

Dated **19 August** **2021**

SHARE PURCHASE AGREEMENT

Between

(1) The Sellers whose names are listed in Schedule 2

and

(2) Yooma Europe Limited

and

(3) Yooma Wellness Inc.

relating to 100% of the issued share capital of Vitality
CBD Limited

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THIS AGREEMENT is made on

19 August

2021

BETWEEN:

- (1) **THE PERSONS** whose names and addresses are set out in Schedule 1 (**Sellers**);
- (2) **YOOMA EUROPE LIMITED** a limited liability company incorporated and registered in England and Wales with number 13200422 whose registered office is at 8th Floor The Broadgate Tower, 20 Primrose Street, London, United Kingdom, EC2A 2EW (the "**Buyer**"); and
- (3) **YOOMA WELLNESS INC**, a company registered in Ontario, Canada (company number 2705507) whose registered office is at 900, 135 Yorkville Ave. Toronto, ON M5R 0C7 Canada (**Yooma**).

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 1.
- (B) The Sellers are the legal and beneficial owners of the Sale Shares (as defined below), being in aggregate 100% of the allotted and issued ordinary share capital of the Company.
- (C) On 5 May 2021 the Sellers and the Buyer entered into an indicative term sheet in relation to the proposed purchase of the Sale Shares by the Buyer.
- (D) The Sellers have agreed to sell and the Buyer has agreed to purchase the Sale Shares on the terms of this agreement.

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:

2022 Accounts means the audited financial statements of the Company to be published for the period ending 31 December 2022;

2022 Revenue means the total revenue recognised by the Company during the financial year ended 31 December 2022, calculated as follows:

- (a) in £ (British Pounds Sterling);
- (b) excluding VAT; and
- (c) in accordance with IFRS.

Accounts means the unaudited financial statements of the Company as at the Accounts Date, comprising the individual accounts of the Company, including the balance sheet, profit and loss account together with the notes on them;

Accounts Date means 31 December 2020;

Act means the Companies Act 2006;

Adjustment Payment Date means the date falling Fifteen Business Days after the agreement or determination of the Completion Accounts in accordance with this agreement.

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

Business means the business of the Company being the manufacture, sale and distribution of products containing CBD;

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

Buyer's Solicitors means Hill Dickinson LLP of No.1 St Paul's Square, Liverpool L3 9SJ;

Cash means the aggregate amount of all:

- (a) cash on hand; and
- (b) the cash book balance.

in each case to which the Company is beneficially entitled as at 23.59p.m. on the Completion Date, as shown in the Completion Accounts.

Cash Consideration means the amount payable by the Buyer to the Sellers in their Due Proportions in accordance with clause 3.1.1 and clause 4;

CBD means Cannabidiol;

[Redacted – competitively sensitive information]

[Redacted – competitively sensitive information]

Claim means a claim by the Buyer involving or relating to a breach of a General Warranty;

Company means Vitality CBD Limited details of which are set out in Schedule 2;

Company Intellectual Property means:

- (a) the Company Trade Marks and the goodwill associated with each or any of them;
- (b) the Technical Information;
- (c) the Confidential Information; and
- (d) all other Intellectual Property which is used in, required for or material to the conduct of the Company's business at the date of this agreement, or which relates to any of the assets of the Company, including those items set out in Schedule 8;

Company Trade Marks means the Trade Marks which are used by the Company in the course of or in relation to its business and its goods or services, including the Domain Names and those Trade Marks listed in Schedule 8;

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

Completion Accounts means the statement of net debt and working capital of the Company in the form set out in Part A of Schedule 9, which shall have Column B completed following the Completion Date, prepared and agreed as provided for in this agreement;

Completion Date means the date upon which Completion takes place;

Completion Payment means *[Redacted – competitively sensitive information]*, being the sum of £4,000,000;

- (a) plus an amount equal to the Estimated Cash;
- (b) less an amount equal to the Estimated Indebtedness; and
- (c) plus the amount by which the Estimated Working Capital exceeds the Target Working Capital or minus the amount by which the Estimated Working Capital is less than the Target Working Capital,

as determined by reference to the values and entries set out in Column A of the Completion Accounts.

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;

Counsel: a barrister of not less than 7 years standing, having experience in claims similar to a relevant Outstanding Claim, as agreed by the Seller and the Buyer, or failing such agreement, as appointed by the President for the time being of the Law Society in England and Wales on the application of either party.

Consideration means the total amount payable by the Buyers to the Sellers in respect of the sale of the Sale Shares in accordance with clause 3.1 but subject to the provisions of clauses 4, 5 and 6;

Consideration Shares means 7,706,422 Yooma Shares to be issued to the Sellers in their Due Proportions in accordance with clause 3.1.2 and 5;

[Redacted – competitively sensitive information]

CSE means the Canadian Securities Exchange;

Data Protection Legislation 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;

Deferred Consideration means the deferred consideration payable to the Buyers pursuant to clauses 3.1.2 and 6 and as determined pursuant to Schedule 10;

Deferred Payment Date means the date falling 10 Business Days after the date upon which the 2022 Revenue Statement and the value of the Deferred Consideration is agreed, or determined in accordance with this agreement;

Disclosed means specifically and fairly disclosed in the Disclosure Letter, in such a manner and with sufficient detail so as to enable a reasonable purchaser to identify the nature and scope of the matter disclosed;

Disclosure Data Room means the data room at the following link: <https://convexcapital.firmex.com/projects/207/documents>;

Disclosure Documents means the documents uploaded to the Disclosure Data Room, an appendix of which is contained in the Disclosure Letter;

Disclosure Letter means the letter in the agreed form from the Sellers to the Buyer in relation to the Warranties having the same date as this agreement;

Distance Selling Legislation means any and all distance selling legislation in force from time to time in those parts of the world in which the Company operates including the Consumer Protection (Distance Selling) Regulations 2000 and the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013;

Domain Names means the domain names listed in Part 4 of Schedule 8;

Due Amount the amount (if any) due for payment by the Sellers (or any of them) to the Buyer in respect of a Resolved Claim;

Due Proportion means the respective proportions shown in column (4) of Schedule 1 being the proportions in which the Sale Shares are held by the Sellers;

E-Commerce Legislation means any and all e-commerce legislation in force from time to time in those parts of the world in which the Company operates including the Electronic Commerce (EC Directive) Regulations 2002;

EHS Laws means all applicable laws, statutes, secondary legislation, bye-laws, regulations, directives, common law, judgments, orders or decisions of any court, codes of practice, guidance notes and circulars (which have legal effect) and directions of any regulatory authority in force from time to time relating to EHS Matters;

EHS Matters means:

- (a) the pollution, conservation or protection of, or prevention of harm to the Environment or health & safety of humans and animals;
- (b) the presence, existence, disposal, release, spillage, deposit, escape, leak, migration or emission of Hazardous Substances;
- (c) the exposure of any person to Hazardous Substances;
- (d) the creation or existence of any noise, odour, radiation or nuisance
- (e) the health and safety of any person, including any accidents, injuries, illnesses and diseases;

Employee means any person employed by the Company under a contract of employment;

Employment Legislation means legislation applying in England and Wales affecting contractual or other relations between employers and their employees or workers including (but not limited to) any legislation (and any amendment, extension or re-enactment of such legislation) and any claim arising under European treaty provisions or directives enforceable against the Company by any Employee or Worker;

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;

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;

Environmental Permit means any permit, licence, consent, approval, certificate, registration, exemption or other authorisation required under any EHS Laws for the operation of the Company's business or the use of the Properties;

Estimated Cash: *[Redacted – competitively sensitive information]*, being the estimate of the Cash at Completion, as designated and set out in Column A of the Completion Accounts.

Estimated Indebtedness: *[Redacted – competitively sensitive information]*, being the estimate of the Indebtedness at Completion, as designated and set out in Column A of the Completion Accounts.

Estimated Liability: in relation to an Outstanding Claim, a bona fide estimate of the amount of the Sellers' liability to the Buyer if the Outstanding Claim were to be resolved in the Buyer's favour.

Estimated Working Capital: *[Redacted – competitively sensitive information]*, being the estimate of the amount of the Working Capital at Completion as designated and set out in Column A of the Completion Accounts;

Expert: for the purposes of Schedule 10, a member of an independent firm of chartered accountants of national repute appointed in accordance with paragraph 3 of Schedule 10 to resolve any dispute arising between the parties in connection with the preparation of the 2022 Revenue Statement or the calculation of the corresponding Deferred Consideration;

[Redacted – competitively sensitive information]

FVL Amount means an amount equal to *[Redacted – competitively sensitive information]*, being the amount owed by the Company to FVL as at Completion;

GDPR means the General Data Protection Regulation (Regulation 2016/679);

General Warranty means a Warranty other than a Tax Warranty and **General Warranties** means all those statements;

Group means, in relation to a company, that company, any subsidiary or any holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company. Each company in a Group is a "member of the Group";

Hazardous Substances means any natural or artificial substance (whether solid, liquid or gas) whether alone or in combination with any other substance which is capable of causing harm to the Environment or the health or safety of humans or any living organism supported by the Environment;

IFRS means International Financial Reporting Standards (including international accounting standards, international financial reporting standards and interpretations of such standards) as adopted for use in the UK under the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/685) and in force for the accounting period ended on 31 December 2022.

Indebtedness means, in relation to the Company 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 Completion Date 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;
- (g) all amounts due to any Seller for any services provided to the Company,

in each case as at 23.59p.m. on the Completion Date, as shown in the Completion Accounts.

Indemnity Claim means a claim by the Buyer pursuant to the indemnities contained in clause 10;

Independent Accountant means a chartered accountant agreed upon by the Sellers and the Buyer, or in the event of their failure to agree within 5 Business Days, nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales upon the application of any party;

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;

Intellectual Property Agreement means any licence, consent or permission to use any Intellectual Property (including any unwritten or informal arrangement);

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

Losses means all losses, liabilities, costs, expenses (including legal expenses), claims, actions, proceedings, damages, fines, penalties and each cost which the Buyer may incur;

Management Accounts means the unaudited management accounts of the Company comprising a balance sheet as at 30 June 2021 and a profit and loss account for the period which commenced on 1 January 2021 and ended on 30 June 2021;

Modern Slavery Laws means any laws, regulations, conventions or codes in any part of the world related to combating slavery and human trafficking, including the Modern Slavery Act 2015;

Ordinary Shares means ordinary shares of £1.00 each in the capital of the Company;

Outstanding Claim: a Relevant Claim that has been notified by the Buyer to the Sellers in accordance with this agreement, but which is not a Resolved Claim as at the Deferred Payment Date;

Pension Scheme means the pension scheme operated by the Company via the national employment savings trust (“**NEST**”) which commenced on 30 April 2019 with pension scheme registry number *[Redacted – personal and competitively sensitive information]*;

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

Properties means the occupational licences in respect of two leasehold properties, details of which are set out in Schedule 7 and **Property** means any one of them or any part of an individual property;

Relevant Claim means a Claim, an Indemnity Claim or a claim pursuant to the Tax Covenant;

Resolved Claim means a Relevant Claim that has been:

- (a) agreed in writing between the Buyer and the Sellers as to both liability and quantum; or
- (b) finally determined (as to both liability and quantum) by a court of competent jurisdiction from which there is no right of appeal, or from whose judgment the relevant party is debarred (by passage of time or otherwise) from making an appeal; or
- (c) unconditionally and irrevocably withdrawn by the Buyer in writing.

Restricted Period means the period of 3 years from the Completion Date;

Sale Shares means 10,000 Ordinary Shares held by the Sellers in the proportions set out in column 2 of Schedule 2;

Sellers’ Representative means Nikhil Nathwani;

Sellers’ Solicitors means Memery Crystal Limited, 165 Fleet Street, London EC4A 2DY;

Stock Exchange means the Aquis Stock Exchange Growth Market, or such other stock exchange as agreed between the parties in writing;

Target Working Capital means *[Redacted – competitively sensitive information]*;

Tax and Taxation means have the meaning given in Schedule 6;

Tax Authority means has the meaning given in Schedule 6;

Tax Covenant means the covenant in part 3 of Schedule 6;

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

Tax Warranty means a statement in part 2 of Schedule 6 and **Tax Warranties** means all those statements;

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

Technical Information means all data, formulae, techniques, trade secrets, expertise, proprietary knowledge, know-how, designs, drawings, recipes, specifications, instructional materials and other such information, of whatever nature, used by the Company in connection with its business;

Trade Marks means business names, domain names, registered and unregistered trade and service marks and applications for registration of any of these;

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

Warranty means a statement in Schedule 4 and **Warranties** means all those statements;

Worker means any person who personally performs work for the Company but who is not in business on their own account or in a client/customer relationship;

Working Capital means the aggregate value of the current assets of the Company (but excluding any Cash and intangible assets) less the aggregate amount of the current liabilities of the Company (excluding any Indebtedness and any liability for deferred taxation) as at the Completion Accounts Date calculated in accordance with Schedule 9 and as shown in the Completion Accounts;

Yooma Shares means common shares issued by Yooma that are listed on the CSE with the ticker "CNSX:YOOM" and admitted to trading on the Stock Exchange.

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 on behalf of the parties by their respective legal counsel;

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 writing shall include any mode of reproducing words in a legible and non-transitory form;
 - 1.2.11 **includes** and **including** shall mean including without limitation; and
 - 1.2.12 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 Save as otherwise stated, all agreements, obligations and liabilities on the part of the Sellers or any two or more of the Sellers contained in or arising under this agreement are joint and several and shall be construed accordingly.
 - 1.6 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 Sale 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 and beneficial ownership of the Sale Shares shall pass to the Buyer on Completion and the Sale 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 Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.

- 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 Sale 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.

3 CONSIDERATION

- 3.1 Subject to Clause 10, the consideration due to the Sellers from the Buyer in respect of the Sale Shares shall be the aggregate of:

- 3.1.1 £4,000,000:
- 3.1.1.1 plus an amount equal to the Cash;
 - 3.1.1.2 minus an amount equal to the Indebtedness; and
 - 3.1.1.3 plus the amount by which the Working Capital exceeds the Target Working Capital, or minus the amount by which the Working Capital is less than the Target Working Capital,
- such amount to be paid in cash in accordance with clause 4 (the “**Cash Consideration**”);
- 3.1.2 £4,200,000 to be settled by the issuance of Yooma Shares on the Completion Date, subject to the provisions of clause 5 (the “**Share Consideration**”); and
- 3.1.3 up to £2,000,000 to be settled by payment in cash, or by the issuance of Yooma Shares to the Sellers in accordance with clause 6 (the “**Deferred Consideration**”), with the actual value determined by reference to the provisions of Schedule 10 and by reference to the table below (subject to clause 3.2):

Value of the 2022 Revenue	Value of the Deferred Consideration due to the Sellers
Greater than £5 million but less than £6 million	£500,000
£6 million or more, but less than £7 million	£1 million
£7 million but less than £8 million	£1.5 million
£8 million or more	£2 million

- 3.2 If the 2022 Revenue is less than £5 million, or a negative number, the Deferred Consideration shall be zero.
- 3.3 As between themselves the Sellers shall be entitled to the Consideration in the Due Proportions.

4 CASH CONSIDERATION

- 4.1 On the Completion Date, the Buyer shall pay to the Sellers:
- 4.1.1 the Completion Payment, being the estimate of the Cash Consideration; plus

4.1.2 the FVL Amount (which the Sellers shall procure the repayment of, for and on behalf of the Company, at Completion).

each in cash in accordance with the provisions of clause 4.5.

4.2 The Completion Accounts shall take the form set out in Part A of Schedule 9 and the parties shall procure that the Completion Accounts are prepared and agreed or determined (as the case may be) in accordance with Part B of Schedule 9. The parties acknowledge that the figures for Estimated Cash, Estimated Indebtedness and Estimated Working Capital have been prepared on the basis of the SPA pro-forma included in the document titled *[Redacted – competitively sensitive information]* which is in the agreed form.

