any taxation, duty, impost, contribution, levy or withholding within paragraph (a) above,
- in all cases payable to a Tax Authority.

Tax Authority means any statutory or governmental authority or body of any jurisdiction involved in the collection or administration of Tax.

Tax Claim means any notice, demand, assessment, letter or other document issued, or action taken, by or on behalf of any Tax Authority from which it appears to the Buyer that the Company is or may be subject to a Liability for Tax or other liability in respect of which the Sellers are liable or may be liable under Part 3 of this Schedule.

Tax Statute means any statute, statutory instrument, regulation or legislative provision wheresoever enacted, issued or adopted providing for, imposing or relating to Tax including any statute, enactment, law, statutory instrument, order, regulation or provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same.

TCGA means the Taxation of Chargeable Gains Act 1992.

VAT means value added tax as provided in VATA and any other Tax of a similar nature.

VATA means the Value Added Tax Act 1994.

- 2 For the purposes of this Schedule only, any reference to:
 - 2.1 the Company shall include reference to each or any member of the Group and so that, without any limitation, each of the Seller Tax Warranties and the Seller Tax Covenant shall be given in respect of and in relation to each Group Company; and
 - 2.2 a Liability for Tax in respect of income, profits or gains earned, accrued or received, shall include a Liability for Tax in respect of income, profits or gains deemed to have been or treated or regarded as earned, accrued or received for any Tax purpose and any reference to a Liability for Tax on the happening of any Event shall include a Liability for Tax where such Event (for the purposes of the Tax Statute in question) is deemed to have occurred or is treated or regarded as having occurred; and
 - 2.3 an Event occurring on or before Completion, shall be deemed to include where the Event which occurred on or before Completion itself gives rise to a Liability for Tax, the assessment of that Liability for Tax and the accrual or assessment of any penalty, charge, surcharge, fine or interest as a result of that Event or in respect of that Liability for Tax.

- 2.4 Any stamp duty charged on any document (or in the case of a document that is outside the UK, any stamp duty that would be charged on the document if it were brought into the UK) that is necessary to establish the title of the Company to any asset, and any interest, fine or penalty relating to the stamp duty, shall be deemed to be a liability of the Company to make an actual payment of Tax because of an Event arising on the last day on which it would have been necessary to pay the stamp duty to avoid any liability to interest or penalties arising on it.

PART 2 – SELLER TAX WARRANTIES

1 GENERAL

- 1.1 The Company has submitted all notices, returns (including for the avoidance of doubt any land transaction returns and returns relating to VAT), reports, accounts, computations, statements, assessments, applications and registrations and any other necessary information required to be submitted to any Tax Authority for the purposes of Tax and all such notices, returns, reports, accounts, computations, statements, assessments, applications, registrations and information have been made on a proper basis, were punctually submitted, were accurate and complete when submitted and as far as the Sellers are aware remain accurate and complete in all material respects.
- 1.2 The Company is not and has not been in dispute with or subject to enquiry or investigation by any Tax Authority (other than routine enquiries concerning the corporation tax computations of the Company, all of which have been resolved) and as far as the Sellers are aware there are no facts or circumstances likely to give rise to or be the subject of any such dispute, enquiry or investigation.
- 1.3 All Tax for which the Company is or has been liable to account for has been duly and punctually paid (insofar as such Tax ought to have been paid) and the Company is not under any liability (and has not been liable) to pay any penalty, fine, surcharge or interest in connection with any Tax.
- 1.4 The Company has duly and properly made all deductions and withholdings in respect of, or on account of, any Tax (including amounts required to be deducted under the PAYE and national insurance systems) from any payments made by it which it is obliged or entitled to make and (to the extent required to do so) has duly accounted in full to the relevant Tax Authority for all amounts so deducted or withheld.
- 1.5 The amount of Tax chargeable on the Company during any accounting period ending on or before the Company Accounts Date has not depended on any concessions, agreements or other formal or informal arrangements with any Tax Authority.
- 1.6 The Company has (to the extent required by law) preserved and retained in its possession complete and accurate records relating to its Tax affairs (including PAYE and national insurance records and VAT records) and the Company has sufficient records relating to past events to calculate the profit, gain, loss, balancing charge or balancing allowance (all for Tax purposes) which would arise on any disposal or on the realisation of any assets owned at the Company Accounts Date or acquired since that date but before Completion.
- 1.7 The Company is not, nor will it become, liable to make a payment to any person (including any Tax Authority) in respect of any liability to Tax of any other person where that other person fails to discharge a liability to Tax for which it is or may be primarily liable.
- 1.8 The Company has not entered into a Managed Payment Plan within the provisions of sections 59F-G of the Taxes Management Act 1970 or into any arrangement with HM Revenue & Customs for the deferred payment of any liability to Taxation.
- 1.9 Neither the exchange of this Agreement nor Completion has given or will give rise to a Liability for Tax.
- 1.10 The payment of the Consideration will not give rise to any liability of the Buyer to pay an amount for Tax or a Liability for Tax (other than stamp duty).
- 1.11 There have been no 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 (or any associate of such employee or former employee) of the Company by an employee benefit trust or another third party, falling within the provisions of Schedule 7A to ITEPA 2003 and details of any trust or arrangement capable of conferring such a benefit.

- 1.12 The payment or reimbursement of any expenses by the Company qualified for exemption from income tax under Chapter 7A of Part 4 of ITEPA 2003.
- 1.13 All transactions in respect of which any clearance or consent was required from any Tax Authority have been entered into by the Company after such consent or clearance has been properly obtained. Any application for such clearance or consent has been made on the basis of full and accurate disclosure of all the 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.
- 1.14 The Company Accounts make full provision or reserve within generally accepted accounting principles for any period ending on or before the date to which they were drawn up for all Tax assessed or liable to be assessed on the Company, or for which the Company is accountable at that date, whether or not the Company has (or may have) the right of reimbursement against any other person. Proper provision has been made and shown in the Company Accounts for deferred tax in accordance with generally accepted accounting principles.
- 1.15 The Company has sufficient records to determine the tax consequence which would arise on any disposal or realisation of any asset owned at the Company Accounts Date or acquired since that date, but prior to Completion.

2 CORPORATION TAX INSTALMENT PAYMENTS, ETC

- 2.1 The Sellers have Disclosed whether or not the Company is a large company within the meaning of regulation 3 of the Corporation Tax (Instalment Payment) Regulations 1998 (CTIP) and, if applicable, gives details of instalments of corporation tax paid in respect of any current or preceding accounting periods.
- 2.2 All payments or repayments which were required to be made or which have been claimed pursuant to the CTIP since the Company Accounts Date have been duly made or received and the computation of each such payment or claim for repayment took proper account of all relevant estimates and other information available to the Company at the time when such payment was required to be made or (as the case may be) at the time when such claim for repayment was submitted to HM Revenue and Customs.

3 COMPUTATION OF PROFITS AND LOSSES

- 3.1 Since the Company Accounts Date:
- 3.1.1 no Event has occurred which has given rise to any Liability for Tax (or would or may have given rise to a Liability for Tax but for the availability of a Relief) other than corporation tax on trading profits of the Company (and not chargeable gains, balancing charges or deemed income or profits) or any other Tax arising from transactions entered into in the ordinary and usual course of business of the Company carried on at the Company Accounts Date;
- 3.1.2 no expenses in excess of one thousand pounds (£1,000) in aggregate have been incurred which are not deductible by the Company in computing its taxable profits for corporation tax purposes for its accounting period current at the date of this agreement;
- 3.1.3 no dividend has been declared or paid and no distribution or deemed distribution for Tax purposes has been made or declared or agreed to be made by the Company;
- 3.2 The Company has not during the period beginning six years before Completion discontinued a trade in circumstances such that its closing trading stock and work in progress falls to be valued at open market value as provided for in section 164 (4) (basis of valuation of trading stock) CTA 2009.

4 CHARGEABLE GAINS

- 4.1 The Company has not disposed of or acquired any asset in circumstances falling within sections 17 or 18 of TCGA.
- 4.2 The Company has not made any claim under sections 152 or 153 TCGA to which section 154 TCGA applies in relation to any assets owned by the Company on or after the Company Accounts Date.
- 4.3 The Company has not been a party to any scheme or arrangement whereby the value of any asset has been materially reduced such that any of sections 30 to 34 TCGA will apply to any disposal by the Company of the asset or of any shares in any company holding the asset.
- 4.4 The Company has not received any asset by way of gift.
- 4.5 Neither the Company nor any associated company of the Company owns any intangible asset which was acquired from another company which was at the time a member of a group of companies for the purposes of section 780 (deemed realisation and reacquisition at market value) CTA 2009.
- 4.6 The Company has not made any claim under sections 754 to 763 inclusive (roll-over relief in case of realisation and reinvestment) or section 777 (relief on realisation and reinvestment - application to group member) CTA 2009.

5 CAPITAL ALLOWANCES

- 5.1 No event has occurred since the Company 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, the Company under CAA 2001 (or any other legislation relating to any capital allowances) or similar legislation relating to relief for similar capital expenditure in jurisdictions outside of the UK.
- 5.2 The Company has not made any claim for capital allowances in respect of any asset which is leased to or from, or hired to or from, the Company. No election affecting the Company has been made, or agreed to be made, under sections 177 or 183 of the Capital Allowances Act 2001 in respect of such assets.
- 5.3 The Company is not a lessee under a lease to which chapter 17 of part 2 of the Capital Allowances Act 2001 applies or could apply.

6 DISTRIBUTIONS

- 6.1 The Company has not made any repayment of share capital or issued any share capital as paid up otherwise than by the receipt of new consideration.
- 6.2 The Company has not made (nor is it deemed to have made) any distribution within meaning of section 1000 or sections 1022-1027 of CTA 2010 except dividends properly authorised and disclosed in its statutory accounts.
- 6.3 The Company has not issued or agreed to issue securities in respect of which the payment of interest falls to be treated as a distribution under section 1000 of CTA 2010.
- 6.4 The Company has not 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.

7 LOAN RELATIONSHIPS

- 7.1 All interests, discounts and premiums payable by the Company in respect of its loan relationships (within the meaning of section 302 of CTA 2009) are eligible to be brought into account by the Company as a debit for the purposes of part 5 of CTA 2009 at the time and to the extent that such debits are recognised in the statutory accounts of the Company.
- 7.2 The Company has never been a party to a loan relationship that had an unallowable purpose (within the meaning of section 442 of CTA 2009).
- 7.3 No credit would need to be brought into account pursuant to part 5 or part 6 of CTA 2009 as a result of any debt being settled in full or in part at Completion.

8 CLOSE COMPANIES

- 8.1 The Company is not, nor has ever been, a close company within the meaning of section 439 CTA 2010
- 8.2 The Company has never made a distribution within section 1064 of CTA 2010.
- 8.3 Any loans or advances made or agreed to be made by the Company within sections 455, 459 or 460 of CTA 2010 have been Disclosed and the Company has not released or written off or agreed to release or write off the whole or any part of any such loans or advances.