4.3 The following payments shall be made on or before the Adjustment Payment Date:

4.3.1 if the amount of the Cash Consideration (as determined pursuant to the Completion Accounts) exceeds the Completion Payment, the Buyer shall pay to the Sellers an amount equal to the excess; or

4.3.2 if the amount of the Cash Consideration (as determined pursuant to the Completion Accounts) is less than the Completion Payment, the Sellers shall pay to the Buyer an amount equal to the shortfall.

4.4 Any amount payable by the Buyer or repayable by the Sellers pursuant to clause 4.3 shall be paid on or before the Adjustment Payment Date.

4.5 Any payment or repayment to be made under this agreement shall be made by bank transfer to an account notified by the Buyer or the Sellers as appropriate in writing prior to the date on which payment is made.

4.6 In the absence of any other written agreement between the parties in relation thereto, the parties agree that any 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.

4.7 If, at the Adjustment Payment Date, any amount is due for payment by the Sellers to the Buyer in respect of a Claim, an Indemnity Claim, a Tax Warranty Claim or a Tax Covenant Claim, which is a Resolved Claim, the Buyer shall be entitled (at its sole discretion) to satisfy all (to the extent possible) or part of the Sellers' outstanding payment obligation by way of set-off against any amount that is payable by the Buyer under clause 4.3.1, and to treat its obligation to pay that sum as being reduced pro tanto by the amount so set off. In addition, where there is an Outstanding Claim, the provisions of clause 6.3.2 - 6.5 (inclusive) shall apply in order to determine the rights of the Buyer to set off any amounts against any amount that is payable by the Buyer under clause 4.3.1.

5 SHARE CONSIDERATION

5.1 On the Completion Date, Yooma shall issue to the Sellers the Consideration Shares at an implied price per Yooma Share of £0.545 per share each Yooma Share to 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 Lock-in Agreements.

5.2 The Consideration Shares shall rank *pari passu* in all respects with the existing Yooma Shares, including the right to receive all dividends declared, made or paid after the Completion Date.

5.3 Yooma shall take such steps as required to procure the Consideration Shares are admitted to trading on the Stock Exchange within 5 Business Days of the Completion Date.

6 DEFERRED CONSIDERATION

6.1 Subject to Clause 10, on the Deferred Payment Date, the Buyer agrees to pay to the Sellers the Deferred Consideration, such amount to be settled, at the discretion of the Buyer, in either:

6.1.1 cash by the Buyer in British Pounds Sterling;

6.1.2 in Yooma Shares, to be issued at a price per share equal to the volume weighted average price of Yooma Shares on the Stock Exchange (at the exchange rate published by xe.com on the Business Day prior to the Deferred Payment Date) during the 30 Business Day period ending on the Deferred Payment Date, or

6.1.3 a combination of both,

provided that the Buyer shall notify the Sellers' Representative of how the Deferred Consideration is to be settled at least 5 Business Days prior to the Deferred Payment Date and notwithstanding the discretion available to the Buyer pursuant to this clause, in the event that the Yooma Shares are not admitted to trading on either the Stock Exchange, the CSE or any other stock exchange, the Buyer shall only be able to discharge its obligation with respect to the Deferred Consideration by a payment in cash (British Pounds Sterling).

6.2 Where any Yooma Shares are issued in accordance with clause 6.1.2, Yooma undertakes that it shall procure that it has full authority to issue such Yooma Shares and the Yooma Shares will:

6.2.1 be issued free from Encumbrances;

6.2.2 admitted to trading on the Stock Exchange within 10 Business Days; and

6.2.3 rank *pari passu* in all respects with the existing Yooma Shares, including the right to receive all dividends declared, made or paid after the Deferred Payment Date.

6.3 If on the Deferred Payment Date:

6.3.1 a Due Amount (or any part of it) is outstanding, the Buyer shall be entitled (at its sole discretion) to satisfy all (to the extent possible) or part, of the Sellers' liability to pay the Due Amount by way of set-off against the Deferred Payment, and to treat its obligation to make the Deferred Payment as being reduced pro tanto by the amount so set off; and/or

6.3.2 there is any Outstanding Claim, the Buyer shall be entitled (at its sole discretion, but subject to the terms of clause 6.4) to:

6.3.2.1 withhold from the Deferred Payment an amount equal to the Estimated Liability in respect of each Outstanding Claim or, if lower, the full amount of the Deferred Payment (the "**Reserved Sum**"); and

6.3.2.2 defer payment of the Reserved Sum until such time as the relevant Outstanding Claim has become a Resolved Claim.

6.4 Where the provisions of clause 6.3.2 apply, the Buyer and the Sellers shall use reasonable endeavours to agree the Estimated Liability in respect of the Outstanding Claim as soon as possible, and in any event, within the period of 20 Business Days following the Deferred Payment Date. In the absence of such agreement, the following procedure shall apply:

6.4.1 the determination of the Estimated Liability shall be referred to Counsel at the request of either party;

- 6.4.2 Counsel shall be requested to provide their determination of the Estimated Liability and provide their estimation of the likelihood that such Outstanding Claim would be found in favour of the Buyer at first instance (by reference to a percentage) within 20 Business Days of accepting their appointment (or such other period as the Buyer and the Sellers may otherwise agree with Counsel);
- 6.4.3 Counsel shall act as an expert and not as arbitrator and their determination regarding the amount of the Estimated Liability and likelihood of success in favour of the Buyer shall, in the absence of manifest error, be final and binding on all the parties; and
- 6.4.4 Counsel's fees shall be borne by the parties equally, or as Counsel may otherwise direct having regard to the respective conduct of the parties,

and provided that Counsel has been able to determine that there is a likelihood of 50% or more that the relevant Outstanding Claim would be found in favour of the Buyer, the Buyer shall be entitled to withhold such of the Deferred Consideration as is equal to the Estimated Liability (in such amount as determined by Counsel). In the event that Counsel has not been able to determine that there is a likelihood of 50% or more that the relevant Outstanding Claim would be found in favour of the Buyer, the Buyer shall pay to the Sellers all amounts of the relevant Reserved Sum which have been withheld by it.

- 6.5 Where a Reserved Sum has been, or is able to be withheld by the Buyer pursuant to clause 6.3.2 or 6.4 in respect of an Outstanding Claim, on that claim becoming a Resolved Claim the Buyer shall:
 - 6.5.1 be entitled (at its sole discretion) to satisfy all (to the extent the Reserved Sum is sufficient) or part of the Seller's liability to pay the due amount in respect of the relevant Resolved Claim by way of set-off against the corresponding Reserved Sum, and to treat its obligation to pay the Reserved Sum as being reduced by the amount so set off; and
 - 6.5.2 pay to the Seller the remaining balance of the corresponding Reserved Sum (if any) after the Buyer has exercised its rights pursuant to clause 6.3. Such payment shall be made by the Buyer within 10 Business Days of the Outstanding Claim becoming a Resolved Claim.
- 6.6 Nothing in this clause 6 shall prejudice, limit or otherwise affect:
 - 6.6.1 any right or remedy the Buyer may have against the Seller from time to time, whether arising under this agreement or at law; or
 - 6.6.2 the Buyer's right to recover against the Sellers, whether before or after the Deferred Consideration is settled in accordance with this agreement.
- 6.7 The amount of a Reserved Sum withheld by the Buyer, or any Estimated Liability as determined by Counsel pursuant to this clause 6, shall not be regarded as imposing any limit on the amount of any claims under this agreement or at law.
- 6.8 If an amount due by the Sellers under this clause 6 is not satisfied in full by way of set-off against any part of the Deferred Consideration, nothing in this agreement shall prevent or otherwise restrict the Buyer's right to recover the balance from the Sellers and any such due amount (to the extent not so satisfied) shall remain fully enforceable against the Sellers.

7 GUARANTEE AND INDEMNITY

- 7.1 In consideration of the Sellers entering into this Agreement, (without prejudice to any other rights or remedies of the Sellers under this Agreement):

- 7.1.1 Yooma hereby guarantees to the Sellers the due and punctual performance of all the obligations of the Buyer to:
- 7.1.1.1 pay or satisfy the Consideration arising under this Agreement; and
 - 7.1.1.2 comply with the post completion undertakings set out in Schedule 10;
- 7.1.2 the obligations of Yooma under clause 7.1.1.1 shall constitute a direct, primary and unconditional liability to pay or satisfy on demand such obligations as have become due and payable under clause 7.1.1.1;
- 7.1.3 as a separate and alternative obligation, any obligation not paid or satisfied by Yooma under or pursuant to this clause 7.1.1.1 on the basis of a guarantee shall nevertheless be recoverable from Yooma.

8 COMPLETION

Completion shall take place through the actions of the parties and their appointed legal counsel, through an exchange of deliverables and correspondence done virtually, on the date of this agreement when each of the matters set out in Schedule 3 shall occur.

9 WARRANTIES

- 9.1 The Sellers jointly and severally warrant to the Buyer in the terms of the Warranties on the date of this agreement, immediately prior to Completion, save for Warranties set out in paragraph 1.1, 1.2 and 2.1 of Schedule 4, which are given by each Seller severally in respect of themselves only.
- 9.2 The Warranties are qualified by the facts and circumstances Disclosed in the Disclosure Letter.
- 9.3 Subject to clause 9.2:
- 9.3.1 no knowledge relating to the Company or the Sale Shares (actual, constructive or imputed) shall prevent or limit a claim made by the Buyer for breach of clause 9.1; and
 - 9.3.2 the Sellers may not invoke the Buyer's knowledge (actual, constructive or imputed) of a fact or circumstance as a defence to a claim for breach of clause 9.1.
- 9.4 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 give a Warranty or prepare the Disclosure Letter.
- 9.5 Each Warranty is to be construed independently and (except where this agreement provides otherwise) is not limited by the terms of any other Warranty or any other provision of this agreement.
- 9.6 Unless otherwise specified, where any 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 Warranty (including enquiries of the directors relevant senior management of the Company with knowledge of the subject matter in question).
- 9.7 Any payment made by the Sellers in accordance with this clause 9 shall be made in full without any deduction or withholding by way of set off, counterclaim or otherwise.

9.8 Notwithstanding any other provision of this agreement, the liability of the Sellers in respect of a Claim and, where specified, a Tax Warranty Claim or Tax Covenant Claim shall be limited in accordance with Schedule 5 and Schedule 6.

10 INDEMNITIES

10.1 Without limiting any other rights that the Buyer may have, including its rights to claim for damages for breach of Warranty, the Sellers shall indemnify and keep indemnified the Buyer and the Company from and against all Losses (in the case of claims under Clauses 10.1.2 to 10.1.4 and the proportionate reduction in the value of the business in respect of Clause 10.1.1 only (determined in accordance with Clause 10.2) arising out of or in connection with:

10.1.1 *[Redacted – competitively sensitive information]*

10.1.1.1 *[Redacted – competitively sensitive information]*

10.1.1.2 *[Redacted – competitively sensitive information]*

10.1.2 *[Redacted – competitively sensitive information]*

10.1.3 *[Redacted – competitively sensitive information]*

10.1.4 *[Redacted – competitively sensitive information]*

10.2 In the event of an Indemnity Claim pursuant to clause 10.1.1, the Company shall be indemnified only in respect of the proportionate reduction in the value of the business (determined in accordance with Clause 10.2) resulting from the circumstances giving rise to the Indemnity Claim, such loss of revenue to be calculated as follows:

10.2.1 *[Redacted – competitively sensitive information]*

10.2.2 *[Redacted – competitively sensitive information]*

10.2.3 *[Redacted – competitively sensitive information]*

10.2.4 *[Redacted – competitively sensitive information]*

- 10.3 The parties agree that the amount specified in clause 10.2.1 shall be a reduction in the total Consideration payable by the Buyer for the Sale Shares and has been agreed as that is the basis on which the valuation of the Company has been determined for the purposes of the transaction contemplated by this agreement, and that such liquidated damages are reasonable and proportionate to protect the interests of the Buyer and the Company.
- 10.4 Subject to clause 10.5, the aggregate liability of the Sellers for all Indemnity Claims shall not exceed £4,000,000 or, if the amount of Consideration actually received by the Sellers is less than £4,000,000, such amount actually received.
- 10.5 Notwithstanding the foregoing, the Sellers may elect in the first instance to satisfy an Indemnity Claim by way of a reduction in the number of Consideration Shares held by them by either (i) cancelling a number of the Consideration Shares (to the extent legally possible) or (ii) transferring a number of the Consideration Shares to the Company, the Company's nominated broker, or such other party as the Company may nominate (with the costs and Taxes arising from the transfer and subsequent sale of such Consideration Shares being borne by the Sellers), with the mechanism for satisfying the Indemnity Claim in this manner being at the Buyer's election. The number of Consideration Shares held by the Sellers shall be reduced (by way of cancellation or transfer) by the number of Consideration Shares determined by dividing the Due Amount by the 30 day volume weighted average trading price of a Yooma Share on the Stock Exchange prior to the date upon which the indemnity claim is notified to the Sellers, and at the exchange rate published by xe.com on the Business Day immediately prior to such date.
- 10.6 If the Sellers elect to satisfy the Due Amount pursuant to an Indemnity Claim by way of a reduction in the number of Consideration Shares in accordance with clause 10.5 and the Company is not able to fully recover the Due Amount as a result of the operation of such clause, the Sellers shall be required to settle the remaining balance of the Due Amount in cash.
- 10.7 *[Redacted – competitively sensitive information]*

11 **TAX**

The provisions of Schedule 6 shall apply.

12 **RESTRICTIVE COVENANTS**

- 12.1 Each of the Sellers hereby undertakes with the Buyer (for itself and for the benefit of the Company) that he will not, either solely or jointly with or through any other person, on his 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 this agreement 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 Company Intellectual Property (in particular, a name including the word "Vitality") or use in that context anything which is intended, or is likely, to be confused with any of the Company Intellectual Property; or
- 12.1.8 do or say anything which is harmful to the Company's reputation or which may lead 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 the Sellers 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 of the Sellers from being the holder of any Yooma Shares, 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 and confers not more than 3% of the votes which can generally be cast at a general meeting of that company.

13 FURTHER UNDERTAKINGS AND OBLIGATIONS OF THE SELLERS

13.1 Waiver of Claims

The Sellers severally confirm that at the date of this agreement:

- 13.1.1 neither they nor any person connected with any of them has any claim against the Company on any account whatsoever;
- 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 any of the Sellers or any person connected with any of them; and
- 13.1.3 any claim which the Sellers or any person connected with any of them have or has against the Company is hereby waived in full, any obligation owed to the Sellers or any such connected person by the Company is hereby released and the Sellers indemnify 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 The Sellers severally covenant with the Buyer that, subject to Completion, they will, at their respective cost, execute such documents and take such steps as are necessary to give the Buyer full legal and beneficial title to the Sale Shares and to give effect to this agreement.
- 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 Properties or delivered at Completion (whether or not such documents are referred to in Schedule 3).

13.3 Dealing with Shares pending registration

- 13.3.1 The Sellers severally undertake to the Buyer that for so long as they of remain the registered holder of any of the Sale Shares after Completion they will:
 - 13.3.1.1 hold the Sale 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 Sale Shares and all such dividends, distributions and rights as the Buyer may direct;
 - 13.3.1.3 vote at all meetings which they shall be entitled to attend as the registered holder of the Sale 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 13.3.1 each of the Sellers severally hereby appoints the Buyer (acting by any of its directors from time to time) to be his attorney in his name and on his behalf to exercise all or any of the rights in relation to the Sale 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 Sale 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 Sale Shares or received in connection with the Sale Shares from the Company or any other person; and
- 13.3.2.4 executing, delivering and doing all deeds, instruments and acts in that Seller's name as may be done in the Seller's capacity as the registered holder of the relevant Shares,

and for that purpose each Seller hereby authorises the Company to send any written resolutions, notices or other communications in respect of the Sale Shares registered in his name to the Buyer. The power of attorney granted by this clause 13.3.2 is granted by each Seller to secure the interest of the Buyer in the Sale Shares and, accordingly, shall be irrevocable.

14 **CONFIDENTIAL INFORMATION**

- 14.1 Each of the Sellers undertakes with the Buyer (for itself and for the benefit of the Company) that he will:
 - 14.1.1 not use or disclose to a person Confidential Information he has or acquires; and
 - 14.1.2 make every effort to prevent the use or disclosure of Confidential Information.
- 14.2 Clause 14.1 does not apply to:
 - 14.2.1 disclosure of Confidential Information to a director, officer or employee of the Buyer or the Company whose function requires him to have the Confidential Information;
 - 14.2.2 use or disclosure of Confidential Information required to be used or disclosed by law, the rules and regulations of any stock exchange or by any governmental or regulatory body;
 - 14.2.3 disclosure of Confidential Information to an adviser for the purpose of advising the Sellers on any matter arising from or relating to this agreement or the transactions contemplated by it, but only on terms that clause 14.1 applies to use or disclosure by the adviser.

15 **ANNOUNCEMENTS**

- 15.1 Subject to clause 14 and clause 15.2 the Parties shall not make or authorise any public announcement or other communication or circular concerning the terms of any matter contemplated by or ancillary to this agreement unless they have first obtained the written consent of the Buyer.
- 15.2 The Buyer may make or authorise an announcement required by law or by any securities exchange (or their applicable rules) or regulatory or governmental body concerning the terms of this Agreement as it considers necessary or appropriate.

16 **ASSIGNMENT**

- 16.1 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, to any member of the Buyer's Group.
- 16.2 This agreement shall be binding on and shall enure for the benefit of each party's successors and permitted assignees.

17 **THIRD PARTY RIGHTS**

- 17.1 The Company, any person to whom the benefit of any provision of this agreement is assigned in accordance with clause 16.1 and each person falling within the category of persons described in clause 16.2 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.
- 17.2 Subject to clause 17.1, 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.

18 **SELLERS' REPRESENTATIVE**

- 18.1 For the purposes of this Agreement the representatives of the Sellers shall be Nikhil Nathwani (the "**Sellers' Representative**") or, in the event of the death or disability of either of them, the other alone. Any decision which is required to be made and/or any document which is required to be signed by or, subject to clause 19, delivered to the Sellers (as the case may be) for the purposes of this Agreement shall be deemed to have been duly made or signed or delivered if it is agreed or (as the case may be) signed by the Sellers' Representative (as the case may be).
- 18.2 Any consent or agreement or direction or waiver of the Sellers which is required or contemplated by this Agreement may be given or made by the Sellers' Representative and if so given or made by the Sellers' Representative shall be binding upon all of the Sellers.
- 18.3 The Sellers' Representative shall not be liable to the Sellers for any act done or omitted hereunder as the Sellers' Representative while acting in good faith and in the exercise of reasonable judgment, and any act done or omitted pursuant to the advice of counsel shall be conclusive evidence of such good faith. The Sellers shall severally indemnify the Sellers' Representative and hold them harmless against any loss, liability or expense incurred without gross negligence or bad faith on the part of the Sellers' Representative and arising out of or in connection with the acceptance or administration of its duties hereunder.

19 **NOTICES**

- 19.1 Any notice given under this Agreement shall be in writing 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:
- 19.1.1 delivering it by hand; or
- 19.1.2 sending it by pre-paid first class post or other next working day delivery service; or
- 19.1.3 sending it by pre-paid airmail in the case of an address for service outside the United Kingdom; or
- 19.1.4 sending it by overnight courier; or

- 19.1.5 sending it by email.
- 19.2 For the purposes of clause 19.1, a notice shall be sent to the address for that party set out in this Agreement.
- 19.3 Subject to clause 19.1, in the absence of evidence of earlier receipt, any notice given pursuant to this clause shall be deemed to have been received:
 - 19.3.1 if delivered by hand, at the time of actual delivery to the address referred to in clause 19.2;
 - 19.3.2 in the case of pre-paid first class post or other next working day delivery service, two Business Days after the date of posting;
 - 19.3.3 in the case of pre-paid airmail, five Business Days after the date of posting;
 - 19.3.4 in the case of an overnight courier, two Business Days after collection by the courier; and
 - 19.3.5 in the case of email, one hour after the document or information was sent or received.
- 19.4 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.

20 GENERAL

- 20.1 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.
- 20.2 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.
- 20.3 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.
- 20.4 The Buyer's rights and remedies contained in this agreement are cumulative and not exclusive of any rights or remedies provided by law.
- 20.5 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.
- 20.6 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.
- 20.7 Any liability to the Buyer under this agreement may be released, compounded or compromised (in whole or in part) and any time or indulgence may be given by the Buyer in its absolute discretion as regards any of the Sellers without in any way prejudicing or affecting the Buyer's

rights against any of the other Sellers in respect of that (or any other) liability, whether joint or several or otherwise.

- 20.8 If a Seller is 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.
- 20.9 If any Tax Authority charges to Tax any sum paid by any of the Sellers under or pursuant to this agreement then that Seller 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.
- 20.10 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.
- 20.11 If any provision of this agreement is found to be illegal, invalid or unenforceable in accordance with clause 20.10 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.
- 20.12 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.
- 20.13 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.

21 INTEREST

- 21.1 If the Buyer or Yooma fails to make, or discharge, any payment due to any Seller by the due date then the Buyer or Yooma (as appropriate) shall pay interest on the value of the amount overdue from the due date until payment of the overdue sum, whether before or after judgment.
- 21.2 Interest under this clause will accrue each day at 4% a year above the Bank of England's base rate from time to time.

22 GOVERNING LAW AND JURISDICTION

- 22.1 This agreement is governed by English law.
- 22.2 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.
- 22.3 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) No of Sale Shares	(3) Completion Payment	(4) Completion Consideration Shares	(5) Maximum Deferred Consideration receivable	(6) Due Proportion %
<i>[Redacted – personal information]</i>	6,000	<i>[Redacted – competitively sensitive information]</i>	4,623,852	£1,200,000	60%
<i>[Redacted – personal information]</i>	1,200	<i>[Redacted – competitively sensitive information]</i>	924,771	£240,000	12%
<i>[Redacted – personal information]</i>	300	<i>[Redacted – competitively sensitive information]</i>	231,193	£60,000	3%
<i>[Redacted – personal information]</i>	2,500	<i>[Redacted – competitively sensitive information]</i>	1,926,606	£500,000	25%
TOTAL	10,000	<i>[Redacted – competitively sensitive information]</i>	7,706,422	£2,000,000	100%

SCHEDULE 2 - THE COMPANY

1.	Registered number:	11612964
2.	Date of incorporation:	9 October 2018
3.	Place of incorporation:	England and Wales
4.	Type of company:	Private limited company
5.	Address of registered office:	Unit 19 Wainwright Street, Aston, Birmingham, West Midlands, B6 5TJ
6.	Principal place of business:	United Kingdom
7.	Share capital:	10,000 Ordinary Shares of £1.00 each
8.	Directors:	Nikhil Nathwani, Phillip Glyn
9.	Secretary:	N/A
10.	Accounting reference date:	31 December
11.	Auditors:	N/A
12.	Charges:	None
13.	Tax residence:	United Kingdom

SCHEDULE 3 - COMPLETION

1 ITEMS FOR DELIVERY BY THE SELLERS

The Sellers shall deliver to the Buyer:

- 1.1 executed transfers transferring the Sale Shares to the Buyer;
- 1.2 the share certificates for the Sale Shares or an indemnity in the agreed form in respect of any missing certificates;
- 1.3 a copy of any power of attorney under which any document to be delivered to the Buyer pursuant to this Schedule 3 has been executed;
- 1.4 each register, minute book and other book required to be kept by the Company under the Act (in each case written up to Completion), each certificate of incorporation and certificate of incorporation on change of name for the Company of the Company;
- 1.5 a director's resignation letter from Philip Glyn;
- 1.6 a letter from each Nikhil Nathwani confirming that he has ceased to be a registrable person (within the meaning of section 790C of the Act) in relation to the Company;
- 1.7 service agreements entered into by the Company with each of Nikhil Nathwani and Phillip Glyn, in each case in a form approved by the Buyer;
- 1.8 Lock-in Agreements executed by each Seller in favour of Yooma, in a form agreed by the Yooma;
- 1.9 in relation to each bank account maintained by the Company:
 - 1.9.1 a copy of the mandate for that account;
 - 1.9.2 all cheque books in respect of that account;
 - 1.9.3 all debit and other cards in respect of that account; and
 - 1.9.4 all personal identification numbers, usernames, passwords, codes, card readers and fobs in respect of that account;
- 1.10 all credit, debit or other cards in the name of or for the account of the Company in the possession of any person resigning from his office or employment on Completion;
- 1.11 any applicable documentation and information relating to the Domain Names;
- 1.12 the authentication code of the Company and confirmation whether the Company has registered for the protected on-line filing scheme at Companies House (PROOF);
- 1.13 the Management Accounts; and
- 1.14 *[Redacted – competitively sensitive information]*

2 BOARD MEETING

- 2.1 The Sellers shall procure that a meeting of the board of directors of the Company is held at which the directors shall:

- 2.1.1 vote in favour of the registration of the Buyer as member(s) of the Company in respect of the Sale Shares (subject to the production of properly stamped transfers);
- 2.1.2 change the Company's registered office to a place nominated by the Buyer;
- 2.1.3 change the Company's accounting reference date to a date nominated by the Buyer;
- 2.1.4 appoint Jordan Greenberg and Simon D'Souza as directors of the Company with effect from the end of the meeting;
- 2.1.5 accept Philip Glyn's resignation as a director of the Company with effect from the end of the meeting;
- 2.1.6 revoke all existing instructions and authorities to bankers and replace such instructions and authorities with new instructions and authorities to those banks in the form required by the Buyer; and
- 2.1.7 *[Redacted – competitively sensitive information]*

SCHEDULE 4 - GENERAL WARRANTIES

1 CAPACITY AND AUTHORITY

- 1.1 The Sellers have full power and authority and have taken all action necessary, including obtaining all necessary approvals or consents, to enable them to enter into and perform this agreement and all agreements or documents entered into, or to be entered into, pursuant to the terms of this agreement.
- 1.2 This agreement and all agreements or documents entered into, or to be entered into, pursuant to the terms of this agreement constitute (or will constitute when executed) valid legal and binding obligations on the Sellers in accordance with their respective terms.

2 THE SALE SHARES

- 2.1 Each Seller is the only legal and beneficial owner of the number of Sale Shares specified opposite his name in Schedule 1.
- 2.2 The Sale Shares comprise the whole of the Company's share capital, have been properly allotted and issued and are fully paid or credited as fully paid. The Company has not exercised nor purported to exercise or claim any lien over the Sale Shares and no call on the Sale Shares is outstanding.
- 2.3 There is no Encumbrance, nor is there is any agreement, arrangement or obligation to create or give an Encumbrance, in relation to any of the Sale Shares. No person has claimed to be entitled to an Encumbrance in relation to any of the Sale Shares.
- 2.4 Other than this agreement, there is no agreement, arrangement or obligation requiring the creation, allotment, issue, transfer, redemption or repayment of, or the grant to a person of the right (conditional or not) to require the allotment, issue, transfer, redemption or repayment of, a share in the capital of the Company (including an option or right of pre-emption or conversion) and there is no litigation, arbitration, prosecution, administrative or other legal proceedings or dispute in existence or threatened by or against the Company or any Seller in relation to any such matter nor so far as the Sellers are aware is there any fact or circumstance which might give rise to any such proceedings or dispute.
- 2.5 There is no litigation, arbitration, prosecution, administrative or other legal proceedings or dispute in existence or threatened against any Seller in relation to any of the Sale Shares or in relation to the Sellers' entitlement to dispose of any of the Sale Shares and so far as the Sellers are aware there are no fact or circumstance which are likely to give rise to any such proceedings or dispute.

3 THE COMPANY

- 3.1 The Company is a limited company incorporated under English law and has been in continuous existence since incorporation. The Company has the right, power, capacity and authority to conduct its business as conducted at the date of this agreement.
- 3.2 Since its incorporation the Company has not been a subsidiary of another company.
- 3.3 The Company does not have and has never had a subsidiary. The Company has no interest in, nor has it agreed, arranged or undertaken to acquire an interest in, or take part in the management of, a corporate body.
- 3.4 The Company has not:
 - 3.4.1 at any time purchased, redeemed or repaid any of its own share capital; or

3.4.2 given any financial assistance in contravention of any applicable law or regulation.

3.5 All dividends and distributions declared, made or paid by the Company have been declared, made or paid in accordance with its constitution (at the relevant time), all applicable legislation and any agreement or arrangement made with any third party regulating the payment of dividends and distributions by the Company.

3.6 There is no written resolution of the Company with a circulation date prior to the date of this agreement which has not yet been passed by the members or else lapsed in accordance with the Act.

4 INFORMATION

The information set out in Schedules 2, 7 and 8 to this agreement is true and accurate.

5 CONSTITUTIONAL AND CORPORATE DOCUMENTS

5.1 All statutory books and registers of the Company have been Disclosed and have been properly kept and no notice or allegation that any of them is incorrect or should be rectified has been received.

5.2 All returns, particulars, resolutions and other documents that the Company is required by law to file with or deliver to any authority in any jurisdiction (including, in particular, the Registrar of Companies in England and Wales) have been correctly made up and filed or, as the case may be, delivered.

5.3 In relation to its PSC Register, the Company has at all times complied with its duties under section 790D (Duty to investigate and obtain information) and section 790E (Duty to keep information up-to-date) of the CA 2006.

6 ACCOUNTS

6.1 The Disclosure Data Room contains true and accurate copies of the Accounts.

6.2 The Accounts:

6.2.1 are true and accurate in all material respects;

6.2.2 comply and have been prepared in accordance with the requirements of the Act, and other applicable statutes and statutory instruments;

6.2.3 comply with generally accepted accounting principles and standards at the time to which they relate (including, without limitation, those adopted or issued by the Financial Reporting Council such as the Financial Reporting Standards);

6.2.4 do not materially misstate the assets, liabilities and financial position and state of affairs of the Company as at the Accounts Date and of its profit or loss and cash flow for the period ending on the Accounts Date;

6.2.5 disclose all material assets owned and/or used and/or controlled by the Company and make full reserve/provision for all material assets;

6.2.6 provide for all bad and doubtful debts, accruals, liabilities (including Taxation and deferred Taxation), capital commitments and all other liabilities or financial commitments of the Company (in each case whether actual, contingent, unquantified or disputed);

- 6.2.7 do not include (and the profits of the Company for the period ending on the Accounts Date have not been affected to a material extent by) any extraordinary, exceptional or non-recurring items;
 - 6.2.8 do not materially overstate the value of any asset or understate any liability (whether actual or contingent) of the Company as at the Accounts Date;
 - 6.2.9 have been prepared on a basis (including but not limited to accounting policies and estimation techniques) wholly consistent with that used for the preparation of the Company's accounts for the preceding financial periods.
- 6.3 In the Accounts:
- 6.3.1 stock (except long-term contract balances) was valued in the same way as in the preceding financial years and on the basis of the lower of cost or net realisable value;
 - 6.3.2 all redundant and obsolete stock was written off and all slow-moving and damaged stock was written down appropriately;
 - 6.3.3 the long-term contract balances were valued in the same way as in the preceding financial years and on the basis of net cost less foreseeable losses and payments on account; and
 - 6.3.4 the method of ascertaining attributable profit has been applied in a consistent manner.

7 **MANAGEMENT ACCOUNTS**

The Management Accounts have been properly prepared in accordance with good accounting practice and on a basis consistent with that employed in preparing the Accounts, do not materially misstate the financial position, assets and liabilities of the Company as at 30 June 2021 and of its profits and losses for the six month period then ended and (except as expressly Disclosed) there were no unusual, exceptional, non-recurring or extraordinary items which materially affected such Management Accounts.