9 GROUPS OF COMPANIES

- 9.1 The Company has never been a member of a group for any Tax purposes (other than as a member of the Group) owned by or been a member of a consortium for the purposes of part 5 of CTA 2010 or been an associated company as defined in section 449 of CTA 2010.
- 9.2 The Company has not made any intra-group transfers of assets in circumstances such that the Company has been regarded as realising a chargeable gain on the appropriation of the asset to or from trading stock under section 173 TCGA (transfers within a group: trading stock).
- 9.3 In respect of every surrender or claim for group or consortium relief pursuant to Part 5 CTA 2010 (group and consortium relief provisions) made or received or agreed to be made or received by the Company in the six years ending on Completion no payment remains due or outstanding.

10 COMPANY RESIDENCE

- 10.1 The Company has always been resident in the United Kingdom for corporation tax purposes and has never at any time been treated for the purposes of any double taxation arrangements or for any other Tax purpose as resident in any other jurisdiction.
- 10.2 The Company has not caused, permitted or entered into any of the transactions specified in section 37 of and Schedule 17 to the Finance Act 2009 without having duly provided the required information to HMRC or, in relation to transactions occurring before 1 July 2009, as set out in ICTA 1988 (migration of companies) without the prior written consent of HM Treasury.

11 ANTI-AVOIDANCE

- 11.1 The Company has never been a party to, nor has been otherwise involved in, any transaction, scheme or arrangement the main purpose of which, or one of the main purposes of which was the avoidance or deferral of a liability to Tax or reducing a liability to Tax or amounts to be accounted under PAYE.
- 11.2 The Company has not at any time, been a party to or otherwise involved in a transaction or series of transactions in relation to which advisers considered that there was a risk that the

Company could be liable to Tax as a result of the principles in *W. T. Ramsey Limited v IRC* (54 TC 101) or *Furniss v Dawson* (55 TC 324), as developed in subsequent cases, or as a result of the principles in *Halifax* (C-255/02) as developed in subsequent cases, or that the General Anti-Abuse Rule (set out in Part 5 of the Finance Act 2013) might apply.

- 11.3 The Company has not entered into any notifiable arrangements for the purposes of Part 7 of the Finance Act 2004 or Council Directive (EU) 2018/822, any notifiable contribution arrangement for the purpose of the National Insurance Contribution (Application of Part 7 of the Finance Act 2004) Regulations 2007 (SI 2007/785) or any notifiable schemes for the purposes of Schedule 11A to the VATA 1994 or Schedule 17F to the Finance (No.2) Act 2017.
- 11.4 All transactions or arrangements made by the Company have been made on fully arm's length terms and there are no circumstances in which Part 4 of the Taxation (International and Other Provisions) Act 2010 or any other rule or provision could apply causing any Tax Authority to make an adjustment to the terms on which such transaction or arrangement is treated as being made for Tax purposes.
- 11.5 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 the Company has committed:
 - 11.5.1 a UK tax evasion facilitation offence under section 45 of the CFA 2017; or
 - 11.5.2 a foreign tax evasion facilitation offence under section 46 of the CFA 2017.
- 11.6 The Company 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.

12 **INHERITANCE TAX**

- 12.1 The Company has never made any transfer of value within sections 94 and 202 of IHTA, nor has it received any value such that liability might arise under section 199 of IHTA, nor has it been a party to associated operations in relation to a transfer of value as defined by section 268 of IHTA.
- 12.2 There is no unsatisfied liability to inheritance tax attached to or attributable to the Shares or any asset of the Company and none of the Shares or those assets are subject to any charge as mentioned in sections 237 and 238 of IHTA.
- 12.3 No asset owned by the Company is, nor are any of the Shares, liable to be subject to any sale, mortgage or charge by virtue of section 212 (1) of IHTA.

13 **VAT**

- 13.1 Each member of the Group is separately registered as a taxable person for the purposes of VAT in the United Kingdom under schedule 1 of VATA and has never been treated as (or applied to be) a member of a group of companies for VAT purposes.
- 13.2 The Company has complied with all statutory provisions, rules, regulations, orders and directions in respect of VAT, promptly submitted accurate returns and maintained full and accurate VAT records and the Company has never been subject to any interest, forfeiture, surcharge or penalty, nor been given any notice under sections 59, 59A or 64 of VATA, nor been given a warning within section 76(2) of VATA, nor been required to give security under paragraph 4 of schedule 11 of VATA.
- 13.3 All supplies made by the Company are taxable supplies and the Company has not been, nor will be, denied full credit for all input tax.

- 13.4 For the purposes of Schedule 10 to VATA 1994, the Company and any relevant associates of such companies (within the meaning of paragraph 3 of Schedule 10 to VATA 1994) have exercised an option to tax (pursuant to paragraph 2 of Schedule 10 to VATA 1994) only in respect of those Properties listed as having been the subject of such an option in the matters Disclosed and:
- 13.4.1 neither the Company nor or relevant associate has any intention of exercising, or obligation to exercise, such an option in respect of any other of the Properties;
 - 13.4.2 all things necessary for the option to have effect have been done and, in particular, any notification and information required by paragraph 20 of Schedule 10 to VATA 1994 has been given and any permission required by paragraph 28 of Schedule 10 to VATA 1994 has been properly obtained;
 - 13.4.3 a copy of the notification, and of any permission obtained from HM Revenue & Customs in connection with any such option, is included in the documents Disclosed;
 - 13.4.4 no option has been or will be revoked or rendered ineffective under paragraph 12 of Schedule 10 to VATA 1994;
 - 13.4.5 neither the Company nor any relevant associate (within the meaning of paragraph 3 of Schedule 10 to VATA 1994) has charged VAT, whether on rents or otherwise, which is not properly chargeable;
 - 13.4.6 neither the Company nor any relevant associate has agreed to refrain from exercising an option in relation to any of the Properties; and
 - 13.4.7 neither the Company nor or any relevant associate has made a real estate election within the meaning of paragraph 21 of Schedule 10 VATA 1994 in relation to any property.
- 13.5 No asset of the Company is a capital item, the input tax on which could be subject to adjustment in accordance with the provisions of part XV of the Value Added Tax Regulations 1995.
- 13.6 The Company has not been party to a transaction to which article 5 of the Value Added Tax (Special Provisions) Order 1995 has (or has purported to have been) applied.
- 13.7 The Company has not made any claim for bad debt relief under section 36 of VATA and there are no existing circumstances by virtue of which any refund of Tax obtained or claimed may be required to be repaid.
- 13.8 The Company has not entered into any self-billing arrangement (in the circumstances provided in section 29 of VATA 1994) in respect of supplies made by any other person, nor has it at any time agreed to allow any such person to make out VAT invoices in respect of supplies made by the Company.

14 **EMPLOYMENT RELATED SECURITIES**

- 14.1 No employee or director or former employee or director of the Company or any person associated with any of them holds any shares or securities or interest in any shares of securities in the Company in respect of which the Company could be liable after Completion to pay national insurance contributions or account for income tax or national insurance under the PAYE system in respect of, or in consequence of any Event occurring before, on or after Completion in relation to any such shares, securities, options or interests.
- 14.2 There are Disclosed full details of all securities options (within the meaning in section 420(8) of ITEPA) acquired by any person where the right or opportunity to acquire any such securities option was made available by reason of employment with the Company of that person or of any other person.

14.3 The Company has at all times submitted to the relevant Tax Authority by the requisite dates particulars of all reportable events (as defined in section 421K of ITEPA) in relation to which it is a responsible person (as defined in section 421L of ITEPA).

14.4 There are no profit related pay schemes, employee share schemes, employee incentive schemes or charities payroll deduction schemes operated by the Company or any other person for the benefit of the Company's employees in connection with the above.

15 **INTANGIBLE ASSETS**

15.1 The Company does not own any chargeable intangible assets as defined in part 8 of CTA 2009.

15.2 No intangible fixed asset of the Company was created or acquired by the Company before 1 April 2002.

16 **STAMP DUTY AND SDLT**

16.1 Any document that may be necessary or desirable in proving the title to any asset that is owned by the Company at Completion or any document that the Company may wish to enforce or produce in evidence is duly stamped.

16.2 Neither entering into this agreement nor Completion will result in the withdrawal of a stamp duty or stamp duty land tax relief granted on or before Completion which will affect the Company.

16.3 There are Disclosed full and accurate details of any chargeable interest (as defined in section 48 of the Finance Act 2003) acquired or held by the Company before Completion in respect of which the Sellers are aware or ought reasonably to be aware that an additional land transaction return will be required to be filed with a Tax Authority and/or a payment of stamp duty land tax made on or after Completion.

17 **CONSTRUCTION INDUSTRY SUB-CONTRACTOR SCHEME**

The Company is not required to register as a contractor under the provisions of section 59 of the Finance Act 2004 and the expenditure incurred by each of the Company on construction, refurbishment and fitting-out works in each of the three years ending on the Company Accounts Date is less than £1 million.

18 **CORONA VIRUS**

18.1 No employee of the Company has been furloughed under the corona virus job retention scheme.

18.2 The Company has not received any funds from a Tax Authority under measures designed to assist businesses during the COVID-19 crisis.

18.3 The Company has not paid any Tax late during the COVID-19 crisis whether under any special exemption, Relief or otherwise.

PART 3 - TAX COVENANT

1 TAX COVENANT

The Sellers hereby severally and without limitation subject to the provisions of schedule 6 of the Agreement including in relation to the settlement of liability) covenant to pay to the Buyer an amount equal to:

- 1.1 any Liability for Tax which arises in respect of or by reference to:
 - 1.1.1 any Event which occurred on or before Completion; or
 - 1.1.2 any income, profits or gains earned, accrued or received on or before Completion;
- 1.2 any Liability for Tax falling within any of paragraphs (b) to (d) of the definition of Liability for Tax in Part 1 of this Schedule (inclusive);
- 1.3 any IHT Liability;
- 1.4 any Liability for Tax, including liability for payments in respect of Tax, that arises:
 - 1.4.1 solely due to the relationship for Tax purposes before Completion of the Company with any person other than a member of the Buyer's Group, whether arising before or after Completion; or
 - 1.4.2 due to the non-payment of Tax by the Sellers or any person which is or has been either associated or in the same group as or connected with the Company or the Sellers;
- 1.5 any stamp duty (together with any interest and penalties) (such sum being recoverable from the Sellers as a liquidated sum payable as a debt) in respect of which there is a breach of any of the Seller Tax Warranties relating to stamp duty or any liability arising under paragraph 2.4 under Part 1 of this Schedule;
- 1.6 any Liability for Tax in respect of remuneration, earnings or benefits in kind of employees or directors of the Company (or persons deemed to be such) arising in respect of periods ended on or before Completion and arising from their employment or directorships with the Company (or deemed employment or directorships) or in respect of services rendered by an individual to the Company where Tax has not been properly accounted for or proper returns have not been made in respect of remuneration, earnings or benefits in kind;
- 1.7 any Liability for Tax that is a liability of the Company to account for income tax or National Insurance Contributions (primary or secondary) , whether arising before or after Completion, in respect of the grant, exercise, surrender, exchange or other disposal of an option or other right to acquire securities, or in respect of any acquisition, holding, variation or disposal of employment-related securities (as defined for the purposes of Part 7 of the Income Tax (Employment and Pensions) Act 2003) where the acquisition of the security or the grant of the option or other right to acquire the security occurred on or before Completion;
- 1.8 any liability of the Company or the Buyer to account for income tax under the PAYE system or national insurance contributions (primary or secondary) which arises in consequence of or in connection with the payment of any part of the Consideration pursuant to this agreement together with any related fine, penalty or interest;
- 1.9 any Liability for Tax that arises at any time under Part 7A of ITEPA 2003 including any liability arising as a consequence 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 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 at the request of, on the instructions of, or for the benefit of, the Sellers or an associate of or person connected with the Sellers; and

- 1.10 all reasonable third party legal and tax advisory costs and expenses incurred by the Company, the Buyer or any member of the Buyer's Group in connection with a Tax Claim or in taking or defending any action under this Schedule.