8 **CHANGES SINCE THE ACCOUNTS DATE**

Since the Accounts Date:

- 8.1 the Company's business has been carried on in the ordinary and usual course without interruption, both as regards its nature, extent and manner and so as to maintain it as a going concern;
- 8.2 there has been no material adverse change in the turnover, financial or trading position or prospects of the Company and to the knowledge of the Sellers there is no fact or circumstance which is likely to give rise to any such change;
- 8.3 the Company has not made, or agreed to make, any price reductions or discounts or allowances or price increases on sales of stock or the provision of its services or sold stock-in-trade at less than cost price;
- 8.4 there has been no abnormal increase or reduction of stock-in-trade;
- 8.5 none of the stock-in-trade reflected in the Accounts has realised an amount less than the value placed on it in the Accounts;

- 8.6 the Company has not borrowed or raised any money or given or taken any form of financial security;
- 8.7 the Company has not declared, made or paid (or agreed to declare, make or pay) any dividend or other distribution of profits or assets;
- 8.8 no resolution of the members of the Company (or any class thereof) has been passed;
- 8.9 the Company has not created, allotted, issued or acquired any share or loan capital, or made an agreement or arrangement or undertaken an obligation to do any of those things;
- 8.10 the Company has not been materially adversely affected by the termination, or a change in the terms, of an agreement or by the loss of or material reduction in orders from a customer or the loss of or material reduction in any source of supply or by any abnormal factor not affecting similar businesses to a similar extent; and
- 8.11 the Company has paid its creditors within the applicable periods agreed with the relevant creditor and there are no amounts owing by the Company which have been outstanding for more than 30 days.

9 **RECORDS**

All statutory records, including accounting records, required to be kept or filed by the Company have been properly kept or filed and comply with the requirements of all applicable laws and regulations.

10 **DEBTORS / CREDITORS**

- 10.1 No debt shown in the Accounts or the Company's accounting records is overdue by more than 12 weeks or is the subject of an arrangement not made in the ordinary course of business. A list of all debts of the Company as at the close of business on the Business Day prior to the date of this agreement is included in the Disclosure Documents.
- 10.2 All the debts shown in the Accounts or the Company's accounting records will be recoverable in full in the ordinary course of business, and in any event no later than three months after the date of Completion, and none of them is subject to dispute, counterclaim or set off nor is there any fact or circumstance which might give rise to any such dispute, counterclaim or set off.
- 10.3 The Company is not owed any sums other than trade debts incurred in the ordinary course of its business.
- 10.4 The Company has paid its creditors within the times agreed with them. No amount owing by the Company to a creditor has been due for more than four weeks. A list of all creditors of the Company as at the close of business on the Business Day prior to the date of this agreement is included in the Disclosure Documents.

11 **TRANSACTIONS WITH THE SELLERS**

- 11.1 There is no outstanding indebtedness or other liability (actual or contingent) and no outstanding contract, commitment or arrangement between the Company and any of the following:
 - 11.1.1 a Seller, or any person connected with a Seller; or
 - 11.1.2 a Director, or any person connected with a Director.
- 11.2 None of the Sellers, nor any person connected with a Seller, has a claim of any nature against the Company, or has assigned to any person the benefit of any such claim.

12 ASSETS

- 12.1 Each asset included in the Accounts or acquired by the Company since the Accounts Date (other than stock disposed of in the ordinary course of business) and each asset used by the Company or which is in the reputed ownership of the Company is:
- 12.1.1 legally and beneficially owned by the Company free from any Encumbrance;
 - 12.1.2 where capable of possession, in the possession or under the control of the Company; and
 - 12.1.3 situated in the United Kingdom.
- 12.2 The Company has not sold or transferred or agreed to sell or transfer any of the assets referred to in paragraph 12.1 and the Company has not granted or agreed to grant any Encumbrance on or over any such assets. There has been no exercise or purported exercise of a claim for any Encumbrance on or over any of those assets and there is no dispute directly or indirectly relating to any of those assets.
- 12.3 None of the assets referred to in paragraph 12.1 has been purchased on terms that title does not pass to the Company until full payment is made by it to the supplier.
- 12.4 The Company owns each asset necessary for the effective operation of its business as carried on at the date of this agreement.

13 STOCK

- 13.1 The Company's stock (which term shall, in this paragraph 13, include raw materials, components, parts, work in progress, finished and partly finished products) is of satisfactory quality, in good condition and capable of being sold in the ordinary course of the Company's business at its current list price without rebate or allowance.
- 13.2 Details of the estimated stock of the Company at Completion is as set out at Schedule 10 of this Agreement and such estimate is accurate to the best knowledge of the Sellers.
- 13.3 The level of the Company's stock is not excessive and is sufficient for the normal requirements of its business having regard to current orders and reasonably anticipated orders from customers of the Company.
- 13.4 None of the Company's stock is obsolete, slow moving, unusable, unmarketable or inappropriate or of limited value. None of the stock reflected in the Accounts has realised an amount less than the value that was placed on it in the Accounts.
- 13.5 All items of stock which are stored within containers or in other packaged form are properly labelled or marked and correspond accurately with the descriptions of the stock on such labels or markings or in the stock records to which such labels or markings clearly refer.
- 13.6 None of the Company's stock contains any defect (whether of design, manufacture, assembly or otherwise) which could give rise to a liability on the part of the Company to any third party if that stock or product incorporating it were subsequently sold by the Company.
- 13.7 The Company's stock complies with all applicable laws, regulations, standards (including UK and European Union standards) and any specifications agreed with customers of the Company.

14 INTELLECTUAL PROPERTY

- 14.1 The Company Intellectual Property is valid and enforceable and nothing has been done or so far as the Sellers are aware, omitted to be done by which it may cease to be valid.

- 14.2 The Company Intellectual Property is legally and beneficially owned by the Company alone, free from any licence, Encumbrance, restriction on use or disclosure obligation or is licensed to the Company, as exclusive licensee, pursuant to an Intellectual Property Agreement.
- 14.3 The Company Intellectual Property is not the subject of a claim or opposition from a person (including an Employee or former employee of the Company) as to title, validity, enforceability, entitlement or otherwise.
- 14.4 There is, and has been, no civil, criminal, arbitration, administrative or other proceeding, including any infringement proceedings, or any other dispute in any jurisdiction concerning any of the Company Intellectual Property. No civil, criminal, arbitration, administrative or other proceeding concerning any of the Company Intellectual Property is pending or threatened.
- 14.5 No third party has made or, so far as the Sellers are aware, is making any unauthorized use of any of the Company Intellectual Property or has infringed or is infringing any Company Intellectual Property.
- 14.6 The Company Intellectual Property comprises all the Intellectual Property necessary for the Company to operate its business as carried on at the date of this agreement.
- 14.7 All material documents concerning title to and interest in the Company Intellectual Property (including registration certificates) form part of the records of the Company and will be delivered to the Buyer at Completion.
- 14.8 The Company has received no adverse opinion either from its advisors or from any applicable registry in respect of an application for any Company Intellectual Property, the failure to gain registration of which would adversely affect the Company.
- 14.9 The Company has taken all steps reasonably necessary to maintain and protect the Company Intellectual Property.

15 **CONFIDENTIAL INFORMATION AND TECHNICAL INFORMATION**

- 15.1 The Confidential Information and Technical Information has at all times been kept confidential by the Company and so far as the Sellers are aware this confidentiality has not at any time been breached.
- 15.2 The Company has not disclosed any Confidential Information or Technical Information to any person except where such disclosure was properly made in the ordinary course of the Company's business pursuant to a legally binding confidentiality agreement (the details of which are set out in the Disclosure Letter and a complete copy of which is included in the Disclosure Documents) which requires the recipient to keep such information confidential, to use it only for the purpose for which it was disclosed by the Company and which prevents the recipient from further disclosing it.

16 **INFORMATION TECHNOLOGY**

- 16.1 Complete and accurate particulars of the IT Systems have been included in the Disclosure Data Room.
- 16.2 Full details 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 Disclosure Data Room.
- 16.3 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.

- 16.4 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 the Business both before and after Completion.
- 16.5 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.
- 16.6 The Company has at all times implemented and maintained appropriate procedures, for ensuring the security of the IT Systems.

17 AGREEMENTS

- 17.1 Complete copies of all material contracts to which the Company is a party are included in the Disclosure Data Room and the Company is not a party to or subject to any contract, agreement or arrangement which:
 - 17.1.1 is of an onerous or unusual nature or is not of an entirely arms' length nature or is likely to be loss making;
 - 17.1.2 was entered into other than in the ordinary course of business;
 - 17.1.3 is incapable of being fully performed in accordance with its terms within six months of the date on which it was entered into or undertaken;
 - 17.1.4 is incapable of termination in accordance with its terms by the Company on 60 days' notice or less;
 - 17.1.5 restricts the Company's freedom to operate the whole or part of its business or to use or exploit any of its assets as it decides;
 - 17.1.6 constitutes a sale or purchase, option or similar agreement, arrangement or obligation affecting the Company's business or any of its assets;
 - 17.1.7 is of a loss making nature (that is, likely to result in a loss to the Company on completion of performance);
 - 17.1.8 is a distributorship, agency, franchise or management agreement or arrangement;
 - 17.1.9 involves the manufacture, sale or supply of goods, or the supply of services, the aggregate sales value of which will represent in excess of 10% of the anticipated turnover of the Company in the 12 months following Completion;
 - 17.1.10 has or is likely to have a material effect on the financial or trading position or prospects of the Company;
 - 17.1.11 requires the performance by the Company of any obligations outside the United Kingdom;
 - 17.1.12 confers or purports to confer a benefit or right on any person who is not a party to the relevant contract, agreement or arrangement or
 - 17.1.13 involves or is likely to involve obligations or liabilities which, by reason of their nature or magnitude, ought reasonably to have been made known to the Buyer.
- 17.2 All the material contracts, agreements or arrangements to which the Company is a party are in full force and effect and constitute valid and binding obligations on the parties to such contracts, agreements and arrangements which are enforceable in accordance with their terms.

- 17.3 Neither the Company nor the Sellers have any knowledge of the invalidity of, or a ground for termination, avoidance or repudiation of, a contract, agreement or arrangement to which the Company is a party. No party with whom the Company has entered into a contract, agreement or arrangement has given notice of its intention to terminate, or has sought to repudiate or disclaim, the contract, agreement or arrangement. The Company has received no written notice of any actual or proposed changes to the prices or other material terms of any contracts, agreements or arrangements to which it is a party.
- 17.4 The contracts, agreements and arrangements entered into by the Company have been duly complied with, no party to such a contract, agreement or arrangement is in breach of any such contract, agreement or arrangement and so far as the Sellers are aware there is no fact or circumstance which might give rise to a such breach. No contract, agreement or arrangement to which the Company is a party is the subject of any dispute or claim and so far as the Sellers are aware there is no fact or circumstance which might give rise to any such dispute or claim.
- 17.5 Except for a condition or warranty implied by law or contained in its standard terms of business or otherwise given in the ordinary course of business, the Company has not given a condition or warranty, or made a representation, in respect of goods manufactured or sold (or agreed to be manufactured or sold), or services supplied (or agreed to be supplied), by it nor has the Company accepted an obligation that could give rise to a liability after the goods have been manufactured or sold, or services have been supplied, by it.
- 17.6 Neither the acquisition of the Sale Shares by the Buyer nor compliance with the terms of this agreement will relieve any person of any obligation to the Company (whether contractual or otherwise) or enable any person to determine any such obligation or any right or benefit enjoyed by the Company or to exercise any other right in respect of the Company including but not limited to the right of any person to terminate or amend the terms of any contract, agreement or arrangement with the Company on the basis that the acquisition of the Sale Shares by the Buyer nor compliance with the terms of this agreement constitutes or gives rise to a change in control of the Company.

18 SUPPLIERS AND CUSTOMERS

- 18.1 No supplier (including any person connected in any way with such supplier) accounts for more than 10% of the aggregate value of all purchases made by the Company in the 12 months ending on the date of this agreement.
- 18.2 A list of all suppliers of the Company is included in the Disclosure Data Room.
- 18.3 No customer (including any person connected in any way with such customer) accounts for more than 10% of the aggregate value of all sales made by the Company in the 12 months ending on the date of this agreement.
- 18.4 A list of all material customers of the Company is included in the Disclosure Data Room.
- 18.5 During the year ending on the date of this agreement no substantial customer or supplier of the Company has:
- 18.5.1 stopped, or indicated an intention to stop, trading with or supplying the Company;
 - 18.5.2 reduced, or indicated an intention to reduce, to a material extent its trading with or supplies to the Company; or
 - 18.5.3 changed, or indicated an intention to change, to a material extent the terms on which it is prepared to trade with or supply the Company (other than normal price and quota changes).

- 18.6 No substantial customer or supplier of the Company [*Redacted – competitively sensitive information*] is so far as the Sellers are aware likely to:
- 18.6.1 stop trading with or supplying the Company;
 - 18.6.2 reduce to a material extent its trading with or supplies to the Company; or
 - 18.6.3 change the terms on which it is prepared to trade with or supply the Company (other than normal price and quota changes).
- 18.7 The Company has not entered into an agreement or arrangement with a client, customer or supplier on terms materially different to its standard terms of business, a copy of which is included in the Disclosure Documents.
- 19 DEFECTIVE PRODUCTS/SERVICES**
- 19.1 The Company has not manufactured, sold or supplied goods or services which are or were faulty or defective or which do not comply with any warranties or representations expressly or impliedly (whether by statute, common law or otherwise) made by it or with any applicable regulations, standards and requirements.
- 19.2 There are no outstanding claims against the Company in respect of defects in quality or delays in delivery or completion of contracts or deficiencies of design or performance of equipment or otherwise relating to liability for goods manufactured, sold or supplied, or services supplied, or to be so manufactured, sold or supplied by the Company and no such claims are threatened or anticipated.
- 19.3 Save as specified in the Company's standard terms and conditions of business, the Company has not accepted any liability or obligation to service, repair, maintain, take back or otherwise do or not do anything in respect of any goods manufactured, sold or supplied, or services supplied, by the Company.
- 20 DATA PROTECTION AND PRIVACY**
- 20.1 The Company has at all times fully complied with, and at the date of this agreement fully complies with, the Data Protection Legislation including:
- 20.1.1 the principles set out in Chapter II of the GDPR;
 - 20.1.2 the requirements relating to notification of processing of personal data;
 - 20.1.3 data subject access requests;
 - 20.1.4 requests from data subjects relating to any rights granted pursuant to Chapter III of the GDPR;
 - 20.1.5 obtaining freely-given, specific, informed and unambiguous consents from all data subjects:
 - 20.1.5.1 for the purposes of direct marketing;
 - 20.1.5.2 in relation to whom the Company processes personal data, for all purposes, where processing is undertaken on the basis of consent; and
 - 20.1.5.3 in relation to any processing of sensitive personal data or special categories of data.; and
 - 20.1.5.4 in relation to any use of cookies other than strictly necessary cookies;

- 20.1.6 establishing the procedures necessary to ensure continued compliance with the Data Protection Legislation;
- 20.1.7 its obligations under the Privacy and Electronic Communications (EC Directive) Regulations 2003 in respect of the use of electronic communications (including email, text messaging, fax machines, automated calling systems and non-automated telephone calls) for direct marketing purposes.
- 20.2 The Company has appointed a suitably qualified Data Protection Officer in accordance with the GDPR.
- 20.3 The Company has a data protection policy a copy of which has been Disclosed.
- 20.4 No information notice or enforcement notice or other correspondence has been received by the Company from the Information Commissioner or any other competent authority or industry body alleging non-compliance or requiring compliance with the Data Protection Legislation and so far as the Sellers are aware there is no fact or circumstance that might give rise to the issue of such notices or correspondence.
- 20.5 The Company has not been subject to any fines, penalties or audits or required to provide information or access to its premises pursuant to the Data Protection Legislation.
- 20.6 There is no claim or action against the Company for non-compliance with the Data Protection Legislation.
- 20.7 The Company has not transferred, or authorised any processor to transfer, any personal data outside the UK or outside the European Economic Area.

21 **DISTANCE SELLING AND E-COMMERCE**

- 21.1 The Company has at all times fully complied with, and at the date of this agreement fully complies with, the Distance Selling Legislation including:
 - 21.1.1 the provisions relating to the provision of information; and
 - 21.1.2 the provisions relating to cancellation periods.
- 21.2 The Company has at all times fully complied with and currently complies with the E-Commerce Legislation including:
 - 21.2.1 the provisions relating to the technical steps the customer must follow to conclude the contract; and
 - 21.2.2 the provisions relating to the provision of information.
- 21.3 No correspondence has been received by the Company from the Office of Fair Trading or any other competent authority or industry body alleging non-compliance or requiring compliance with the Distance Selling Legislation or the E-Commerce Legislation and so far as the Sellers are aware there is no fact or circumstance that might give rise to such correspondence.

22 **EMPLOYEES**

- 22.1 The name of each person who is a Director has been Disclosed.
- 22.2 The Disclosure Documents includes anonymous details of all Employees including:
 - 22.2.1 the company which employs or engages them;

- 22.2.2 their remuneration and contractual benefits;
 - 22.2.3 the commencement date of their contract and the date on which their continuous service began; and
 - 22.2.4 their contractual notice period or, if employed on a fixed term, the expiry date of the fixed term.
- 22.3 The Disclosure Documents 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:
- 22.3.1 the company which engages them;
 - 22.3.2 the nature of the services provided;
 - 22.3.3 their remuneration and contractual benefits; and
 - 22.3.4 their contractual notice period or, if a fixed term, the expiry date of the fixed term.
- 22.4 The Disclosure Documents includes anonymous details of all Employees who are on secondment, maternity, paternity, or long term sick leave.
- 22.5 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.
- 22.6 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.
- 22.7 The acquisition of the Sale 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.
- 22.8 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).
- 22.9 The Company has not incurred any liability for failure to provide information or to consult with Employees under any Employment Legislation.
- 22.10 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.
- 22.11 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.
- 22.12 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.

- 22.13 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.
- 22.14 The Company has not agreed to any future variation in the contract of any Employee.
- 22.15 The Disclosure Data Room includes:
- 22.15.1 copies of all standard form contracts, handbooks, policies and other documents which apply to all of the Employees; and
 - 22.15.2 copies of all agreements or arrangements with any trade union, employee representative or body of employees or their representatives which may affect any Employee.
- 22.16 No Employee is subject to a current disciplinary warning or procedure.

23 PENSIONS AND OTHER BENEFITS

- 23.1 Except as provided for by the Pension Scheme, 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.
- 23.2 The Company has complied with its automatic enrolment obligations as required by the Pensions Act 2008 (**PA 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.
- 23.3 Full details of the Pension Scheme are set out in the Disclosure Documents, including (but not limited to):
- 23.3.1 copies of all documents governing the Pension Scheme and of any related announcements and explanatory booklets;
 - 23.3.2 the two latest annual reports and accounts of the Pension Scheme;
 - 23.3.3 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
 - 23.3.4 all agreements for the provision of services and any insurance contracts relating to the Pension Scheme.
- 23.4 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.

24 INSURANCE

- 24.1 The Company maintains, and has at all material times maintained, adequate insurance cover against all losses and liabilities, including business interruption, and all other risks that are normally insured against by a person carrying on the same type of business as the Business.
- 24.2 The Disclosure Data Room includes complete and accurate details of all insurance policies maintained by or on behalf of the Company.

- 24.3 In respect of all insurance policies held by the Company:
- 24.3.1 all premiums have been duly paid to date;
 - 24.3.2 all the policies are in full force and effect and so far as the Sellers are aware are not voidable on account of any act, omission or non-disclosure on the part of the insured party;
 - 24.3.3 all the policies are on industry standard terms and include no unusual exclusions that the Company reasonably ought to be insured against; and
 - 24.3.4 no insurance claim is outstanding and so far as the Sellers are aware, there are no circumstances which would or might give rise to an insurance claim.

25 PROPERTIES

- 25.1 **Previously-owned Land and Buildings** means any freehold or leasehold land or buildings or any rights to occupy or use land or buildings that before the date of this agreement were owned or used by the Company, but which after the date of this agreement are either no longer owned, occupied or used by either the Company or which are still used by either the Company but pursuant to a different transfer, conveyance, lease or licence.
- 25.2 The Company does not have any liability (whether actual or contingent) in respect of Previously-owned Land and Buildings, nor has it given any guarantee or indemnity for any liability relating to the Properties, any Previously-owned Land and Buildings or any other land and buildings.
- 25.3 The particulars of the Properties set out in Schedule 7 are true and accurate.
- 25.4 The Properties are the only land and buildings owned, used or occupied by the Company.
- 25.5 The Company has no right of ownership, right of use, option, right of first refusal or contractual obligation to purchase, or any other legal or equitable right, estate or interest in, or affecting, any land or buildings other than the Properties.
- 25.6 The Company has not given any guarantee or indemnity for any liability relating to the Properties.
- 25.7 The Company is solely beneficially entitled to, and shall have good and marketable title to the Properties.
- 25.8 There are no insurance policies relating to any issue of title affecting the Properties.
- 25.9 There are, appurtenant to the Properties, all rights and easements necessary for the current use and enjoyment (without restriction as to time or otherwise), and the access for, the Properties are over roads adopted by the local authority and maintained at public expense and such roads immediately about the Properties at each point where access is gained.
- 25.10 The Properties are free from all Encumbrances.
- 25.11 The Properties are not subject to the payment of any outgoings other than non-domestic local business rates and water and sewerage charges and other usual outgoings and all outgoings have been paid when due and none is disputed.
- 25.12 The Properties are not subject to any matters which are unregistered interests which override registered dispositions under Schedule 3 to the Land Registration Act 2002 or (where title to the Properties are not registered) which are unregistered interests which override first registration under Schedule 1 to the Land Registration Act 2002.

- 25.13 There are no covenants, restrictions, stipulations, easements, profits à prendre, wayleaves, licences, grants or other Encumbrances (whether of a private or public nature, and whether legal or equitable) affecting the Properties which are of an onerous or unusual nature, or affect their value, or which conflict with the current use of the Properties.
- 25.14 All covenants, restrictions, stipulations and other Encumbrances affecting the Properties have been observed and performed and no notice of any alleged breach has been received by the Company.
- 25.15 There are no circumstances which (with or without taking other action) would entitle any third party to exercise a right of entry to, or take possession of all or any part of the Properties, or which would in any other way affect or restrict the continued possession, enjoyment or use of the Properties.
- 25.16 There are no matters which are registered as local land charges or, although not registered, are capable of registration as local land charges.
- 25.17 The Seller has not (nor has anyone on their behalf) expressly or impliedly waived any breach by any person of any covenant, agreement, restriction, stipulation or obligation relating to the Properties, or of which the Properties have the benefit.
- 25.18 The current use of the Properties are the permitted lawful use.
- 25.19 The Company is believed to have complied with all applicable statutory and bye-law requirements, and all regulations, rules and delegated legislation, relating to the Properties and its current use including any planning permissions or building regulations. No Notice of any breach has been received.
- 25.20 The Properties have not suffered from flooding, subsidence, heave, landslip, mining activities, structural defect, defects in the drains and services from time to time serving the Properties or dry rot, wet rot, rising damp or any infestation.
- 25.21 The Company has not received any adverse report from any engineer, surveyor or other professional relating to the Properties.
- 25.22 No dispute exists between the Company and the owner or occupier of any other premises adjacent to or neighbouring the Properties, and the Seller does not expect, and is not aware of, any circumstances that may give rise to any such dispute after the date of this agreement.

26 **EHS, FOOD SAFETY AND NOVEL FOOD MATTERS**

- 26.1 The Company has obtained and has at all times fully complied with the terms and conditions of all Environmental Permits. All such current Environmental Permits remain in full force and effect and there is no fact or circumstance which might lead to the revocation, modification or suspension of any such Environmental Permits.
- 26.2 The Company is not required to carry out any work or capital expenditure in order to comply fully with the terms and conditions of any Environmental Permits or otherwise to comply fully with any EHS Laws.
- 26.3 The Company has at all times fully complied with all EHS Laws and there is no fact or circumstance which might lead to any breach of, or liability under, any EHS Laws.
- 26.4 There are no civil, criminal, arbitration or administrative actions, claims or proceedings pending or threatened against the Company arising from or relating to any EHS Laws and there is no fact or circumstance which might lead to such actions, claims or proceedings.

- 26.5 The Company has not received any communication from any regulatory authority with regard to any alleged breach of EHS Laws and there have been no complaints, investigations, enquiries, requests for information or other formal or informal indications of any possible claims or legal actions in respect of EHS Matters from any person including any neighbour, Employee or former employee, or regulatory authority.
- 26.6 The Company has at all times complied with the European Council implemented Regulation (EU) 2015/2283 on Novel Foods, the Novel Food (Amendment) (EU Exit) Regulations 2019 and all applicable laws in the Republic of Ireland related to the sale of CBD products.
- 26.7 So far as the Sellers are aware, there are no matters, facts or circumstances that could cause the novel foods applications of *[Redacted – competitively sensitive information]* to be rejected by the Food Standards Agency
- 26.8 The supply chain for the CBD Products that include CBD as an ingredient does not include ingredients (cannabinoid or otherwise) derived from the cannabis sativa plant (i.e. it comes from hemp), or other cannabis derived products or synthetics.
- 26.9 The controlled cannabinoid content of the CBD products (including, tetrahydrocannabinol (**THC**)) sold by the Company is nil or undetectable (based upon a full spectrum analysis undertaken at an appropriate level of sensitivity to accurately determine the presence of a controlled substance) and relevant tests have been conducted on products and/or cannabinoid ingredients by an independent and appropriately licenced laboratory prior to: (i) import to the UK, or (ii) in the case of UK manufactured products, following manufacture in the UK.
- 26.10 The Company is not involved in any way, directly or indirectly, in the supply of products containing THC and/or any other controlled cannabinoid in any market where it currently operates (or expects to operate in the near-term) in accordance with relevant national legislation and guidelines published by relevant drug enforcement agencies.
- 26.11 The Company has at all times complied with, and continues to comply with, all applicable laws regarding the labelling of its products.
- 26.12 The Company has at all times complied with, and continues to comply with, all applicable laws relating to food safety including but not limited to The Food Safety Act 1990, The General Food Regulations 2004, The Food Safety and Hygiene (England) Regulations 2013, The Food Information Regulations 2014, Regulation (EC) No 178/2002 and Regulation (EC) No 852/2004 Regulation (EC) No 853/2004 and so far as the Sellers are aware there are no events, matters or circumstances that could give rise to any claim against the Company for breach of any such applicable laws.
- 27 FINANCE, INDEBTEDNESS AND GUARANTEES**
- 27.1 The Disclosure Data Room contains full details of all investment, deposit and bank accounts maintained by or on behalf of the Company and of the banks of other financial institutions at which those accounts are kept.
- 27.2 A statement of the credit or debit balances on each of the accounts referred to in paragraph 27.1 as at a date not more than two Business Days prior to the date of this agreement is included in the Disclosure Documents.
- 27.3 The Company has no Indebtedness.
- 27.4 The Company is not a party to and is not liable (including contingently) under a guarantee, indemnity or other agreement to secure or incur a financial or other obligation with respect to another person's obligation.

- 27.5 The Company does not have outstanding any Encumbrance or any obligation (including a conditional obligation) to create any Encumbrance.
- 27.6 No event has occurred or been alleged which:
- 27.6.1 constitutes an event of default, or otherwise gives rise to an obligation to repay, under an agreement relating to borrowing or indebtedness in the nature of borrowing (or will do so with the giving of notice or lapse of time or both); or
 - 27.6.2 will lead to an Encumbrance constituted or created in connection with borrowing or indebtedness in the nature of borrowing, a guarantee, an indemnity or other obligation of the Company becoming enforceable (or will do so with the giving of notice or lapse of time or both).
- 27.7 The Company has not repaid any sum in the nature of borrowings in advance of any due date.
- 27.8 The Company is not liable to repay an investment or other grant or subsidy made to it by a body (including the Department of Business, Innovation and Skills or any predecessor). No fact or circumstance (including the execution and performance of this agreement) exists which might entitle a body to require repayment of, or refuse an application by the Company for, the whole or part of a grant or subsidy.

28 LITIGATION

- 28.1 Neither the Company nor so far as the Sellers are aware a person for whose acts or defaults the Company is vicariously liable is involved, or has during the two years ending on the date of this agreement been involved, in a civil, criminal, arbitration, administrative or other proceeding in any jurisdiction. No civil, criminal, arbitration, administrative or other proceeding in any jurisdiction is pending or threatened by or against the Company or so far as the Sellers are aware a person for whose acts or defaults the Company is vicariously liable.
- 28.2 To the Sellers' knowledge, information and belief there is no fact or circumstance which is likely to give rise to a civil, criminal, arbitration, administrative or other proceeding in any jurisdiction involving the Company or a person for whose acts or defaults the Company is vicariously liable.
- 28.3 There is no outstanding judgment, order, decree, arbitral award or decision of a court, tribunal, arbitrator or governmental agency in any jurisdiction against the Company or a person for whose acts or defaults the Company may be vicariously liable.
- 28.4 Details of all material customer claims, complaints or returns relating to the Company that have occurred during the 12 months ending on the date of this agreement are contained in the Disclosure Letter.

29 INSOLVENCY, WINDING UP, BANKRUPTCY ETC.

- 29.1 The Company:
- 29.1.1 is not insolvent or unable to pay its debts within the meaning of the Insolvency Act 1986 or any other insolvency legislation applicable to the Company ; and
 - 29.1.2 has not stopped paying its debts as they fall due.
- 29.2 No process has been initiated which could lead to the Company being dissolved and its assets being distributed among the Company's creditors, shareholders or other contributors.
- 29.3 No distress, execution or other process has been levied on any asset of the Company.

- 29.4 There is no unsatisfied judgment or court order outstanding against the Company.
- 29.5 None of the Company's assets have been the subject of a transaction at an undervalue within the meaning of Part IX or Part VI of the Insolvency Act 1986.
- 29.6 No action is being taken by the registrar of companies to strike the Company off the register.
- 29.7 No bankruptcy order has been made in respect of any Seller nor has any petition been presented to make any of the Sellers bankrupt.
- 30 **COMPLIANCE WITH LAW**
- 30.1 The Company has at all times carried on its business and used and dealt with its assets materially in compliance with all applicable legal and administrative requirements, laws and regulations whether of the United Kingdom or elsewhere.
- 30.2 There has been no violation of, or default with respect to, any statute, regulation, directive, order, decree or judgement of any court or any governmental agency of the United Kingdom (or any other country in which the Company conducts business) by the Company.
- 30.3 The Company does not carry on (and has not, at any time when not an authorised person under Part III Financial Services and Markets Act 2000, carried on) a regulated activity in the United Kingdom within the meaning of section 22 Financial Services and Markets Act 2000.
- 30.4 There is no outstanding liability for any industrial training levy or for any other statutory or governmental levy or charge in relation to the Company or any Employee or former employees.
- 30.5 There is and has been no governmental or other investigation, enquiry or disciplinary proceeding concerning the Company in any jurisdiction, no such investigation, enquiry or proceeding is pending or threatened and so far as the Sellers are aware there is no fact or circumstance which is likely to give rise to any such investigation, enquiry or proceeding.
- 30.6 Neither the Sellers, the Company nor, so far as the Sellers are aware, a person for whose acts or defaults the Company is vicariously liable has:
- 30.6.1 induced a person to enter into an agreement or arrangement with the Company by means of an unlawful or immoral payment, contribution, gift, or other inducement;
 - 30.6.2 offered or made an unlawful or immoral payment, contribution, gift or other inducement to a government official or employee; or
 - 30.6.3 directly or indirectly made an unlawful contribution to a political activity.
- 30.7 The Company has not:
- 30.7.1 acquired any asset with monies representing the proceeds of crime; or
 - 30.7.2 at any time received monies representing the proceeds of crime.
- 30.8 The Sale Shares were not purchased or subscribed for by the Sellers with monies representing the proceeds of crime.
- 30.9 The Company has at all times complied with the Misuse of Drugs Act 1974 and the Proceeds of Crime Act 2002.