PART 4 - LIMITATIONS AND PROCEDURE

1 LIMITATION OF SELLERS' LIABILITY

- 1.1 The Sellers shall not be liable for any claim under this Schedule or the Seller Tax Warranties in respect of any liability to the extent that such liability:
- 1.1.1 was the subject of a specific allowance, reserve or provision (other than a provision for deferred tax) in the Company Accounts or the Company Interim Accounts or was discharged before the Company Accounts Date and the discharge was recognised in the Company Accounts or the Company Interim Accounts;
 - 1.1.2 is taken into account in the computation of the Consideration pursuant to clause 3 of the Agreement.
 - 1.1.3 arises or is increased only as a result of any change of law or any increase in rates of Tax or the withdrawal of any extra-statutory concession previously made by a Tax Authority (in each case) announced and coming into force after Completion provided that this paragraph 1.1.4 shall not apply to any amounts payable under paragraph 4 of this Part 4 of this Schedule;
 - 1.1.4 arises or is increased as a result of any change in the accounting policies of the Company after Completion including a change in accounting reference date) or the accounting bases on which the Company values its assets, save where such change is made in order to comply with generally accepted accounting principles, the published practice of any Tax Authority, or any law or rule of any regulatory authority or body;
 - 1.1.5 the Buyer is compensated for the liability under any other provision of this agreement;
 - 1.1.6 such Liability to Tax or other liability would not have arisen but for the failure or omission on the part of the Company or the Buyer on or after Completion to make any claim, election, surrender or disclaimer or to give any notice or consent, which was taken into account in computing a provision for Taxation in the Completion provided that this such sub-paragraph 1.1.6 shall only apply to such claim, election, surrender, disclaimer, notice or consent as is contained in a written notice from the Sellers (or a tax adviser acting on behalf of the Sellers) which is received by the Buyer in sufficient time to make the claim, election, surrender, disclaimer, notice or consent which includes an express reference to this paragraph 1.1.6;
 - 1.1.7 such Liability to Tax or other liability would not have arisen but for the Company or the Buyer on or after Completion making any claim, election, surrender or disclaimer or to give any notice or consent, which was not taken into account in computing a provision for Taxation in the Company Accounts or the Company Interim Accounts;
 - 1.1.8 the Liability to Tax or other liability is increased by reason of the failure of the Buyer to comply with the terms of this Agreement (including this Schedule) other than where such failure is caused by a failure of any of the Sellers to comply or procure the compliance of another person with its or with their obligations; or
 - 1.1.9 a Relief other than a Post Completion Relief or Accounts Relief is available to the Company to reduce, set off or extinguish such liability (including any Relief which may be claimed pursuant to a double tax treaty);
 - 1.1.10 would not have arisen but for a voluntary act, omission or transaction of the after Completion outside the ordinary course of business of the Company which, in each case, the Buyer knew or ought reasonably to have known would give rise to such Liability for Tax, otherwise than any act, omission or transaction:

- 1.1.10.1 undertaken pursuant to a legally binding obligation in existence at Completion or any act required by law;
 - 1.1.10.2 required by any law or regulation or for the purpose of avoiding or mitigating a penalty imposable by such law or regulation (including any legally required disclosure made by the Company to a Tax Authority in respect of the Company's Tax affairs); or
 - 1.1.10.3 anything done at the written request of the Sellers.
- 1.2 The Sellers shall not be liable in respect of any breach of the Seller Tax Warranties if and to the extent that the loss is or has been included in any claim under the Seller Tax Covenant which has been satisfied in cleared funds or vice versa in respect of any claim under the Seller Tax Covenant.
- 1.3 The liability of the Sellers under this Schedule is also limited by those provisions of Schedule 6 of this agreement which are specified expressly therein to apply to the Seller Tax Warranties and/or the Seller Tax Covenant (as applicable).

2 DISPUTES AND CONDUCT OF TAX CLAIMS

- 2.1 If the Buyer shall become aware of or otherwise receive notice of a Tax Claim the Buyer shall, or shall procure that the Company shall, as soon as reasonably practicable (and in any event within 15 Business Days prior to any applicable time limit imposed by Tax Statute for a response or appeal to a Tax Authority) give notice of that Tax Claim to the Sellers but so that the giving of such notice shall not be a condition precedent to the Sellers' liability under this Schedule (save as otherwise provided in paragraph 1 of this part 4).
- 2.2 The Buyer shall (and shall procure that the Company shall) take such action as it shall be reasonable for them to take and the Sellers may reasonably request in writing to avoid, compromise, dispute, defend, resist, appeal, request any Tax Claim including an internal HMRC review or compromise in respect of such Tax Claim, provided always that:
- 2.2.1 neither the Buyer nor the Company shall be obliged to delegate the conduct of such action to any or all of the Sellers or their agents or professional advisers;
 - 2.2.2 the Sellers agree to pay to the Buyer and the Company an amount equal to any costs, liability or expenses which are incurred by either the Buyer and/or the Company in taking such action (together with the Tax which is the subject matter of the claim (the **Disputed Tax**) where it is necessary to pay the Disputed Tax in order to resist or otherwise deal with the Tax Claim) in cleared funds on the fifth Business Day after service by the Buyer to the Sellers of notice that such costs, liability or expenses have been incurred (or, in relation to the Disputed Tax, not more than ten (10) Business Days before the date on which the Disputed Tax is required to be paid). For the purpose of this paragraph 2.2.1, **incurred** means the earlier of the date on which payment has been made in respect of those costs and expenses or the date on which an invoice has been received in respect of those costs or expenses by either the Buyer and/or the Company;
 - 2.2.3 the Company shall not be obliged to appeal against any assessment for Tax if, having given the Sellers notice of the receipt of that assessment, the Buyer has not, within ten (10) Business Days of the giving of such notice, received written instructions from the Sellers, in accordance with the provisions of this paragraph 2.2, to make that appeal;
 - 2.2.4 neither the Buyer nor the Company shall be obliged to comply with any instruction of the Sellers or any of the Sellers which involves contesting any assessment for Tax before any court or other appellate body unless appropriately experienced tax counsel (instructed by agreement between the Buyer and the Sellers (at the sole expense of the Sellers) and after full disclosure of all relevant information and

documents) advises in writing that such appeal will, on the balance of probabilities, be won; and

- 2.2.5 neither the Buyer nor the Company shall be obliged to comply with any instruction of the Sellers or any of the Sellers to make a settlement or compromise of a Tax Claim which is the subject of a dispute or agree any matter in the conduct of such dispute which could materially adversely affect the future Tax position of the Company, the Buyer or any member of the Buyer's Group or is likely to materially adversely affect the business of the Company, the Buyer or any member of the Buyer's Group.
- 2.3 Subject to paragraphs 2.1 and 2.2, the Buyer will not, and will procure that the Company will not, without the prior written consent of the Sellers (such consent not to be unreasonably withheld or delayed):
 - 2.3.1 transmit any material communication (whether written or otherwise) to any Taxation Authority;
 - 2.3.2 settle or compromise the relevant Tax Claim; or
 - 2.3.3 agree any matter which is likely to affect the amount of the relevant Tax Claim.
- 2.4 The Sellers shall not be entitled to: -
 - 2.4.1 conduct negotiations and/or proceedings; or
 - 2.4.2 attend any meetings with a Tax Authority;in respect of the Tax Claim in the name of the Company.
- 2.5 If the Sellers (at any time) or the Company (prior to Completion) or any person acting on behalf of any one or more of them have committed any act or omission constituting fraudulent, or dishonest conduct in relation to the Tax affairs of the Company, as alleged in writing on reasonable grounds by a Tax Authority or a Seller is made bankrupt the provisions of this paragraph 2 (except the requirement to notify such Seller of a Tax Claim in accordance with paragraph 2.1) shall not apply and such Seller shall cease to have any rights under this Schedule.
- 2.6 If:
 - 2.6.1 the Sellers do not request the Buyer or the Company to take any action under paragraph 2.2, within a period of time (commencing with the date of the notice given to the Sellers pursuant to paragraph 2.1) that is reasonable having regard to the nature of the Tax Claim and the existence of any time limit in relation to avoiding, disputing, defending, resisting, appealing or compromising such Tax Claim and which period shall not in any event exceed a period of ten (10) Business Days of a notice from the Buyers requiring the Sellers to do so;
 - 2.6.2 the Sellers have not paid an amount equal to the costs, liability, expenses and/or the Disputed Tax (if relevant) incurred by either the Buyer and/or the Company in accordance with paragraph 2.2.1 within the required time for payment;
 - 2.6.3 paragraph 2.5 applies,
the Buyer or the Company shall be free to pay or settle the Tax Claim on such terms as it may in its absolute discretion (acting reasonably) think fit.
- 2.7 Neither the Buyer nor the Company shall be subject to any claim by or liability to the Sellers for non-compliance with any of the foregoing provisions of this paragraph 2 if the Buyer or the

Company has bona fide acted in accordance with the instructions of the Sellers or any one of them.

3 PAYMENT DATE AND INTEREST

3.1 Where the Sellers are liable to make any payment under this Schedule, the due date for the making of that payment (the **Due Date**) in cleared funds shall be the later of the date falling five (5) Business Days after the Buyer has served notice on the Sellers demanding that payment and:

3.1.1 in any case that involves an actual payment of Tax (including any payment pursuant to Part 3 of this Schedule), the date falling two (2) Business Days before the last date on which the Tax in question must be paid to the relevant Tax Authority or person entitled to the payment in order to avoid incurring a liability to interest or a charge, fine or penalty; or

3.1.2 in any case falling within paragraph (b) of the definition of Liability for Tax in Part 1 of this Schedule, the last date upon which the Tax is or would have been required to be paid to the relevant Tax Authority in respect of the period in which the Loss of the Relief occurs (assuming for this purpose that the Company had sufficient profits or was otherwise in a position to use the Relief) or, if the Relief that is lost is a right to repayment of Tax, the date upon which the repayment of Tax would have actually been received; or

3.1.3 in any case falling within paragraph (c) of the definition of Liability for Tax in Part 1 of this Schedule, the date upon which the Tax saved by the Company is or would have been required to be paid to the relevant Tax Authority; or

3.1.4 in any case falling within paragraph (d) of the definition of Liability for Tax in Part 1 of this Schedule, not later than the fifth Business Day before the day on which the Company is due to make the relevant payment or repayment.

3.2 If any sums required to be paid by the Sellers under this Schedule are not paid on the Due Date then such sums shall bear interest (which shall accrue from day to day after as well as before any judgment for the same) at the rate of two per cent (2%) per annum over the base rate from time to time of Barclays Bank Plc or (in the absence such base rate) at such similar rate as the Buyer shall reasonably select from the day following the Due Date up to and including the day of actual payment such interest to be compounded quarterly.

4 TAXATION OF PAYMENTS

4.1 Any sum payable by the Sellers to the Buyer under this agreement shall be paid free and clear of any deduction or withholding whatsoever, save only as may be required by law.