31 PERMITS

- 31.1 For the purposes of this paragraph 31, **Permit** shall mean a permit, licence, consent, approval, certificate, qualification, specification, registration or other authorisation, or a filing of a notification, report or assessment, necessary in any jurisdiction for (i) the proper and effective operation of the Company's business, (ii) the Company's ownership, possession, occupation or use of any of its assets, (iii) the manufacture, sale or supply of any goods or services by the Company or (iv) the marketing of such goods or services.
- 31.2 The Company has obtained and complied with the terms and conditions of each Permit (details of which are contained in the Disclosure Documents).
- 31.3 Each Permit is in full force and effect and is unconditional or subject only to a condition that has been satisfied (and nothing more remains to be done under the condition). There is no indication that any Permit might be revoked, suspended, cancelled, varied or not renewed and each action required for the renewal or extension of each Permit has been taken. No Permit and no condition to which any Permit is subject is personal to the Sellers.

32 ANTI-CORRUPTION

- 32.1 The Company is not and has not at any time engaged in any activity, practice or conduct or omitted to engage in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010.
- 32.2 No Associated Person of the Company has bribed another person (within the meaning given in section 7(3) of the Bribery Act 2010) intending to obtain or retain business or an advantage in the conduct of business for the Company, and the Company has in place adequate procedures in line with the guidance published by the Secretary of State under section 9 of the Bribery Act 2010 designed to prevent its Associated Persons from undertaking any such conduct.
- 32.3 Neither the Company nor any of its Associated Persons is or has been the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body or any customer regarding any offence or alleged offence under the Bribery Act 2010, and no such investigation, inquiry or proceedings have been threatened or are pending and there are no circumstances likely to give rise to any such investigation, inquiry or proceedings.
- 32.4 The Company is not ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or the Public Contracts Regulations 2015 or section 26 of the Utilities Contracts Regulations 2006 (each as amended).

33 MODERN SLAVERY

- 33.1 The Company has, at all times, conducted its business in accordance with Modern Slavery Laws. In relation to the Company, its assets, business and/or supply chains (whether by or in respect of the Company's officers, employees, agents or otherwise) there is no and has never been any of the following in respect of Modern Slavery Laws, in each case whether in the United Kingdom or elsewhere:
- 33.1.1 breach, violation or default;
- 33.1.2 order, decree or judgment of any court or any governmental agency; or
- 33.1.3 enquiry, investigation, reference, notification, proceeding, report or decision,

SCHEDULE 5 - LIMITATIONS ON THE SELLERS' LIABILITY

1 GENERAL LIMITATION OF CLAIMS

- 1.1 The Sellers shall not be liable in respect of a Claim, or Tax Warranty Claim unless the amount that would otherwise be recoverable from the Sellers in respect of that Claim or Tax Warranty Claim, exceeds £10,000.
- 1.2 The Sellers shall not be liable in respect of a Claim or Tax Warranty Claim, unless and until the amount that would otherwise be recoverable from the Sellers (but for this paragraph 1.2) in respect of that Claim or Tax Warranty Claim, when aggregated with any other amount or amounts recoverable in respect of other Claims or claims for breach of a Tax Warranty or (excluding any amounts in respect of a Claim or Tax Warranty Claim for which the Sellers have no liability by virtue of clause 1), exceeds £40,000 in which event the Sellers shall be liable for the whole of such amount and not merely the excess.
- 1.3 The aggregate liability of the Sellers for all Claims, Tax Warranty Claims and Tax Covenant Claims shall not exceed £4,000,000 or, if the amount of Consideration actually received by the Sellers is less than £4,000,000, the aggregate amount of Consideration received.
- 1.4 The limitations in this Schedule shall not apply in respect of a breach of any of the Warranties in paragraphs 1.1, 1.2 and 2.1, 2.2 and 2.3 of Schedule 4.
- 1.5 The Sellers shall not be liable for:
- 1.5.1 a Claim unless the Buyer gives the Sellers notice of such Claim on or before the 30 June 2023; and
 - 1.5.2 a Tax Warranty Claim or Tax Covenant Claim unless the Buyer gives the Sellers notice of such a claim on or before the seventh anniversary of Completion.
- 1.6 Notwithstanding the provisions of paragraph 1.5 the Buyer shall give notice to the Sellers of any Claim, Tax Warranty Claim or Tax Covenant Claim without delay upon the officers of the Buyer becoming aware that such a claim(s) could be made by the Buyer, but such notification shall not be a condition precedent to the liability of the Sellers in respect of any Claim.
- 1.7 A claim notified in accordance with paragraph 1.5, which is not previously satisfied, settled or withdrawn, shall be deemed to have been irrevocably withdrawn and waived in full by the Buyer unless proceedings in respect of that claim have been both issued and served on the Sellers within the period of 6 months starting on the day such claim was notified to the Sellers.
- 1.8 The Sellers shall have no liability in respect of a Claim or a Tax Warranty Claim if and to the extent that such claim is based upon a contingent liability unless and until such liability becomes an actual liability and provided this occurs before the date falling 6 months after the expiry of the time limit for notifying such Claim, Tax Warranty Claim or Tax Covenant Claim as set out in paragraph 1.5.
- 1.9 The Sellers shall not be liable for any Claim, or where stated a Tax Warranty Claim:
- 1.9.1 to the extent that the matter or thing giving rise to such Claim or Tax Warranty Claim has been Disclosed; or
 - 1.9.2 to the extent that the matter, fact or circumstance giving rise to the Claim or Tax Warranty Claim would not have arisen or occurred but for the passing of, or a change in, a law, rule, regulation, interpretation of the law or administrative practice of a government, governmental department, agency or regulatory body, or a judgment passed, after the date of this agreement to the extent any such law has retrospective effect; or

- 1.9.3 if and to the extent that such matter is fully and fairly provided for or stated in the Completion Accounts;
- 1.9.4 if the matter or circumstance giving rise to such Claim or the Tax Warranty Claim arises, occurs or is otherwise attributable to, or to the extent that the Sellers liability pursuant to such Claim or Tax Warranty Claim is increased as a result of:
 - 1.9.4.1 any voluntary act, omission, transaction or arrangement of the Buyer, Yooma the Company (or their respective directors, employees or agents) on or after Completion;
 - 1.9.4.2 any voluntary act, omission, transaction or arrangement carried out at the request of the Buyer before Completion; or
- 1.9.5 to the extent that the liability pursuant to such Claim or Tax Warranty Claim comprises penalties, charges or interest arising directly or indirectly from any act, omission, transaction or arrangement of the Buyer, Yooma or the Company after Completion.

2 THIRD PARTY CLAIMS

- 2.1 This paragraph 2 shall apply in circumstances where:
 - 2.1.1 there arises any dispute, claim, demand, action or proceedings between the Buyer, or the Company and a third party, which might reasonably be considered likely to give rise to a Claim or a Tax Warranty Claim; or
 - 2.1.2 the Company should reasonably be expected, without prejudicing to any material extent the goodwill of the Buyer or the Company, to be able to make recovery from some person other than the Sellers any sum in respect of any facts or circumstances by reference to which the Buyer has a Claim or Tax Warranty Claim against the Sellers,

(each being a “**Third Party Matter**”).
- 2.2 In the event of the officers of the Buyer becoming aware that any Third Party Matter may be reasonably likely to exist:
 - (a) as soon as reasonably practicable and in any event within 10 Business Days of the date upon the Buyer (or any member of the Buyer’s group) becoming actually aware of the Third Party Matter, give written notice of the Third Party Matter to the Sellers specifying in reasonable detail the nature of the Third Party Matter;
 - (b) keep the Sellers reasonably informed of the progress of, and all material developments in relation to, the Third Party Matter; and
 - (c) if requested by the Sellers, provide the Sellers (at the Sellers’ expense) with copies of any material documents and correspondence relating to the Third Party Matter (subject to legal professional privilege and any obligations of confidence that are binding on the Buyer or any other member of its Group)..
- 2.3 Subject to the Sellers indemnifying the Buyer in accordance with paragraph 2.4, the Buyer:
 - (a) shall consult with the Sellers regarding the conduct of the Third Party Claim; and
 - (b) shall not (and shall procure that no other member of the Buyer’s Group shall) agree any compromise or settlement, or make any admission of liability or payment, in relation to the Third Party Matter without the prior written consent of the Sellers, such consent not to be unreasonably withheld, conditioned or delayed, provided that

nothing in this clause shall prevent the Buyer from agreeing (or permitting to be agreed) any compromise or settlement, or from making (or permitting to be made) any payment in respect of a Third Party Claim if the Buyer acting reasonably considers that a failure to do so would be prejudicial to its interests (or the interests of any other member of its Group), or would otherwise damage the goodwill of its business (or of any other member of its Group).

- 2.4 The Sellers shall indemnify in respect of all costs, charges and expenses that are reasonably and properly incurred by the Buyer (or any other member of the Buyer's Group) as a consequence of any actions taken at the request of the Sellers in accordance with paragraph 2.3.
- 2.5 The Sellers shall have no liability in respect of a Claim or a Tax Warranty Claim where and to the extent that the liability pursuant to the relevant Claim or Tax Warranty Claim arises or is increased as a result of a failure by the Buyer (or any other member of the Buyer's Group) to act in accordance with any reasonable request or direction given by the Sellers in accordance with paragraph 2.3

3 GENERAL

- 3.1 If the Sellers make a payment to the Buyer in respect of a Claim or Tax Warranty Claim and the Buyer, the Company or Yooma subsequently recovers from a third party a sum which is referable to that Claim or Tax Warranty Claim, the Buyer shall promptly repay to the Sellers the lower of the amount recovered from such third party (less all reasonable costs, charges and expenses incurred by the Buyer, the Company or Yooma in recovering that sum); and the amount paid to the Buyer by the Sellers in respect of the relevant Claim or the Tax Warranty Claim. Any amount repaid to the Sellers pursuant to paragraph repaid shall be deemed to have never been paid by the Sellers to the Buyer.
- 3.2 The Sellers shall not be liable to pay damages or other compensation or reimbursement more than once in respect of the same loss in relation to any Claim, Tax Warranty Claim or Tax Covenant Claim, or any other claim made in respect of this agreement.
- 3.3 Nothing in this Schedule 5 restricts or limits the Buyer's general obligation at law to mitigate any loss or damage which it may incur in consequence of a matter giving rise to a Claim or Tax Warranty Claim.
- 3.4 Nothing in this Schedule 5 shall apply to exclude or limit the liability of the Sellers to the extent that a Claim, Tax Warranty Claim or Tax Covenant Claim arises by reason of any fraud or fraudulent misrepresentation or dishonest, reckless or wilful misconduct or omission by or on behalf of the Sellers or any of them.
- 3.5 The satisfaction by the Sellers of any Claim, Tax Warranty Claim or Tax Covenant Claim shall be deemed to constitute a reduction in the Consideration, but so that such reduction shall not be deemed to take effect for the purposes of paragraph 1.3
- 3.6 The provisions of Schedule 6 shall apply in relation to Tax.

SCHEDULE 6 - TAX

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 Completion 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 Completion Accounts or which would have appeared in the Completion Accounts but for the presumed availability of such Relief.
- Buyer's Group** the Buyer and any company within the same group or association of companies as the Buyer for the purposes of Tax.
- CTA 2009** the Corporation Tax Act 2009.
- CTA 2010** 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;
- IHTA** the Inheritance Tax Act 1984.
- IHT Liability**
- (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

the Income Tax (Earnings and Pensions) Act 2003.

Liability for Tax

- (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 such Loss) 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 Seller 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

any provision for Tax (other than deferred tax) in the Completion Accounts which is an overprovision or any right to repayment of Tax in the Completion Accounts that has proved understated or where no right to repayment of Tax was treated as an asset in the Completion Accounts whether any amount should have been treated as an asset in the Completion Accounts in each case applying the accounting policies, principles, and practices adopted in relation to the preparation of the Completion Accounts other than as a result of:

- a) an Event occurring after 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

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

- (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 Seller would not have been liable under Part 3 of this Schedule, by the use of any Relief arising wholly as a result of a Liability for Tax in respect of which the Seller has made a payment under Part 3 of this Schedule.

Tax or Taxation

- (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.

Tax Authority	any statutory or governmental authority or body of any jurisdiction involved in the collection or administration of Tax.
Tax Claim	any notice, demand, assessment, self-assessment, letter or other document issued, or action taken, by or on behalf of any Tax Authority or any other person from which it appears that the Company is or may be subject to a Liability for Tax or other liability in respect of which the Seller is or may be liable under Part 3 of this Schedule.
Tax Statute	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	the Taxation of Chargeable Gains Act 1992.
VAT	value added tax as provided in VATA and any other Tax of a similar nature.
VATA	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 Tax Warranties and the Tax Covenant shall be given in respect of and in relation to each Group Company;
 - 2.2 a Liability for Tax in respect of income, profits or gains earned, accrued or received on or before a particular date 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 on or before such date 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 any combination of two or more Events all of which shall have occurred (or be deemed for the purposes of Tax to have occurred) on or before Completion.
3. 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.

- 4 In interpreting this Schedule, it shall be assumed for the purposes of determining whether a Liability for Tax or any Relief arises on, before or after Completion, that the date of Completion is the end of an accounting period for the purposes of section 10 CTA 2009..

PART 2 – 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 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 so far as the Seller is aware there are no facts or circumstances that may 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 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 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 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 (that it is required by law to keep and maintain) 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 Accounts Date or acquired since that date but before Completion.
- 1.7 The Company is not, nor so far as the Sellers are aware 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 The exchange of this Agreement has not given rise to a Liability for Tax and so far as the Sellers are aware, Completion will not give rise to any such Liability for Tax.
- 1.10 The payment of the Purchase Price will not give rise to any liability of the Buyer to pay an amount for Tax or a Liability for Tax comprising PAYE income tax or national insurance contributions.
- 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.
- 1.12 The Company has not become subject to the obligation to make a notification to HMRC under section 92 of the Finance Act 1995.
- 1.13 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.
- 1.14 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.
- 1.15 The 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 Accounts for deferred tax in accordance with generally accepted accounting principles.
- 1.16 The Disclosure Letter contains full particulars of all matters relating to Tax in respect of which the Company is, or at Completion, will be entitled to:
 - 1.16.1 make any claim (including a supplementary claim), disclaimer or election for relief under any Tax Statute or other provision; and/or
 - 1.16.2 appeal against any assessment or determination relating to Tax; and/or
 - 1.16.3 apply for a postponement of Tax.

2 Corporation Tax Instalment Payments, etc

- 2.1 The Company is not a **large company** within the meaning of regulation 3 of the Corporation Tax (Instalment Payment) Regulations 1998.

3 Computation of Profits and Losses

- 3.1 Since the 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 Accounts Date;
 - 3.1.2 no expenses of an income nature in excess of five thousand pounds (£5,000) 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 sum which would be allowed under section 38 of TCGA as a deduction from the consideration received for each asset of the Company (other than trading stock) if disposed of on the date of this agreement would not be less than (in the case of an asset held on the Accounts Date) the book value of that asset shown or included in the Accounts or (in the case of an asset acquired since the Accounts Date) an amount equal to the consideration given for its acquisition.
- 4.2 The Company has not disposed of or acquired any asset in circumstances falling within sections 17 or 18 of TCGA.
- 4.3 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 Accounts Date.
- 4.4 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.
- 4.5 The Company has not received any asset by way of gift.
- 4.6 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.

- 4.7 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 Save to the extent reflected in the deferred tax provision in the Accounts, no balancing charge in respect of any capital allowances claimed or given would arise if any asset of the Company (or, where computations are made for capital allowances purposes for pools of assets, all the assets in that pool) were to be realised for a consideration equal to the amount of the book value of that asset as shown or included in the Accounts.
- 5.2 No event has occurred since the Accounts Date (otherwise than in the ordinary course of business) whereby any balancing charge may fall to be made against, or any disposal value may fall to be brought into account by, 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.
- 5.3 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.
- 5.4 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.

8 **Close Companies**

- 8.1 The Company is not and has never been a close investment-holding company as defined in section 34 of 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.

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 section 765 of ICTA 1988 (migration of companies) without the prior written consent of HM Treasury.

11 **Anti-Avoidance**

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 and to which specific anti-avoidance legislation applied or to which the principle in *W. T. Ramsey Limited v IRC* (54 TC 101) or *Furniss v Dawson* (55 TC 324) was applicable, or has been involved in any transaction or arrangements to which the principles in *Halifax (C-255/02)* as developed in subsequent cases applied, or that the General Anti-Abuse Rule (set out in Part 5 of the Finance Act 2013) might apply.

- 11.1 All transactions or arrangements made by the Company have been made on fully arm's length terms and, so far as the Seller is aware, there are no circumstances in which Part 4 of the Taxation (International and Other Provisions) Act 2010 or any other rule or provision applies 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.

- 11.2 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:
- 11.2.1 a UK tax evasion facilitation offence under section 45 of the CFA 2017; or
 - 11.2.2 a foreign tax evasion facilitation offence under section 46 of the CFA 2017.
- 11.3 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, so far as the Seller is aware, 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 So far as the Seller is aware, 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 The Company is a taxable person and is duly registered for the purposes of VAT
- 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 denied full credit for all input tax.
- 13.4 The Company has not made and is not otherwise bound by any option to tax (pursuant to paragraph 2 of schedule 10 of VATA).
- 13.5 No asset of the Company is a capital item for the purposes 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, so far as the Seller is aware, 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.
- 13.9 The Disclosure Letter contains full particulars of all claims which have been, or could be, made by the Company under sections 78 or 79 of VATA 1994. There are no circumstances under which an assessment under section 78A of VATA 1994 has been, or could be, made on the Company.

14 **Employment Related Securities**

- 14.1 No employee or director or, so far as the Seller is aware, 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 is liable 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 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 is necessary in proving the title to any asset that is owned by the Company at Completion or any document that the Company is required 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 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 Seller 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.

19. **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 Accounts Date is less than £1 million.

20. **Corona Virus**

- 20.1 No employee of the Company has been furloughed under the corona virus job retention scheme.
- 20.2 The Company has not received any funds from a Tax Authority under measures designed to assist businesses during the COVID-19 crisis.
- 20.3 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 Seller hereby covenants 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 Seller or any person which is or has been either associated or in the same group as or connected with the Company or the Seller;
- 1.5 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 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;
- 1.6 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;
- 1.7 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 Purchase Price pursuant to this agreement together with any related fine, penalty or interest;
- 1.8 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 before Completion and at a time when the third party was acting at the request of, on the instructions of, or for the benefit of, the Seller or an associate of or person connected with the Seller;

- 1.9 any Liability for Tax that arises due to any Event that occurs after Completion under a legally binding obligation (whether or not conditional) entered into by the Company on or before Completion otherwise than in the ordinary course of business and which relates to the disposal of an asset or supply of goods or services to which transfer pricing rules apply and where market value is substituted for the agreed consideration for such disposal, in which case the amount of the Liability for Tax shall be limited to the Tax payable in relation to any excess of such substituted value over the agreed consideration; and
- 1.10 all reasonable costs and expenses properly incurred by the Company or the Buyer in connection with a Tax Claim or in successfully taking or defending any action under this Schedule.

PART 4 – LIMITATIONS AND PROCEDURE

1 Limitation of Seller's Liability

1.1 The Seller shall not be liable for any claim under the Tax Covenant or for any breach of the Tax Warranties in respect of any Liability for Tax to the extent that such Liability for Tax:

1.1.1 was reserved for or was provided for (other than a provision for deferred tax) in the Completion Accounts (or such provision or reserve was reflected in the Completion Accounts) or such liability was discharged before the Accounts Date and the discharge was recognised in the Completion Accounts;

1.1.2 arises or is increased only as a result of any change in Tax Statute or any increase in rates of Tax or any introduction of or change in legislation or a published extra-statutory concession or published practice of any Tax Authority occurring after Completion, other than a change introduced to target Tax avoidance (other than any penalty, charge, surcharge, fine or interest) (in each case) announced and coming into force after Completion (provided that this paragraph 1.1.2 shall not apply to any amounts payable under paragraph 3 of this Part 4 of this Schedule);

1.1.3 arises or is increased as a result of any change in the accounting policies, bases and practices applicable to the Company (including without limitation the date to which the Company prepares its accounts, the treatment of timing differences, the bases on which the Company values its assets) after Completion save where such change is made in order to comply with generally accepted accounting principles as they applied at Completion;

1.1.4 any matter or liability giving rise to it is relieved or mitigated by any Relief other than a Buyer's Relief which is available at no cost to the Buyer's Tax Group;

1.1.5 arises or is increased solely by reason of:

1.1.5.1 any failure by the Buyer or the Company after the date of this Agreement to make any valid claim, disclaimer, election or surrender or give any notice or consent or do any other thing after Completion in each case for Tax purposes, the making, giving or doing of which was taken into account in the Completion Accounts and the requirement to make, give or do it notified by the Seller or its duly authorised agent to the Buyer in reasonably sufficient time to allow it to be validly made, given or done or

1.1.5.2 the voluntary amendment, modification, disclaimer or withdrawal by or at the instigation of the Buyer after Completion of any claim, disclaimer, election, surrender, notice or consent validly and properly made

or given by the Company for Tax purposes on or before Completion;

- 1.1.6 is attributable to any income, profits or gains which were actually received by the Company on or before Completion but were not reflected in the Completion Accounts, provided such income, profits or gains are retained by the Company at Completion;
- 1.1.7 has been discharged by insurers or the Company or the Buyer has been otherwise compensated for such liability by any other person other than the Buyer or any member of the Buyer's Tax Group without cost to the Company, the Buyer or any member of the Buyer's Tax Group;
- 1.1.8 has been the subject of a claim for breach of the Tax Warranties or has to any extent been recovered by the Company and/or the Buyer under any other provision of this Agreement;
- 1.1.9 would not have arisen but for a voluntary act or transaction of the Company 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 or transaction:
 - 1.1.9.1 undertaken pursuant to a legally binding obligation entered into by the Seller or the Company and in existence at Completion;
 - 1.1.9.2 the Company is compelled to undertake in order to comply with any law or regulation or for the purpose of avoiding or mitigating a penalty imposable by such law or regulation (but shall not include the voluntary disclosure by the Buyer or the Company to any Taxation Authority in respect of any matter relating to the Tax affairs of the Company or the Buyer); or
 - 1.1.9.3 anything done at the written request of the Seller.
- 1.2 The Seller shall not be liable in respect of any breach of the Tax Warranties if and to the extent that the loss is or has been included in any claim under the Tax Covenant which has been satisfied in cleared funds or vice versa in respect of any claim under the Tax Covenant.
- 1.3 The liability of the Seller under this Schedule is also limited by those provisions of Schedule 4 of this agreement which are specified expressly therein to apply to the Tax Warranties and/or the Tax Covenant (as applicable).
- 1.4 The liability of the Sellers under Part 3 of this Schedule will terminate on the seventh anniversary of Completion except for any claim under Part 3 of which written notice is given to the Seller before that relevant date containing, if reasonably practicable, a description of that claim and the estimated total amount of the claim.

- 1.5 The maximum liability of the Seller under Part 3 of this Schedule will be governed by paragraph 1.3 of Schedule 5.
- 1.6 **Disputes and Conduct of Tax Claims**
- 1.7 If the Buyer shall become aware of a Tax Claim the Buyer shall, or shall procure that the Company shall, as soon as reasonably practicable give notice of that Tax Claim to the Seller but so that the giving of such notice shall not be a condition precedent to the Seller's liability under this Schedule.
- 1.8 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, dispute, defend, resist, appeal, request an internal HMRC review or compromise any Tax Claim provided always that:
- 1.8.1 neither the Buyer nor the Company shall be obliged to delegate the conduct of such action to any or all of the Seller or their agents or professional advisers;
- 1.8.2 the Seller agree to pay to the Buyer and the Company an amount equal to any reasonable and proper costs and 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 tenth Business Day after service by the Buyer to the Seller 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 1.8.1, **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. The Buyer hereby undertakes to keep the Seller informed in writing on a regular basis of the amount of outstanding costs and expenses as are referred to above;
- 1.8.3 the Company shall not be obliged to appeal against any assessment for Tax if, having given the Seller 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 Seller, in accordance with the provisions of this paragraph 1.8, to make that appeal;
- 1.8.4 neither the Buyer nor the Company shall be obliged to comply with any instruction of the Seller or any of the Sellers which involves contesting any assessment for Tax before any court or other appellate body unless tax counsel of at least ten (10) years standing instructed by agreement between the Buyer and the Seller (at the sole expense of the Sellers) and after full disclosure of all relevant information and documents) advises in writing that such appeal is, on the balance of probabilities, likely to succeed; and

- 1.8.5 neither the Buyer nor the Company shall be obliged to comply with any instruction of the Sellers or any of the Seller 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 increase the liability of the Company to Tax, the Buyer or any member of the Buyer's Group or is likely to materially adversely affect the business of the Company.
- 1.9 The Seller shall not be entitled to:-
- 1.9.1 conduct negotiations and/or proceedings; or
- 1.9.2 attend any meetings with a Tax Authority;
- in respect of the Tax Claim in the name of the Company.
- 1.10 If the Seller (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, negligent or dishonest conduct in relation to the Tax affairs of the Company, it is alleged in writing on reasonable grounds that the Company has caused a Loss of Tax carelessly or deliberately or any action or other step is taken or legal proceedings are started to make the Seller bankrupt the provisions of this paragraph 1.6 (except the requirement to notify the Seller of a Tax Claim in accordance with paragraph 1.7) shall not apply and the Seller shall cease to have any rights under this Schedule.
- 1.11 If:
- 1.11.1 the Seller does not request the Buyer or the Company to take any action under paragraph 1.8, within a period of time (commencing with the date of the notice given to the Seller pursuant to paragraph 1.7) 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;
- 1.11.2 the Sellers has 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 1.8.1 within the required time for payment;
- 1.11.3 paragraph 1.10 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.
- 1.12 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 1.6 if the Buyer or the Company has bona fide acted in accordance with the instructions of the Seller.

2 **Payment Date and Interest**

- 2.1 Where the Seller 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 Buyer has served notice on the Seller demanding that payment and:
- 2.1.1 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
 - 2.1.2 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
 - 2.1.3 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
 - 2.1.4 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.
- 2.2 If any sums required to be paid by the Seller 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 four per cent (4%) per annum over the base rate from time to time of Barclays Bank Plc or (in the absence of 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.

3 **Taxation of Payments**

- 3.1 Any sum payable by the Seller 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.
- 3.2 If any deduction or withholding is required by law to be made from any payment by the Seller under this agreement or if the Buyer is subject to Tax in respect of such payment the Seller 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.

3.3 If the Buyer would, but for the availability of a Relief, incur a taxation liability falling within paragraph 3.2, it shall be deemed for the purposes of that paragraph to have incurred and paid that liability.

3.4 If the Buyer is or becomes resident for Tax purposes in any jurisdiction other than the United Kingdom or if the Buyer assigns the benefit of this Tax Covenant, the Seller shall have no greater liability under this paragraph 4 than it would have had had the Buyer not been so Tax resident or had the Buyer not assigned the benefit of this Tax Covenant.

4 Recovery from Other Persons

4.1 If, on or before the seventh 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 who have not previously given an indemnity in favour of the Company in respect of such liability) any amount in relation to a Liability for Tax of the Company in respect of which the Seller has made a payment under this Schedule, the Buyer will repay to the Seller the lesser of:

4.1.1 the amount so recovered net of any Tax on that amount and the costs and expenses incurred in recovering that amount; and

4.1.2 the amount paid by the Seller under this Schedule in respect of the Liability for Tax in question less any part of such amount previously repaid to the Seller under any provision of this Schedule or otherwise.

5.2 The Buyer or the Company (as the case may be) shall be entitled to set off the amount repayable under paragraph 4.1 against any sum then due by the Seller to the Buyer under this Schedule and the Buyer or the Company (as the case may be) shall pay any balance of the amount repayable under paragraph 4.1 remaining after any set off or retention to the Seller, as soon as reasonably practicable after such balance arises or excess is determined.

5 Overprovisions

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

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

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

5.3 to the extent that the excess referred to in paragraph 5.2 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 Seller under this Schedule.

6 Savings

If, on or before the sixth anniversary of Completion (at the Seller's 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 Seller the lesser of:

- 6.1 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
- 6.2 the amount paid by the Seller 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 Seller under any provision of this Schedule or otherwise.

7 Corporation Tax Returns

- 7.1 In this Paragraph 8:
 - 7.1.1 "Relevant Returns" means the corporation tax returns and computations of the Company in respect of any accounting period ended on or prior to Completion;
 - 7.1.2 "Relevant Returns Correspondence" means all documents, correspondence and communications relating to the Relevant Returns which shall be received from or sent to HMRC;
 - 7.1.3 "Straddle Period" means the accounting period of the Company commencing prior to Completion and ending after Completion
- 7.2 To the extent not done so before Completion, the Seller at their cost and expense of the Company shall or shall procure that the Seller's authorised agent prepare the Relevant Returns and deal with all Relevant Returns Correspondence, subject to the provisions of this Paragraph 8.
- 7.3 The Seller shall or shall procure that the Seller's authorised agent shall submit drafts of the Relevant Returns to the Buyer and to the Company in each case at least one month prior to the last date on which the applicable Relevant Returns are required to be submitted to HMRC without incurring a fine or penalty.
- 7.4 The Buyer may make reasonable comments in relation to the drafts of the Relevant Returns and shall inform the Seller of any such comments, which the Seller shall incorporate into the Relevant Returns (provided always that such reasonable comments or amendments are true, accurate and not misleading). The Relevant Returns shall then be forwarded (as amended) to the Buyer in each case within 10 business days of the date by which the applicable Relevant Returns are required to be submitted to HMRC.
- 7.5 The Buyer shall submit the Relevant Returns (as amended if applicable) to HMRC and shall keep the Seller informed of all material matters relating to the submission of the Relevant Returns (including provision of copies of the Relevant Returns Correspondence) to enable the Seller to deal with the negotiation and agreement of such Relevant returns and Returns Correspondence.

- 7.6 The Seller shall take all reasonable steps to ensure that the Relevant Returns are prepared and agreed with the relevant Taxation Authority as soon as reasonably practicable.
- 7.7 The Buyer shall procure that the Company keeps the Seller fully informed of the Tax affairs of the Company in respect of the Straddle Period and shall provide the Seller with copies of all relevant documents and shall not submit any correspondence or submit or agree any return or computation for such period, to any Taxation Authority without giving the Seller a reasonable opportunity to make representations thereon in relation to that portion of the Straddle Period that falls before Completion and taking into account all such representations insofar as they are reasonable and relate to such portion of the Straddle Period that falls before Completion.
- 7.8 The Buyer shall procure that the Company provides the Seller with such assistance, documents and information (including, without limitation, access to books, accounts, personnel and records), as the Seller may reasonably require in writing, in connection with its rights pursuant to this paragraph.
- 7.9 The provisions of Paragraph 2 (Disputes and Conduct of Tax Claims) shall take precedence over this Paragraph 8 and this Paragraph 8 shall not prejudice the right of the Buyer to bring any claim under this Schedule.