4.2 If any deduction or withholding is required by law to be made from any payment by the Sellers under this agreement or if the Buyer is subject to Tax in respect of such payment the Sellers shall increase the amount of the payment by such additional amount as is necessary to ensure that the net amount received and retained by the Buyer (after taking account of all deductions or withholdings or Tax) is equal to the amount which it would have received and retained had the payment in question not been subject to any deductions or withholdings or Tax.

5 RECOVERY FROM OTHER PERSONS

5.1 If, on or before the sixth anniversary of Completion, the Company recovers from any other person (excluding the Buyer, any member of the Buyer's Group or any current or former employees or directors of the Company) any amount in relation to a Liability for Tax of the Company in respect of which the Sellers have made a payment under this Schedule, the Buyer will repay to the Sellers the lesser of:

- 5.1.1 the amount so recovered net of any Tax on that amount and the losses, costs, damages and expenses incurred in recovering that amount; and
 - 5.1.2 the amount paid by the Sellers under this Schedule in respect of the Liability for Tax in question less any part of such amount previously repaid to the Sellers under any provision of this Schedule or otherwise.
- 5.2 If the Buyer becomes aware or receives notice that the Company is entitled to recover any amount mentioned in paragraph 5.1, the Buyer will as soon as reasonably practicable give notice of that fact to the Sellers and, provided that the Sellers indemnify the Company, the Buyer and all other members of the Buyer's Group to the reasonable satisfaction of the Buyer against all losses, costs, damages and expenses which may be incurred thereby, the Buyer will procure that the Company takes such action as the Sellers' may reasonably and promptly request to effect such recovery.
- 5.3 The action which the Sellers' Representative may request the Company to take under paragraph 5.2 does not include:
- 5.3.1 any action which the Buyer considers to be unlawful or materially prejudicial to the business or Taxation affairs of the Company, the Buyer or any other member of the Buyer's Group; or
 - 5.3.2 allowing the Sellers (or any person nominated by the Sellers) to undertake the conduct of any action necessary to effect recovery of the amount in question.
- 5.4 The Buyer or the Company (as the case may be) shall be:
- 5.4.1 entitled to set off the amount repayable under paragraph 5.1 against any sum then finally determined to be payable by the Sellers to the Buyer under this Schedule; and
 - 5.4.2 entitled to retain from any balance of the amount repayable under paragraph 5.1 remaining after any set off in accordance with paragraph 5.4.1, an amount equal to the sum or aggregate sum of any then outstanding claims by the Buyer or the Company against the Sellers under this Schedule;

and the Buyer or the Company (as the case may be) shall pay any balance of the amount repayable under paragraph 5.1 remaining after any set off or retention in accordance with paragraphs 5.4.1 and/or 5.2 and an amount equal to any excess of the amount retained under paragraph 5.4.2 over the sum finally determined to be payable in respect of any outstanding claims to the Sellers, as soon as reasonably practicable after such balance arises or excess is determined.

6 OVERPROVISIONS

If, on or before the sixth anniversary of Completion, the auditors for the time being of the Company certify (at the Sellers' request and expense) that any provision for Tax (excluding deferred tax) has proved to be an Overprovision, then:

- 6.1 the amount of the Overprovision shall first be set off against any payment then due from the Sellers under this Schedule;
- 6.2 to the extent that there is an excess, a refund shall be made of any previous payment or payments made by the Sellers under this Schedule (and previously refunded) up to the amount of the excess; and
- 6.3 to the extent that the excess referred to in paragraph 6.2 is not exhausted, the remainder of the excess shall be carried forward and set off against any future payment or payments which become due from the Sellers under this Schedule.

7 SAVINGS

If, on or before the sixth anniversary of Completion (at the Sellers' request and expense), the auditors for the time being of the Company determine that the Company has obtained a Saving, the Buyer will as soon as reasonably practicable after such determination repay to the Sellers the lesser of:

- 7.1 the amount of the Saving (as determined by the auditors) less any reasonable costs and expenses incurred by the Company, the Buyer or any member of the Buyer's Group; and
- 7.2 the amount paid by the Sellers under Part 3 of this Schedule in respect of the Liability for Tax which gave rise to the Saving less any part of that amount previously repaid to the Sellers under any provision of this Schedule or otherwise.

8 CORPORATION TAX RETURNS

- 8.1 Subject to this paragraph 8, the Buyer will have exclusive conduct of all Tax affairs of the Company after Completion.
- 8.2 The Buyer will procure that the Company keeps the Sellers informed in respect of all relevant matters relating to its Tax affairs for any accounting period ended on or before Completion for which final agreement with the relevant Tax Authority of the amount of Tax due from the Company has not been reached. The Buyer will not submit any substantive correspondence or submit or agree any return or computation for any such period to any Tax Authority without giving the Sellers a reasonable opportunity to comment and considering any representations made by the Sellers.
- 8.3 The Buyer will procure that the Company will not amend or withdraw any return or computation or any claim, election, surrender or consent made by it for its accounting periods ended on or before Completion without giving the Sellers a reasonable opportunity to comment and considering any reasonable representations made by the Sellers.

9 BUYER'S COVENANT

- 9.1 Subject to paragraph 2, the Buyer covenants with each Seller to pay to that Seller an amount equal to any liability to Taxation of that Seller or of any company which is under the control of that Seller arising as a result of or in connection with the Company failing to discharge any liability to Taxation (together with any costs and expenses reasonably and properly incurred by that Seller or that company in connection with such liability (provided that the Buyer shall not be obliged to pay the costs and expenses of more than one Seller in relation to the same liability to Taxation)).
- 9.2 The covenant contained in paragraph 9.1 shall not apply to a liability to Taxation to the extent that:
 - 9.2.1 the Buyer could claim payment in respect of it under paragraph 2 or for breach of any of the Seller Tax Warranties (or, in either case, would have been able to do so but for paragraph 9 of this Schedule 4);
 - 9.2.2 any of the Sellers or any other person has recovered the relevant Taxation (or an amount in respect of such Taxation) from the Company, the Buyer or any other member of the Buyer's Group under any relevant statutory provision (and each Seller shall procure that no such recovery is sought to the extent that payment has been made by the Buyer under paragraph 9.1); or
 - 9.2.3 an amount in respect of that liability to Taxation has already been recovered by another Seller under paragraph 9.1.

9.3 The Buyer will be entitled to set off against any amount which it is liable to pay to a Seller under paragraph 9.1 any amount which the Sellers are liable to pay to the Buyer under paragraph 2 or for breach of any of the Seller Tax Warranties.

9.4 Paragraphs 5, 6, and 11 of this Schedule 4 shall apply to the covenant contained in paragraph 13.1 as they apply to the covenant contained in paragraph 2, replacing references to a Seller or the Sellers with the Buyer (and vice versa) and making any other necessary modifications.

10 **GENERAL**

All payments by the Sellers under this Part 2 of this Schedule will be treated as repayments by the Sellers of the Consideration paid for the Shares pursuant to this Agreement, provided that this paragraph 10 will not operate in any way to limit the liability of the Sellers under this Part 2 of this Schedule.

**SCHEDULE 10
BUYER TAX SCHEDULE**

PART 1 - DEFINITIONS AND INTERPRETATION

1 The definitions set out in this paragraph 1 shall apply in this Schedule only:

Accounts Relief

- (a) any Relief which was treated as an asset of the Buyer in the Buyer Accounts or the Buyer Interim Accounts; or
- (b) any Relief which was taken into account in computing (and so reducing or eliminating) any provision for deferred Tax which appears in the Buyer Accounts or the Buyer Interim Accounts or which would have appeared in the Buyer Accounts or the Buyer Interim Accounts but for the presumed availability of such Relief.

Buyer's Group means the Buyer and any company within the same group or association of companies as the Buyer for the purposes of Tax.

CTA 2009 means the Corporation Tax Act 2009.

CTA 2010 means the Corporation Tax Act 2010.

Event includes (without limitation), the expiry of a period of time, the Buyer becoming or ceasing to be associated with any other person for any Tax purpose or ceasing to be or becoming resident in any country for any Tax purpose, the death, winding up or dissolution of any person, the earning, receipt or accrual for any Tax purpose of any income, profit or gains, the incurring of any loss or expenditure, and any transaction (including the execution and completion of this agreement), event, act or omission whatsoever, and any reference to an Event occurring on or before a particular date shall include Events that, for Tax purposes, are deemed to have, or are treated or regarded as having, occurred on or before that date.

IHTA means the Inheritance Tax Act 1984.

IHT Liability means:

- (a) any amount of inheritance tax which is at Completion unpaid and in respect of which HM Revenue & Customs has a charge on any of the Shares or assets of the Buyer or a power to sell, mortgage or charge any of the Shares or assets of the Buyer; or
- (b) any amount of inheritance tax which after Completion becomes a charge on or gives rise to a power to sell, mortgage or charge any of the Shares or assets of the Buyer being a liability in respect of additional inheritance tax payable on the death of any person within seven (7) years after a transfer of value if a charge on or power to sell, mortgage or charge any such Shares or assets of the Buyer existed at Completion or would have existed at Completion, if the death had occurred immediately before Completion and the inheritance tax payable as a result of such death had not been paid; or
- (c) any liability for inheritance tax that arises as a result of a transfer of value occurring or being deemed to occur on or before Completion (whether or not in conjunction with the death of any person whensoever occurring);

and in determining for the purposes of this Schedule whether a charge on or power to sell, mortgage or charge any of the Shares or assets of the Buyer exists at any time the fact that any inheritance tax is not yet payable or may be paid by instalments shall be disregarded and such inheritance tax shall be treated as becoming due and a charge or power to sell, mortgage or charge as arising, on the date of the transfer of value or other date or event on or in respect of which it becomes payable or arises and the provisions of section 213 of IHTA shall not apply.

ITEPA means the Income Tax (Earnings and Pensions) Act 2003.

Liability for Buyer Tax means:

- (a) any liability or increase in any liability of the Buyer to make a payment of or in respect of Tax whether or not the same is primarily payable by the Company and whether or not the Company has or may have any right of reimbursement against any other person or persons, in which case the amount of the Liability for Buyer Tax shall be the amount of the actual payment required to be made to eliminate or discharge the liability;
- (b) the Loss of any Accounts Relief (in which case the amount of the Liability for Buyer Tax shall be the amount of Tax which would (on the basis of the rate of Tax current at the date of Completion) have been saved but for such Loss, assuming for this purpose that the Buyer had sufficient profits or was otherwise in a position to use the Relief or, if the Accounts Relief was or is a right to repayment of Tax, the amount of the repayment of Tax (including any repayment supplement) so lost);
- (c) the set-off or use of any Accounts Relief or Post Completion Relief against any Tax or income, profits or gains in circumstances where, but for such set-off or use, the Buyer would have had a liability to make a payment (or increased payment) of or in respect of Tax in respect of which the Buyer would have been liable under this Schedule in which case the amount of the Liability for Buyer Tax shall be the amount of or in respect of Tax saved by the Company as a result of such set-off or use; and
- (d) any liability of the Buyer to make a payment pursuant to an agreement, arrangement, indemnity, guarantee or covenant entered into before Completion under which the Buyer has agreed to meet or pay a sum equivalent to or by reference to another person's Tax liability, in which case the Liability for Buyer Tax shall be equal to the amount of the liability.