8 **Buyer's Covenant**

- 8.1 The Buyer hereby covenants to pay to the Seller an amount equal to any liability to Tax which the Seller may incur as a result of a failure after Completion by the Company or the Buyer to discharge any liability to Tax that was primarily assessable on the Company.
- 8.2 The covenant contained in Paragraph 9.1 shall:
- 8.2.1 extend to any reasonable costs properly incurred in connection with such Tax or a successful claim under Paragraph 9.1;
 - 8.2.2 not apply to the extent that the Buyer could claim payment in respect of the liability in question under Paragraph 2.1 of this Schedule, except to the extent a payment has been made pursuant to Paragraph 2.1 and the Taxation to which it relates was not paid by the Company; and
 - 8.2.3 not apply to the extent the liability in question has been recovered under any relevant statutory provision (and the Seller shall procure that no such recovery is sought to the extent that payment is made hereunder).
- 8.3 Any sums payable by the Buyer to the Seller under Paragraph 9.1 shall be paid within five (5) business days after the Seller notifies the Buyer in writing of the liability to make a payment and the amount of that payment.
- 8.4 Paragraphs 3.2 and 4 of this Part 3 to this Schedule 6 shall apply to the covenant contained in this Paragraph 9 as it applies to the covenant contained in Paragraph 1, replacing reference to the Seller with the Buyer (and vice versa) and making any other necessary modifications.

SCHEDULE 7 - PROPERTIES

[Redacted – personal and competitively sensitive information]

SCHEDULE 8 - INTELLECTUAL PROPERTY

PART 1 - REGISTERED IPR

REGISTERED TRADE MARKS

[Redacted – competitively sensitive information]

PART 2 - MATERIAL UNREGISTERED COMPANY INTELLECTUAL PROPERTY

[Redacted – competitively sensitive information]

[Redacted – competitively sensitive information]

[Redacted – competitively sensitive information]

PART 3 - INTELLECTUAL PROPERTY AGREEMENTS

TBC

PART 4 - DOMAIN NAMES

[Redacted – competitively sensitive information]

[Redacted – competitively sensitive information]

SCHEDULE 9 - COMPLETION ACCOUNTS

PART A-FORM OF COMPLETION ACCOUNTS

[Redacted – competitively sensitive information]

PART B-BASIS OF PREPARATION

1 GENERAL

- 1.1 The provisions of this Schedule 9 shall apply for the purposes of completing Column B of the Completion Accounts in respect of the Company as at 23.59 p.m. on the Completion Date.
- 1.2 The Completion Accounts shall contain the line items set out in the first column of the table set out in Part A of this Schedule 9 and shall be prepared:

- 1.2.1 in accordance with the specific accounting policies included in paragraph 3 of this Schedule;
 - 1.2.2 using the same accounting policies, principles, policies and bases and practices consistent with those used in preparing the Accounts; and
 - 1.2.3 on a historical cost basis and on a going concern basis in accordance with IFRS.
- 1.3 In the event of a conflict between sub-paragraphs, 1.2.1 and 1.2.3 such provisions shall prevail in that order of priority.

2 COMPLETION ACCOUNTS

- 2.1 Within 30 Business Days of Completion the Sellers shall procure that the Completion Accounts shall be prepared, with values (in British Pounds Sterling) inserted into Column B of the form of the Completion Accounts as set out in Part A of this Schedule 9, in accordance with this Part B of this Schedule 9 and delivered to the Buyer together with the Seller's supporting working papers.
- 2.2 The Buyer shall ensure that within 15 Business Days starting on the date after receipt of the Completion Accounts that they notify the Sellers whether or not they agree with the Completion Accounts and deliver to the Sellers a comprehensive list of any adjustments they require to the Completion Accounts specifying in reasonable detail those matters which they consider may be in dispute between them and their best estimate of the quantum of the adjustment.
- 2.3 If the Buyer notifies the Sellers of their agreement with the Completion Accounts they shall constitute the final form of the Completion Accounts which are agreed between the parties. If the Buyer does not notify the Sellers of their agreement or disagreement with the draft Completion Accounts or do not deliver a list of any adjustments required and other information as specified in paragraph 2.2 within the prescribed period, the Completion Accounts shall also then constitute the final Completion Accounts which are agreed as final between the parties. In each such case, the Completion Accounts shall (in the absence of manifest error) thereupon become final and binding between the parties.
- 2.4 If the Buyers notify the Sellers that they disagree with the form of the Completion Accounts, the Sellers and the Buyer shall, within 15 Business Days starting on the date of receipt of such notification, endeavour to agree, through correspondence between them, both acting in good faith, upon adjustments to the Completion Accounts and, if they shall so agree, the Completion Accounts as adjusted shall (in the absence of manifest error) thereupon become final and binding on the Buyer and the Sellers. Only matters, notified to the Sellers pursuant to paragraph 2.2 shall be reviewed, and if agreed, adjusted pursuant to this paragraph.
- 2.5 If within the period prescribed in paragraph 2.4, the Sellers and the Buyer have not agreed on the Completion Accounts then any matters in dispute and which were notified to the Sellers in accordance with paragraph 2.2, shall thereupon be referred to the Independent Accountant for determination. The Independent Accountant shall be instructed to notify the Sellers and the Buyer of his determination of the matters in dispute within 30 Business Days of the referral to him. He shall be instructed to act as an expert and not as an arbitrator and to notify his decision by means of a written determination. If the Independent Accountant is not satisfied that the Completion Accounts as provided by the Sellers accord with the provisions of this schedule he shall be instructed to make such adjustments thereto as he shall consider appropriate. The Independent Accountant shall be entitled to such professional assistance and advice as he may reasonably require. The Sellers and the Buyer shall be entitled to make written submissions to the Independent Accountant (provided they simultaneously furnish a copy thereof to the other) but subject as aforesaid the Sellers and the Buyer shall permit the Independent Accountant to determine the procedure to be followed with regard to his determination of the matters in dispute. The Independent Accountant's decision shall (in the absence of manifest error) be final and binding on the Sellers and the Buyer and his costs shall be borne as he shall

determine. The Completion Accounts as approved or adjusted by the Independent Accountant shall constitute the Completion Accounts and the Completion Accounts as approved or adjusted (as the case may be) shall (in the absence of manifest error) thereupon become final and binding on the Buyer and the Sellers.

- 2.6 The Buyer and the Sellers shall procure that they provide to each other and to the Independent Accountant all reasonable assistance and access to or copies of the Company's working papers in connection with the preparation and agreement of the Completion Accounts including access to the Company's books of account and financial records relative to the agreement or determination of the draft Completion Accounts.
- 2.7 Subject to paragraph 2.5, the Buyer and the Sellers shall each bear and pay their own costs of preparing and agreeing the Completion Accounts.

3 **SPECIFIC ACCOUNTING POLICIES**

3.1 *[Redacted – competitively sensitive information]*

3.1.1 *[Redacted – competitively sensitive information]*

3.1.2 *[Redacted – competitively sensitive information]*

3.1.3 *[Redacted – competitively sensitive information]*

3.1.4 *[Redacted – competitively sensitive information]*

3.2 *[Redacted – competitively sensitive information]*

3.3 *[Redacted – competitively sensitive information]*

SCHEDULE 10 2022 REVENUE AND DEFERRED CONSIDERATION

1. The specific value of the Deferred Consideration shall be agreed or determined (as the case may be) by reference to the table set out in clause 3.1.3 and in accordance with paragraph 2 and paragraph 3 of this Schedule.
2. **2022 Revenue Statement and the value of the Deferred Consideration**
 - 2.1 The Buyer shall procure that the 2022 Accounts are prepared and audited as soon as practicable and in any event within 120 days of 31 December 2022.¹
 - 2.2 Within 10 Business Days of the signing of the 2022 Accounts, the Buyer shall deliver to the Sellers:
 - (a) a copy of the 2022 Accounts; and
 - (b) a statement prepared by the Buyer's accountants (the "**2022 Revenue Statement**") setting out detail:
 - (i) its calculation of the 2022 Revenue;
 - (ii) any adjustments made in calculating the 2022 Revenue; and
 - (iii) its calculation of the resulting Deferred Consideration (if any) payable to the Sellers, by reference to the table in clause 3.1.3.
 - 2.3 The Sellers shall, within 20 Business Days from receipt of the 2022 Accounts and the 2022 Revenue Statement for a Financial Year (the "**Review Period**"), deliver to the Buyer a written notice stating whether it agrees with the 2022 Revenue Statement and the Buyer's calculation of the value of the Deferred Consideration due. In the case of any disagreement, the notice (an "**Objection Notice**") shall specify the areas disputed by the Sellers and describe, in reasonable detail, the basis for the dispute.
 - 2.4 If the Sellers fail to deliver an Objection Notice during the Review Period they shall, with effect from the expiry of the Review Period, be deemed to agree the 2022 Revenue Statement and the value of the Deferred Consideration specified in it.
 - 2.5 During the Review Period, the Buyer shall upon reasonable notice and during normal business hours, permit the Sellers (and their appointed agents or advisers) to access and review the Buyer's working papers relating to the preparation of the 2022 Revenue Statement and such books and records of the Company as the Sellers (or their appointed agents or advisers) may reasonably require for the purpose of reviewing the 2022 Revenue Statement and the Buyer's calculation of the corresponding value of the Deferred Consideration.
 - 2.6 If the Seller serves an Objection Notice in accordance with paragraph 2.3 of this Schedule, the parties shall seek in good faith to resolve the disputed matters and agree the amount of the 2022 Revenue and the value of the Deferred Consideration. If the parties are unable to reach agreement within 20 Business Days off the service of the Objection Notice, then at any time following the expiry of such period either party may, by written notice to the other (a "**Resolution Notice**"), require the disputed matters to be referred to an Expert for determination in accordance with paragraph 3 of this Schedule.

¹ [Redacted – competitively sensitive information]

2.7 The Company shall bear the costs incurred in connection with the preparation of the 2022 Revenue Statement and the calculation of the Deferred Consideration, otherwise the parties shall bear their own cost with respect to the review of the 2022 Accounts, the 2022 Revenue Statement and the determination of the value of the Deferred Consideration, unless otherwise stated in this agreement.

3. Expert determination

3.1 If a Resolution Notice is served by either party, the parties shall use all reasonable endeavours to reach agreement regarding the identity of the person to be appointed as the Expert and to agree terms of appointment with the Expert as soon as reasonably possible. Neither party shall unreasonably withhold its agreement to the terms of appointment proposed by the Expert or the other party.

3.2 If the parties fail to agree on an Expert and their terms of appointment within 20 Business Days of either party serving details of a proposed Expert on the other, either party shall be entitled to request the President of the Institute of Chartered Accountants of England & Wales to appoint the Expert and to agree their terms of appointment on behalf of the parties.

3.3 Except for any procedural matters, or as otherwise expressly provided in this Schedule, the scope of the Expert's determination shall be limited to determining the unresolved matters in the Objection Notice relating to:

(a) whether the 2022 Revenue Statement has been prepared, and the corresponding calculation of the Deferred Consideration has been made, in accordance with the requirements of this Schedule;

(b) whether any errors have been made in the preparation of the 2022 Revenue Statement and the corresponding calculation of the Deferred Consideration; and

(c) any consequential adjustments, corrections or modifications that are required for the 2022 Revenue Statement to have been prepared, and the corresponding calculation of the Deferred Consideration to have been made, in accordance with the requirements of this Schedule.

3.4 The parties shall co-operate with the Expert and shall provide (and in the case of the Buyer shall procure that the Company provides) such assistance and access to such documents, personnel, books and records as the Expert may reasonably require for the purpose of making their determination.

3.5 The parties shall be entitled to make submissions to the Expert including oral submissions, and each party shall, with reasonable promptness, supply the other party with all such information and access to its documentation, books and records as the other party may reasonably require in order to make a submission to the Expert in accordance with this paragraph.

3.6 To the extent not provided for in this paragraph 3, the Expert may in their reasonable discretion determine such other procedures to assist with the conduct of their determination as they consider just or appropriate including (to the extent they consider necessary) instructing professional advisers to assist in reaching their determination.

3.7 Unless otherwise agreed by the parties, the Expert shall be required to make their determination in writing (including the reasons for the determination) and to provide a copy to each party as soon as reasonably practicable and in any event within 30 Business Days of their appointment.

3.8 The Expert shall act as an expert and not as an arbitrator. Save in the event of manifest error or fraud the Expert's determination of any matters referred in accordance with this Schedule shall be final and binding on the parties.

- 3.9 Each party shall act reasonably and co-operate to give effect to the provisions of this paragraph 3 and shall not do anything to hinder or prevent the Expert from reaching their determination.
- 3.10 Each party shall bear and pay its own costs incurred in connection with the Expert's determination pursuant to this paragraph 3. The Expert's fees and any costs or expenses incurred in making their determination (including the fees and costs of any advisers appointed by the Expert) shall be borne equally between the Buyer and the Seller, or in such other proportions as the Expert may direct.

4. Conduct of business from Completion until 1 January 2023

- 4.1 The Buyer undertakes to the Sellers to procure that, during the period from Completion until 12.01 am on 1 January 2023 it shall not take (or omit) any action or decision which is intended to adversely affect or reduce the 2022 Revenue, provided always that this shall not prevent the Buyer from taking any actions that, in the opinion of the Buyer (acting reasonably and in good faith), are in the best interests of the Buyer or the Company, or the goodwill or the brands operated by the Buyer or Company, however notwithstanding this (save with the prior written consent of the Sellers' Representative):
- (a) the business of the Company shall be maintained as a separate business within the Company and shall operate the business of manufacturing, sale and distribution of products containing CBD provided that nothing shall prevent the Buyer from procuring that other members of its Group enter into arrangements for the supply of CBD or CBD products to the Company;
 - (b) the Buyer shall not dispose, assign or transfer, or agree to dispose of, assign or transfer the Sale Shares or the share capital of the Company;
 - (c) the Buyer shall procure that the Company shall not dispose of the whole or a material part of its undertakings or, except in the ordinary course of business, any of fixed asset or other asset or business acquired following Completion.

SCHEDULE 11STOCK

[Redacted – competitively sensitive information]

EXECUTED AND DELIVERED AS A DEED by *[Redacted – personal information]* in the presence of:
(Signed) “*Witness 1*”

[Redacted – personal information]

[Redacted – personal information]

[Redacted – personal information]

[Redacted – personal information]

)
) (Signed) “*Seller 1*”
)

Witness signature

Witness name

Witness address

Witness occupation

EXECUTED AND DELIVERED AS A DEED by *[Redacted – personal information]* as attorney for *[Redacted – personal information]* pursuant to a power of attorney dated 19 August 2021 in the presence of:
(Signed) “*Witness 2*”

[Redacted – personal information]

[Redacted – personal information]

[Redacted – personal information]

[Redacted – personal information]

)
) (Signed) “*Seller 2*”
)

Witness signature

Witness name

Witness address

Witness occupation

EXECUTED AND DELIVERED AS A DEED by *[Redacted – personal information]* as attorney for *[Redacted – personal information]* pursuant to a power of attorney dated 19 August 2021 in the presence of:
(Signed) “*Witness 3*”

[Redacted – personal information]

[Redacted – personal information]

[Redacted – personal information]

[Redacted – personal information]

)
) (Signed) “*Seller 3*”
)

Witness signature

Witness name

Witness address

Witness occupation

EXECUTED AND DELIVERED AS A DEED by *[Redacted – personal information]* in the presence of:
(Signed) “*Witness 4*”

[Redacted – personal information]

[Redacted – personal information]

[Redacted – personal information]

[Redacted – personal information]

)
) (Signed) “*Seller 4*”
)

Witness signature

Witness name

Witness address

Witness occupation

EXECUTED AND DELIVERED AS A DEED by **YOOMA EUROPE LIMITED** acting by one director in the presence of:
(Signed) "Harry Wang"

Harry Wang

[Redacted – personal information]

[Redacted – personal information]

)
)
)

(Signed) "Jordan
Greenberg"

Director

Witness signature

Witness name

Witness address

Witness occupation

EXECUTED AND DELIVERED AS A DEED by **YOOMA WELLNESS INC.** acting by one director in the presence of:
(Signed) "Harry Wang"

Harry Wang

[Redacted – personal information]

[Redacted – personal information]

)
)
)

(Signed) "Jordan
Greenberg"

Director

Witness signature

Witness name

Witness address

Witness occupation