Loss means any reduction, modification, loss, counteraction, nullification, utilisation, disallowance or clawback for whatever reason.

Overprovision means any provision for Tax (other than deferred tax) in the Buyer Accounts or the Buyer Interim Accounts which is an overprovision applying the accounting policies, principles, and practices adopted in relation to the preparation of the Buyer Accounts or the Buyer Interim Accounts other than as a result of:

- (a) an Event occurring after the Completion;
- (b) a reduction in the rates of Tax or any change in legislation or generally accepted accounting practice introduced after Completion; or
- (c) the use of any Post Completion Relief or Accounts Relief.

PAYE means the mechanism prescribed by Tax Statute for the collection of income tax, sums to which part 11 of ITEPA and regulations made under section 684 of ITEPA apply and Class 1, Class 1A and Class 1B contributions referred to in section 1(2) of the Social Security Contributions and Benefits Act 1992.

Post Completion Relief means:

- (a) any Relief, whenever arising, of the Buyer and/or any member of the Buyer's Group (other than the Company);
- (b) a Relief of the Buyer that arises after Completion.

Relief includes any loss, relief, allowance, credit, exemption or set-off available in relation to Tax or the computation of income, profits or gains for the purposes of Tax or any right to repayment of Tax.

Saving means the reduction or elimination of any liability of the Buyer to make an actual payment of corporation tax in respect of which the Buyer would not have been liable under Part 3 of this Schedule, by the use of any Relief arising as a result of a Liability for Tax in respect of which the Buyer has made a payment under Part 3 of this Schedule.

Tax or Taxation means:

- (a) any form of taxation, duty, impost, contribution, levy, tariff or withholding in each case in the nature of tax, whether of the United Kingdom or elsewhere, whenever imposed;
 - (b) any amount of or in respect of any such taxation, duty, impost, contribution, levy or tariff as is referred to in paragraph (a) above (including but not limited to PAYE) which is required by law to be deducted, withheld or paid or which is payable by virtue of any Tax Statute relating to anything referred to in paragraph (a) above; and
 - (c) any penalty, charge, surcharge, fine or interest payable in connection with any taxation, duty, impost, contribution, levy or withholding within paragraph (a) above,
- in all cases payable to a Tax Authority.

Tax Authority means any statutory or governmental authority or body of any jurisdiction involved in the collection or administration of Tax.

Tax Claim means any notice, demand, assessment, letter or other document issued, or action taken, by or on behalf of any Tax Authority from which it appears to the Buyer that the Buyer is or may be subject to a Liability for Buyer Tax or other liability in respect of which the Buyer is liable or may be liable under Part 3 of this Schedule.

Tax Statute means any statute, statutory instrument, regulation or legislative provision wheresoever enacted, issued or adopted providing for, imposing or relating to Tax including any statute, enactment, law, statutory instrument, order, regulation or provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same.

TCGA means the Taxation of Chargeable Gains Act 1992.

VAT means value added tax as provided in VATA and any other Tax of a similar nature.

VATA means the Value Added Tax Act 1994.

- 2 For the purposes of this Schedule only, any reference to:
 - 2.1 the Buyer shall include reference to each or any member of the Buyer's Group and so that, without any limitation, each of the Buyer Tax Warranties and the Buyer Tax Covenant shall be given in respect of and in relation to each member of the Buyer's Group; and
 - 2.2 a Liability for Buyer Tax in respect of income, profits or gains earned, accrued or received, shall include a Liability for Buyer Tax in respect of income, profits or gains deemed to have been or treated or regarded as earned, accrued or received for any Tax purpose and any reference to a Liability for Buyer Tax on the happening of any Event shall include a Liability for Buyer Tax where such Event (for the purposes of the Tax Statute in question) is deemed to have occurred or is treated or regarded as having occurred; and
 - 2.3 an Event occurring on or before Completion, shall be deemed to include where the Event which occurred on or before Completion itself gives rise to a Liability for Buyer Tax, the assessment of that Liability for Buyer Tax and the accrual or assessment of any penalty, charge, surcharge, fine or interest as a result of that Event or in respect of that Liability for Buyer Tax.

- 2.4 Any stamp duty charged on any document (or in the case of a document that is outside the UK, any stamp duty that would be charged on the document if it were brought into the UK) that is necessary to establish the title of the Buyer to any asset, and any interest, fine or penalty relating to the stamp duty, shall be deemed to be a liability of the Buyer to make an actual payment of Tax because of an Event arising on the last day on which it would have been necessary to pay the stamp duty to avoid any liability to interest or penalties arising on it.

PART 2 – BUYER TAX WARRANTIES

1 GENERAL

- 1.1 The Buyer has submitted all notices, returns (including for the avoidance of doubt any land transaction returns and returns relating to VAT), reports, accounts, computations, statements, assessments, applications and registrations and any other necessary information required to be submitted to any Tax Authority for the purposes of Tax and all such notices, returns, reports, accounts, computations, statements, assessments, applications, registrations and information have been made on a proper basis, were punctually submitted, were accurate and complete when submitted and as far as the Buyer is aware remains accurate and complete in all material respects.
- 1.2 The Buyer is not and has not been in dispute with or subject to enquiry or investigation by any Tax Authority (other than routine enquiries concerning the corporation tax computations of the Buyer, all of which have been resolved) and as far as the Buyer is aware there are no facts or circumstances likely to give rise to or be the subject of any such dispute, enquiry or investigation.
- 1.3 All Tax for which the Buyer is or has been liable to account for has been duly and punctually paid (insofar as such Tax ought to have been paid) and the Buyer is not under any liability (and has not been liable) to pay any penalty, fine, surcharge or interest in connection with any Tax.
- 1.4 The Buyer has duly and properly made all deductions and withholdings in respect of, or on account of, any Tax (including amounts required to be deducted under the PAYE and national insurance systems) from any payments made by it which it is obliged or entitled to make and (to the extent required to do so) has duly accounted in full to the relevant Tax Authority for all amounts so deducted or withheld.
- 1.5 The amount of Tax chargeable on the Buyer during any accounting period ending on or before the Buyer Accounts Date has not depended on any concessions, agreements or other formal or informal arrangements with any Tax Authority.
- 1.6 The Buyer has (to the extent required by law) preserved and retained in its possession complete and accurate records relating to its Tax affairs (including PAYE and national insurance records and VAT records) and the Buyer has sufficient records relating to past events to calculate the profit, gain, loss, balancing charge or balancing allowance (all for Tax purposes) which would arise on any disposal or on the realisation of any assets owned at the Buyer Accounts Date or acquired since that date but before Completion.
- 1.7 The Buyer is not, nor will it become, liable to make a payment to any person (including any Tax Authority) in respect of any liability to Tax of any other person where that other person fails to discharge a liability to Tax for which it is or may be primarily liable.
- 1.8 The Buyer has not entered into a Managed Payment Plan within the provisions of sections 59F-G of the Taxes Management Act 1970 or into any arrangement with HM Revenue & Customs for the deferred payment of any liability to Taxation.
- 1.9 Neither the exchange of this Agreement nor Completion has given or will give rise to a Liability for Buyer Tax.
- 1.10 There have been no 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 (or any associate of such employee or former employee) of the Buyer by an employee benefit trust or another third party, falling within the provisions of Schedule 7A to ITEPA 2003 and details of any trust or arrangement capable of conferring such a benefit.
- 1.11 The payment or reimbursement of any expenses by the Buyer qualified for exemption from income tax under Chapter 7A of Part 4 of ITEPA 2003.

- 1.12 All transactions in respect of which any clearance or consent was required from any Tax Authority have been entered into by the Buyer after such consent or clearance has been properly obtained. Any application for such clearance or consent has been made on the basis of full and accurate disclosure of all the 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.
- 1.13 The Buyer Accounts make full provision or reserve within generally accepted accounting principles for any period ending on or before the date to which they were drawn up for all Tax assessed or liable to be assessed on the Buyer, or for which the Buyer is accountable at that date, whether or not the Buyer has (or may have) the right of reimbursement against any other person. Proper provision has been made and shown in the Buyer Accounts for deferred tax in accordance with generally accepted accounting principles.
- 1.14 The Buyer has sufficient records to determine the tax consequence which would arise on any disposal or realisation of any asset owned at the Buyer Accounts Date or acquired since that date, but prior to Completion.

2 CORPORATION TAX INSTALMENT PAYMENTS, ETC

- 2.1 The Buyer has Disclosed whether or not the Buyer is a large company within the meaning of regulation 3 of the Corporation Tax (Instalment Payment) Regulations 1998 (CTIP) and, if applicable, gives details of instalments of corporation tax paid in respect of any current or preceding accounting periods.
- 2.2 All payments or repayments which were required to be made or which have been claimed pursuant to the CTIP since the Buyer Accounts Date have been duly made or received and the computation of each such payment or claim for repayment took proper account of all relevant estimates and other information available to the Buyer at the time when such payment was required to be made or (as the case may be) at the time when such claim for repayment was submitted to HM Revenue and Customs.

3 COMPUTATION OF PROFITS AND LOSSES

- 3.1 Since the Buyer Accounts Date:
- 3.1.1 no Event has occurred which has given rise to any Liability for Buyer Tax (or would or may have given rise to a Liability for Buyer Tax but for the availability of a Relief) other than corporation tax on trading profits of the Buyer (and not chargeable gains, balancing charges or deemed income or profits) or any other Tax arising from transactions entered into in the ordinary and usual course of business of the Buyer carried on at the Buyer Accounts Date;
- 3.1.2 no expenses in excess of one thousand pounds (£1,000) in aggregate have been incurred which are not deductible by the Buyer in computing its taxable profits for corporation tax purposes for its accounting period current at the date of this agreement;
- 3.1.3 no dividend has been declared or paid and no distribution or deemed distribution for Tax purposes has been made or declared or agreed to be made by the Company;
- 3.2 The Buyer has not during the period beginning six years before Completion discontinued a trade in circumstances such that its closing trading stock and work in progress falls to be valued at open market value as provided for in section 164 (4) (basis of valuation of trading stock) CTA 2009.

4 CHARGEABLE GAINS

- 4.1 The Buyer has not disposed of or acquired any asset in circumstances falling within sections 17 or 18 of TCGA.

- 4.2 The Buyer has not made any claim under sections 152 or 153 TCGA to which section 154 TCGA applies in relation to any assets owned by the Buyer on or after the Buyer Accounts Date.
- 4.3 The Buyer has not been a party to any scheme or arrangement whereby the value of any asset has been materially reduced such that any of sections 30 to 34 TCGA will apply to any disposal by the Buyer of the asset or of any shares in any company holding the asset.
- 4.4 The Buyer has not received any asset by way of gift.
- 4.5 Neither the Buyer nor any associated company of the Buyer owns any intangible asset which was acquired from another company which was at the time a member of a group of companies for the purposes of section 780 (deemed realisation and reacquisition at market value) CTA 2009.
- 4.6 The Buyer has not made any claim under sections 754 to 763 inclusive (roll-over relief in case of realisation and reinvestment) or section 777 (relief on realisation and reinvestment - application to group member) CTA 2009.

5 CAPITAL ALLOWANCES

- 5.1 No event has occurred since the Buyer 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, the Buyer under CAA 2001 (or any other legislation relating to any capital allowances) or similar legislation relating to relief for similar capital expenditure in jurisdictions outside of the UK.
- 5.2 The Buyer has not made any claim for capital allowances in respect of any asset which is leased to or from, or hired to or from, the Buyer. No election affecting the Buyer has been made, or agreed to be made, under sections 177 or 183 of the Capital Allowances Act 2001 in respect of such assets.
- 5.3 The Buyer is not a lessee under a lease to which chapter 17 of part 2 of the Capital Allowances Act 2001 applies or could apply.

6 DISTRIBUTIONS

- 6.1 The Buyer has not made any repayment of share capital or issued any share capital as paid up otherwise than by the receipt of new consideration (excluding the proposed bonus issue to be completed at Admission, as Disclosed).
- 6.2 The Buyer has not made (nor is it deemed to have made) any distribution within meaning of section 1000 or sections 1022-1027 of CTA 2010 except dividends properly authorised and disclosed in its statutory accounts.
- 6.3 The Buyer has not issued or agreed to issue securities in respect of which the payment of interest falls to be treated as a distribution under section 1000 of CTA 2010.
- 6.4 The Buyer has not 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.

7 LOAN RELATIONSHIPS

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

7.2 The Buyer has never been a party to a loan relationship that had an unallowable purpose (within the meaning of section 442 of CTA 2009).

7.3 No credit would need to be brought into account pursuant to part 5 or part 6 of CTA 2009 as a result of any debt being settled in full or in part at Completion.

8 CLOSE COMPANIES

8.1 The Buyer is not, nor has ever been, a close company within the meaning of section 439 CTA 2010

8.2 The Buyer has never made a distribution within section 1064 of CTA 2010.

8.3 Any loans or advances made or agreed to be made by the Buyer within sections 455, 459 or 460 of CTA 2010 have been Disclosed and the Buyer has not released or written off or agreed to release or write off the whole or any part of any such loans or advances.

9 GROUPS OF COMPANIES

9.1 The Buyer has never been a member of a group for any Tax purposes (other than as a member of the Buyer's Group) owned by or been a member of a consortium for the purposes of part 5 of CTA 2010 or been an associated company as defined in section 449 of CTA 2010.

9.2 The Buyer has not made any intra-group transfers of assets in circumstances such that the Buyer has been regarded as realising a chargeable gain on the appropriation of the asset to or from trading stock under section 173 TCGA (transfers within a group: trading stock).

9.3 In respect of every surrender or claim for group or consortium relief pursuant to Part 5 CTA 2010 (group and consortium relief provisions) made or received or agreed to be made or received by the Buyer in the six years ending on Completion no payment remains due or outstanding.

10 BUYER RESIDENCE

10.1 The Buyer has always been resident in the United Kingdom for corporation tax purposes and has never at any time been treated for the purposes of any double taxation arrangements or for any other Tax purpose as resident in any other jurisdiction. It is acknowledged and accepted that certain members of the Buyer's Group are resident outside of the United Kingdom, as Disclosed.

10.2 The Buyer has not caused, permitted or entered into any of the transactions specified in section 37 of and Schedule 17 to the Finance Act 2009 without having duly provided the required information to HMRC or, in relation to transactions occurring before 1 July 2009, as set out in ICTA 1988 (migration of companies) without the prior written consent of HM Treasury.

11 ANTI-AVOIDANCE

11.1 The Buyer has never been a party to, nor has been otherwise involved in, any transaction, scheme or arrangement the main purpose of which, or one of the main purposes of which was the avoidance or deferral of a liability to Tax or reducing a liability to Tax or amounts to be accounted under PAYE.

11.2 The Buyer has not at any time, been a party to or otherwise involved in a transaction or series of transactions in relation to which advisers considered that there was a risk that the Company could be liable to Tax as a result of the principles in *W. T. Ramsey Limited v IRC* (54 TC 101) or *Furniss v Dawson* (55 TC 324), as developed in subsequent cases, or as a result of the principles in *Halifax (C-255/02)* as developed in subsequent cases, or that the General Anti-Abuse Rule (set out in Part 5 of the Finance Act 2013) might apply.

- 11.3 The Buyer has not entered into any notifiable arrangements for the purposes of Part 7 of the Finance Act 2004 or Council Directive (EU) 2018/822, any notifiable contribution arrangement for the purpose of the National Insurance Contribution (Application of Part 7 of the Finance Act 2004) Regulations 2007 (SI 2007/785) or any notifiable schemes for the purposes of Schedule 11A to the VATA 1994 or Schedule 17F to the Finance (No.2) Act 2017.
- 11.4 All transactions or arrangements made by the Buyer have been made on fully arm's length terms and there are no circumstances in which Part 4 of the Taxation (International and Other Provisions) Act 2010 or any other rule or provision could apply causing any Tax Authority to make an adjustment to the terms on which such transaction or arrangement is treated as being made for Tax purposes.
- 11.5 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 the Buyer has committed:
- 11.5.1 a UK tax evasion facilitation offence under section 45 of the CFA 2017; or
- 11.5.2 a foreign tax evasion facilitation offence under section 46 of the CFA 2017.
- 11.6 The Buyer 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.

12 **INHERITANCE TAX**

- 12.1 The Buyer has never made any transfer of value within sections 94 and 202 of IHTA, nor has it received any value such that liability might arise under section 199 of IHTA, nor has it been a party to associated operations in relation to a transfer of value as defined by section 268 of IHTA.
- 12.2 There is no unsatisfied liability to inheritance tax attached to or attributable to the Buyer Shares or any asset of the Buyer and none of the Buyer Shares or those assets are subject to any charge as mentioned in sections 237 and 238 of IHTA.
- 12.3 No asset owned by the Buyer is, nor are any of the Buyer Shares, liable to be subject to any sale, mortgage or charge by virtue of section 212 (1) of IHTA.

13 **VAT**

- 13.1 Each member of the Buyer's Group resident in the United Kingdom is separately registered as a taxable person for the purposes of VAT in the United Kingdom under schedule 1 of VATA and has never been treated as (or applied to be) a member of a group of companies for VAT purposes.
- 13.2 The Buyer has complied with all statutory provisions, rules, regulations, orders and directions in respect of VAT, promptly submitted accurate returns and maintained full and accurate VAT records and the Buyer has never been subject to any interest, forfeiture, surcharge or penalty, nor been given any notice under sections 59, 59A or 64 of VATA, nor been given a warning within section 76(2) of VATA, nor been required to give security under paragraph 4 of schedule 11 of VATA.
- 13.3 All supplies made by the Buyer are taxable supplies and the Buyer has not been, nor will be, denied full credit for all input tax.
- 13.4 For the purposes of Schedule 10 to VATA 1994, the Buyer and any relevant associates of such companies (within the meaning of paragraph 3 of Schedule 10 to VATA 1994) have exercised an option to tax (pursuant to paragraph 2 of Schedule 10 to VATA 1994) only in respect of those Properties listed as having been the subject of such an option in the matters Disclosed and:

- 13.4.1 neither the Buyer nor or relevant associate has any intention of exercising, or obligation to exercise, such an option in respect of any other of the Properties;
 - 13.4.2 all things necessary for the option to have effect have been done and, in particular, any notification and information required by paragraph 20 of Schedule 10 to VATA 1994 has been given and any permission required by paragraph 28 of Schedule 10 to VATA 1994 has been properly obtained;
 - 13.4.3 a copy of the notification, and of any permission obtained from HM Revenue & Customs in connection with any such option, is included in the documents Disclosed;
 - 13.4.4 no option has been or will be revoked or rendered ineffective under paragraph 12 of Schedule 10 to VATA 1994;
 - 13.4.5 neither the Buyer nor any relevant associate (within the meaning of paragraph 3 of Schedule 10 to VATA 1994) has charged VAT, whether on rents or otherwise, which is not properly chargeable;
 - 13.4.6 neither the Buyer nor any relevant associate has agreed to refrain from exercising an option in relation to any of the Properties; and
 - 13.4.7 neither the Buyer nor or any relevant associate has made a real estate election within the meaning of paragraph 21 of Schedule 10 VATA 1994 in relation to any property.
- 13.5 No asset of the Buyer is a capital item, the input tax on which could be subject to adjustment in accordance with the provisions of part XV of the Value Added Tax Regulations 1995.
 - 13.6 The Buyer has not been party to a transaction to which article 5 of the Value Added Tax (Special Provisions) Order 1995 has (or has purported to have been) applied.
 - 13.7 The Buyer has not made any claim for bad debt relief under section 36 of VATA and there are no existing circumstances by virtue of which any refund of Tax obtained or claimed may be required to be repaid.
 - 13.8 The Buyer has not entered into any self-billing arrangement (in the circumstances provided in section 29 of VATA 1994) in respect of supplies made by any other person, nor has it at any time agreed to allow any such person to make out VAT invoices in respect of supplies made by the Buyer.

14 EMPLOYMENT RELATED SECURITIES

- 14.1 No employee or director or former employee or director of the Buyer or any person associated with any of them holds any shares or securities or interest in any shares of securities in the Buyer in respect of which the Buyer could be liable after Completion to pay national insurance contributions or account for income tax or national insurance under the PAYE system in respect of, or in consequence of any Event occurring before, on or after Completion in relation to any such shares, securities, options or interests.
- 14.2 There are Disclosed full details of all securities options (within the meaning in section 420(8) of ITEPA) acquired by any person where the right or opportunity to acquire any such securities option was made available by reason of employment with the Company of that person or of any other person.
- 14.3 The Buyer has at all times submitted to the relevant Tax Authority by the requisite dates particulars of all reportable events (as defined in section 421K of ITEPA) in relation to which it is a responsible person (as defined in section 421L of ITEPA).

14.4 There are no profit related pay schemes, employee share schemes, employee incentive schemes or charities payroll deduction schemes operated by the Buyer or any other person for the benefit of the Buyer's employees in connection with the above.

15 INTANGIBLE ASSETS

15.1 The Buyer does not own any chargeable intangible assets as defined in part 8 of CTA 2009.

15.2 No intangible fixed asset of the Buyer was created or acquired by the Buyer before 1 April 2002.

16 STAMP DUTY AND SDLT

16.1 Any document that may be necessary or desirable in proving the title to any asset that is owned by the Buyer at Completion or any document that the Buyer may wish to enforce or produce in evidence is duly stamped.

16.2 Neither entering into this agreement nor Completion will result in the withdrawal of a stamp duty or stamp duty land tax relief granted on or before Completion which will affect the Buyer.

16.3 There are Disclosed full and accurate details of any chargeable interest (as defined in section 48 of the Finance Act 2003) acquired or held by the Buyer before Completion in respect of which the Buyer is aware or ought reasonably to be aware that an additional land transaction return will be required to be filed with a Tax Authority and/or a payment of stamp duty land tax made on or after Completion.

17 CONSTRUCTION INDUSTRY SUB-CONTRACTOR SCHEME

The Buyer is not required to register as a contractor under the provisions of section 59 of the Finance Act 2004 and the expenditure incurred by each of the Buyer on construction, refurbishment and fitting-out works in each of the three years ending on the Buyer Accounts Date is less than £1 million.

18 CORONA VIRUS

18.1 No employee of the Buyer has been furloughed under the corona virus job retention scheme.

18.2 The Buyer has not received any funds from a Tax Authority under measures designed to assist businesses during the COVID-19 crisis.

18.3 The Buyer has not paid any Tax late during the COVID-19 crisis whether under any special exemption, Relief or otherwise.

PART 3 - TAX COVENANT

1 TAX COVENANT

The Buyer hereby without limitation (subject to the provisions of schedule 8 of the Agreement including in relation to the settlement of liability) covenants to pay to the Sellers an amount equal to:

- 1.1 any Liability for Buyer Tax which arises in respect of or by reference to:
 - 1.1.1 any Event which occurred on or before Completion; or
 - 1.1.2 any income, profits or gains earned, accrued or received on or before Completion;
- 1.2 any Liability for Buyer Tax falling within any of paragraphs (b) to (d) of the definition of Liability for Tax in Part 1 of this Schedule (inclusive);
- 1.3 any IHT Liability;
- 1.4 any Liability for Buyer Tax, including liability for payments in respect of Tax, that arises:
 - 1.4.1 solely due to the relationship for Tax purposes before Completion of the Buyer with any person other than a member of the Buyer's Group, whether arising before or after Completion; or
 - 1.4.2 due to the non-payment of Tax by the Sellers or any person which is or has been either associated or in the same group as or connected with the Buyer;
- 1.5 any stamp duty (together with any interest and penalties) (such sum being recoverable from the Sellers as a liquidated sum payable as a debt) in respect of which there is a breach of any of the Buyer Tax Warranties relating to stamp duty or any liability arising under paragraph 2.4 under Part 1 of this Schedule;
- 1.6 any Liability for Buyer Tax in respect of remuneration, earnings or benefits in kind of employees or directors of the Buyer (or persons deemed to be such) arising in respect of periods ended on or before Completion and arising from their employment or directorships with the Buyer (or deemed employment or directorships) or in respect of services rendered by an individual to the Buyer where Tax has not been properly accounted for or proper returns have not been made in respect of remuneration, earnings or benefits in kind;
- 1.7 any Liability for Buyer Tax that is a liability of the Buyer to account for income tax or National Insurance Contributions (primary or secondary) , whether arising before or after Completion, in respect of the grant, exercise, surrender, exchange or other disposal of an option or other right to acquire securities, or in respect of any acquisition, holding, variation or disposal of employment-related securities (as defined for the purposes of Part 7 of the Income Tax (Employment and Pensions) Act 2003) where the acquisition of the security or the grant of the option or other right to acquire the security occurred on or before Completion;
- 1.8 any liability of the Sellers to account for (or otherwise suffer, by way of deduction, indemnity or otherwise) income tax under the PAYE system or national insurance contributions (primary or secondary) which arises in consequence of or in connection with the payment of any part of the Consideration pursuant to this agreement together with any related fine, penalty or interest;
- 1.9 any Liability for Tax that arises at any time under Part 7A of ITEPA 2003 including any liability arising as a consequence 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 former employee of the Buyer, 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 at the request of, on the instructions of, or for the benefit of the Buyer; and

- 1.10 all reasonable third party legal and tax advisory costs and expenses incurred by the Sellers in connection with a Tax Claim or in taking or defending any action under this Schedule.

PART 4 - LIMITATIONS AND PROCEDURE

1 LIMITATION OF BUYER'S LIABILITY

- 1.1 The Buyer shall not be liable for any claim under this Schedule or the Buyer Tax Warranties in respect of any liability, to the extent that such liability:
- 1.1.1 was the subject of a specific allowance, reserve or provision (other than a provision for deferred tax) in the Buyer Accounts or the Buyer Interim Accounts or was discharged before the Buyer Accounts Date and the discharge was recognised in the Buyer Accounts or the Buyer Interim Accounts;
 - 1.1.2 is taken into account in the computation of the Consideration pursuant to clause 3 of the Agreement.
 - 1.1.3 arises or is increased only as a result of any change of law or any increase in rates of Tax or the withdrawal of any extra-statutory concession previously made by a Tax Authority (in each case) announced and coming into force after Completion provided that this paragraph 1.1.3 shall not apply to any amounts payable under paragraph 4 of this Part 4 of this Schedule;
 - 1.1.4 arises or is increased as a result of any change in the accounting policies of the Buyer after Completion including a change in accounting reference date) or the accounting bases on which the Buyer values its assets, save where such change is made in order to comply with generally accepted accounting principles, the published practice of any Tax Authority, or any law or rule of any regulatory authority or body;
 - 1.1.5 the Sellers are compensated for the liability under any other provision of this agreement;
 - 1.1.6 such Liability to Buyer Tax or other liability would not have arisen but for the failure or omission on the part of the Sellers on or after Completion to make any claim, election, surrender or disclaimer or to give any notice or consent, which was taken into account in computing a provision for Taxation in the Completion provided that this such sub-paragraph 1.1.6 shall only apply to such claim, election, surrender, disclaimer, notice or consent as is contained in a written notice from the Buyer (or a tax adviser acting on behalf of the Buyer) which is received by the Buyer in sufficient time to make the claim, election, surrender, disclaimer, notice or consent which includes an express reference to this paragraph 1.1.6;
 - 1.1.7 such Liability to Buyer Tax or other liability would not have arisen but for the Sellers on or after Completion making any claim, election, surrender or disclaimer or to give any notice or consent, which was not taken into account in computing a provision for Taxation in the Buyer Accounts or the Buyer Interim Accounts;
 - 1.1.8 the Liability to Buyer Tax or other liability is increased by reason of the failure of the Sellers to comply with the terms of this Agreement (including this Schedule) other than where such failure is caused by a failure of the Buyer to comply or procure the compliance of another person with its or with their obligations; or
 - 1.1.9 a Relief other than a Post Completion Relief or Accounts Relief is available to the Buyer to reduce, set off or extinguish such liability (including any Relief which may be claimed pursuant to a double tax treaty);
 - 1.1.10 would not have arisen but for a voluntary act, omission or transaction of the after Completion outside the ordinary course of business of the Buyer which, in each case, the Sellers knew or ought reasonably to have known would give rise to such Liability for Buyer Tax, otherwise than any act, omission or transaction:

- 1.1.10.1 undertaken pursuant to a legally binding obligation in existence at Completion or any act required by law;
 - 1.1.10.2 required by any law or regulation or for the purpose of avoiding or mitigating a penalty imposable by such law or regulation (including any legally required disclosure made by the Buyer to a Tax Authority in respect of the Buyer's Tax affairs); or
 - 1.1.10.3 anything done at the written request of the Buyer.
- 1.2 The Buyer shall not be liable in respect of any breach of the Buyer Tax Warranties if and to the extent that the loss is or has been included in any claim under the Buyer Tax Covenant which has been satisfied in cleared funds or vice versa in respect of any claim under the Buyer Tax Covenant.
- 1.3 The liability of the Buyer under this Schedule is also limited by those provisions of Schedule 8 of this agreement which are specified expressly therein to apply to the Buyer Tax Warranties and/or the Buyer Tax Covenant (as applicable).

2 DISPUTES AND CONDUCT OF TAX CLAIMS

- 2.1 If the Sellers shall become aware of or otherwise receive notice of a Tax Claim the Sellers shall as soon as reasonably practicable (and in any event within 15 Business Days prior to any applicable time limit imposed by Tax Statute for a response or appeal to a Tax Authority) give notice of that Tax Claim to the Buyer but so that the giving of such notice shall not be a condition precedent to the Buyer's liability under this Schedule.
- 2.2 The Sellers shall take such action as it shall be reasonable for them to take and the Buyer may reasonably request in writing to avoid, compromise, dispute, defend, resist, appeal, request any Tax Claim including an internal HMRC review or compromise in respect of such Tax Claim, provided always that:
- 2.2.1 The Sellers shall not be obliged to delegate the conduct of such action to any or all of the Buyer or their agents or professional advisers;
 - 2.2.2 the Buyer agree to pay to the Sellers an amount equal to any costs, liability or expenses which are incurred by the Sellers in taking such action (together with the Tax which is the subject matter of the claim (the **Disputed Tax**) where it is necessary to pay the Disputed Tax in order to resist or otherwise deal with the Tax Claim) in cleared funds on the fifth Business Day after service by the Sellers to the Buyer of notice that such costs, liability or expenses have been incurred (or, in relation to the Disputed Tax, not more than ten (10) Business Days before the date on which the Disputed Tax is required to be paid). For the purpose of this paragraph 2.2.1, **incurred** means the earlier of the date on which payment has been made in respect of those costs and expenses or the date on which an invoice has been received in respect of those costs or expenses by either the Sellers;
 - 2.2.3 the Sellers shall not be obliged to appeal against any assessment for Tax if, having given the Buyer notice of the receipt of that assessment, the Sellers have not, within ten (10) Business Days of the giving of such notice, received written instructions from the Buyer, in accordance with the provisions of this paragraph 2.2, to make that appeal;
 - 2.2.4 the Sellers shall not be obliged to comply with any instruction of the Buyer which involves contesting any assessment for Tax before any court or other appellate body unless appropriately experienced tax counsel (instructed by agreement between the Buyer and the Sellers (at the sole expense of the Buyer) and after full disclosure of all relevant information and documents) advises in writing that such appeal will, on the balance of probabilities, be won; and

- 2.2.5 the Sellers shall not be obliged to comply with any instruction of the Buyer to make a settlement or compromise of a Tax Claim which is the subject of a dispute or agree any matter in the conduct of such dispute which could materially adversely affect the future Tax position of the Sellers, the Company, the Buyer or any member of the Buyer's Group or is likely to materially adversely affect the business of the Company, the Buyer or any member of the Buyer's Group.
- 2.3 Subject to paragraphs 2.1 and 2.2, the Sellers will not, without the prior written consent of the Buyer (such consent not to be unreasonably withheld or delayed):
- 2.3.1 transmit any material communication (whether written or otherwise) to any Taxation Authority;
- 2.3.2 settle or compromise the relevant Tax Claim; or
- 2.3.3 agree any matter which is likely to affect the amount of the relevant Tax Claim.
- 2.4 The Buyer shall not be entitled to: -
- 2.4.1 conduct negotiations and/or proceedings; or
- 2.4.2 attend any meetings with a Tax Authority;
- in respect of the Tax Claim in the name of the Company.
- 2.5 If the Buyer (at any time) or any person acting on behalf of it has committed any act or omission constituting fraudulent, or dishonest conduct in relation to the Tax affairs of the Buyer, as alleged in writing on reasonable grounds by a Tax Authority or the Buyer is made bankrupt the provisions of this paragraph 2 (except the requirement to notify such Seller of a Tax Claim in accordance with paragraph 2.1) shall not apply and the Buyer shall cease to have any rights under this Schedule.
- 2.6 If:
- 2.6.1 the Buyer does not request the Sellers to take any action under paragraph 2.2, within a period of time (commencing with the date of the notice given to the Buyer pursuant to paragraph 2.1) that is reasonable having regard to the nature of the Tax Claim and the existence of any time limit in relation to avoiding, disputing, defending, resisting, appealing or compromising such Tax Claim and which period shall not in any event exceed a period of ten (10) Business Days of a notice from the Sellers requiring the Buyer to do so;
- 2.6.2 the Buyer has not paid an amount equal to the costs, liability, expenses and/or the Disputed Tax (if relevant) incurred by either the Sellers in accordance with paragraph 2.2.1 within the required time for payment;
- 2.6.3 paragraph 2.5 applies,
- the Sellers shall be free to pay or settle the Tax Claim on such terms as it may in its absolute discretion (acting reasonably) think fit.
- 2.7 The Sellers shall not be subject to any claim by or liability to the Buyer for non-compliance with any of the foregoing provisions of this paragraph 2 if the Sellers have bona fide acted in accordance with the instructions of the Buyer or any one of them.

3 PAYMENT DATE AND INTEREST

- 3.1 Where the Buyer is liable to make any payment under this Schedule, the due date for the making of that payment (the **Due Date**) in cleared funds shall be the later of the date falling five

(5) Business Days after the Sellers have served notice on the Buyer demanding that payment and:

- 3.1.1 in any case that involves an actual payment of Tax (including any payment pursuant to Part 3 of this Schedule), the date falling two (2) Business Days before the last date on which the Tax in question must be paid to the relevant Tax Authority or person entitled to the payment in order to avoid incurring a liability to interest or a charge, fine or penalty; or
- 3.1.2 in any case falling within paragraph (b) of the definition of Liability for Buyer Tax in Part 1 of this Schedule, the last date upon which the Tax is or would have been required to be paid to the relevant Tax Authority in respect of the period in which the Loss of the Relief occurs (assuming for this purpose that the Buyer had sufficient profits or was otherwise in a position to use the Relief) or, if the Relief that is lost is a right to repayment of Tax, the date upon which the repayment of Tax would have actually been received; or
- 3.1.3 in any case falling within paragraph (c) of the definition of Liability for Buyer Tax in Part 1 of this Schedule, the date upon which the Tax saved by the Buyer is or would have been required to be paid to the relevant Tax Authority; or
- 3.1.4 in any case falling within paragraph (d) of the definition of Liability for Buyer Tax in Part 1 of this Schedule, not later than the fifth Business Day before the day on which the Company is due to make the relevant payment or repayment.

3.2 If any sums required to be paid by the Buyer under this Schedule are not paid on the Due Date then such sums shall bear interest (which shall accrue from day to day after as well as before any judgment for the same) at the rate of two per cent (2%) per annum over the base rate from time to time of Barclays Bank Plc or (in the absence such base rate) at such similar rate as the Buyer shall reasonably select from the day following the Due Date up to and including the day of actual payment such interest to be compounded quarterly.

4 TAXATION OF PAYMENTS

- 4.1 Any sum payable by the Buyer to the Sellers under this agreement shall be paid free and clear of any deduction or withholding whatsoever, save only as may be required by law.
- 4.2 If any deduction or withholding is required by law to be made from any payment by the Buyer under this agreement or if the Sellers are subject to Tax in respect of such payment the Buyer shall increase the amount of the payment by such additional amount as is necessary to ensure that the net amount received and retained by the Sellers (after taking account of all deductions or withholdings or Tax) is equal to the amount which it would have received and retained had the payment in question not been subject to any deductions or withholdings or Tax.

5 RECOVERY FROM OTHER PERSONS

- 5.1 If, on or before the sixth anniversary of Completion, the Buyer recovers from any other person (excluding the Sellers, the Company any member of the Buyer's Group or any current or former employees or directors of the Buyer) any amount in relation to a Liability for Tax of the Buyer in respect of which the Buyer has made a payment under this Schedule, the Sellers will repay to the Buyer the lesser of:
 - 5.1.1 the amount so recovered net of any Tax on that amount and the losses, costs, damages and expenses incurred in recovering that amount; and
 - 5.1.2 the amount paid by the Buyer under this Schedule in respect of the Liability for Buyer Tax in question less any part of such amount previously repaid to the Buyer under any provision of this Schedule or otherwise.

5.2 If the Sellers become aware or receives notice that the Buyer is entitled to recover any amount mentioned in paragraph 5.1, the Buyer will as soon as reasonably practicable give notice of that fact to the Buyer and, provided that the Buyer indemnifies the Sellers to the reasonable satisfaction of the Sellers against all losses, costs, damages and expenses which may be incurred thereby.

5.3 The Sellers shall be:

5.3.1 entitled to set off the amount repayable under paragraph 5.1 against any sum then finally determined to be payable by the Buyer to the Sellers under this Schedule; and

5.3.2 entitled to retain from any balance of the amount repayable under paragraph 5.1 remaining after any set off in accordance with paragraph 5.4.1, an amount equal to the sum or aggregate sum of any then outstanding claims by the Sellers against the Buyer under this Schedule;

and the Sellers (as the case may be) shall pay any balance of the amount repayable under paragraph 5.1 remaining after any set off or retention in accordance with paragraphs 5.4.1 and/or 5.23.2 and an amount equal to any excess of the amount retained under paragraph 5.4.2 over the sum finally determined to be payable in respect of any outstanding claims to the Buyer, as soon as reasonably practicable after such balance arises or excess is determined.

6 OVERPROVISIONS

If, on or before the sixth anniversary of Completion, the auditors for the time being of the Buyer certify (at the Buyer's request and expense) that any provision for Tax (excluding deferred tax) has proved to be an Overprovision, then:

6.1 the amount of the Overprovision shall first be set off against any payment then due from the Buyer under this Schedule;

6.2 to the extent that there is an excess, a refund shall be made of any previous payment or payments made by the Buyer under this Schedule (and previously refunded) up to the amount of the excess; and

6.3 to the extent that the excess referred to in paragraph 6.2 is not exhausted, the remainder of the excess shall be carried forward and set off against any future payment or payments which become due from the Buyer under this Schedule.

7 SAVINGS

If, on or before the sixth anniversary of Completion (at the Buyer's request and expense), the auditors for the time being of the Buyer determine that the Buyer has obtained a Saving, the Buyer will as soon as reasonably practicable after such determination repay to the Buyer the lesser of:

7.1 the amount of the Saving (as determined by the auditors) less any reasonable costs and expenses incurred by the Sellers; and

7.2 the amount paid by the Buyer under Part 3 of this Schedule in respect of the Liability for Buyer Tax which gave rise to the Saving less any part of that amount previously repaid to the Buyer under any provision of this Schedule or otherwise.

8 CORPORATION TAX RETURNS

8.1 Subject to this paragraph 8, the Buyer will have exclusive conduct of all Tax affairs of the Buyer after Completion.

8.2 The Buyer will keep the Sellers informed in respect of all relevant matters relating to its Tax affairs for any accounting period ended on or before Completion for which final agreement with the relevant Tax Authority of the amount of Tax due from the Buyer has not been reached. The Buyer will not submit any substantive correspondence or submit or agree any return or computation for any such period to any Tax Authority without giving the Sellers a reasonable opportunity to comment and considering any representations made by the Sellers.

8.3 The Buyer will not amend or withdraw any return or computation or any claim, election, surrender or consent made by it for its accounting periods ended on or before Completion without giving the Sellers a reasonable opportunity to comment and considering any reasonable representations made by the Sellers.

9 **SELLERS' COVENANT**

9.1 Subject to paragraph 2, the Sellers' covenant with the Buyer to pay to the Buyer an amount equal to any liability to Taxation of the Buyer which is under the control of the Buyer arising as a result of or in connection with the Sellers failing to discharge any liability to Taxation (together with any costs and expenses reasonably and properly incurred by the Buyer in connection with such liability (provided that the Sellers shall not be obliged to pay the costs and expenses of the Buyer in relation to the same liability to Taxation)).

9.2 The covenant contained in paragraph 9.1 shall not apply to a liability to Taxation to the extent that:

9.2.1 The liability in question is or relates or corresponds to a liability:

9.2.1.1 of the Company; or

9.2.1.2 a liability for which the Sellers have a claim under any provision of this Agreement

9.2.2 the Sellers could claim payment in respect of it under paragraph 2 or for breach of any of the Buyer Tax Warranties (or, in either case, would have been able to do so but for paragraph 9 of this Schedule 4)

9.2.3 any of the Buyer or any other person has recovered the relevant Taxation (or an amount in respect of such Taxation) from any other member of the Buyer's Group under any relevant statutory provision (and the Buyer shall procure that no such recovery is sought to the extent that payment has been made by the Buyer under paragraph 9.1); or 9.2.3 an amount in respect of that liability to Taxation has already been recovered by the Buyer under paragraph 9.1.

9.3 The Sellers will be entitled to set off against any amount which it is liable to pay to the Buyer under paragraph 9.1 any amount which the Buyer is liable to pay to the Sellers under paragraph 2 or for breach of any of the Buyer Tax Warranties.

9.4 Paragraphs 5, 6, and 11 of this Schedule 4 shall apply to the covenant contained in paragraph 13.1 as they apply to the covenant contained in paragraph 2, replacing references to the Buyer with the Sellers (and vice versa) and making any other necessary modifications.

10 **GENERAL**

10.1 All payments by the Buyer under this Part 2 of this Schedule will be treated as a reduction of the Consideration paid for the Shares pursuant to this Agreement, provided that this paragraph Schedule 9Part 4 9 will not operate in any way to limit the liability of the Buyer under this Part 2 of this Schedule.

SCHEDULE 11 – BUYER PROPERTY

PART 1 – LEASEHOLD PROPERTIES

Description	Details of lease/ licence (date and parties)	Duration	Current rent and review date(s)	Existing use	Break rights	Exclusion from s.24-28 LLTA 1954
160 Camden High Street registered under freehold title number 426252	28 October 2019 Martin Charles Dunitz and Ruth Naomi Dunitz (as landlord) and the Buyer (as tenant)	5 years	£47,500 per annum	Offices	The tenant may terminate the lease on the third anniversary by giving the landlord six months' notice in writing	Contracted out of the security of tenure provisions of Part II of the Landlord and Tenant Act 1954
Cadastral parcel no P-71409067-00377-2, which has a total surface area of 100,000 m2, and is located in "Krcevo", within the Cadastral Zone in Lipjan.	2 May 2013 Fox Marble Kosova Sh.p.k (as tenant) and "Arberia" Sh.p.k (as landlord)	99 years	€160,000 for the entire lease period No rent review date	Commercial factory	N/A	N/A

EXECUTED AND DELIVERED AS A DEED by **ETRUR ALBANI** in the presence of:

)
)
)
)

Witness signature

Witness name

Witness address

Witness occupation

EXECUTED AND DELIVERED AS A DEED by **GENARD KADIU** in the presence of:

)
)
)
)

Witness signature

Witness name

Witness address

Witness occupation

EXECUTED AND DELIVERED AS A DEED by **LINDEN HOLDINGS (MALTA) LIMITED** acting by one director in the presence of:

)
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Witness signature

Witness name

Witness address

Witness occupation

EXECUTED AND DELIVERED AS A DEED by **DOMINIC REDFERN** in the presence of:

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)

Witness signature

Witness name

Witness address

Witness occupation

EXECUTED AND DELIVERED AS A DEED by **MAX GUSTAV KAPP** in the presence of:

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)
)
)

Witness signature

Witness name

Witness address

Witness occupation

EXECUTED AND DELIVERED AS A DEED by **THOMAS NOEL COLLISTER JACKSON** in the presence of:

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)
)
)

Witness signature

Witness name

Witness address

Witness occupation

**EXECUTED AND DELIVERED
AS A DEED by FOX MARBLE
HOLDINGS PLC** acting by to
directors:

.....
Director

.....
Director