



HERBERT
SMITH
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Execution Version**

14 April
.....2020

Smiths News Holdings Limited
and
Palm Bidco Limited

SALE AND PURCHASE AGREEMENT
The Big Green Parcel Holding Company
Limited

Herbert Smith Freehills LLP

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THIS AGREEMENT is made on 2020

BETWEEN:

- (1) **SMITHS NEWS HOLDINGS LIMITED** a company incorporated and registered in England and Wales with company number 04236079 whose registered office is Rowan House Cherry Orchard North, Kembrey Park, Swindon SN2 8UH (the "**Seller**"); and
- (2) **PALM BIDCO LIMITED** a company incorporated and registered in England and Wales with company number 12547241 whose registered office is 10 St Bride Street, London, EC4A 4AD (the "**Purchaser**");

RECITAL:

- (A) The Seller has agreed to sell and transfer to the Purchaser the entire issued share capital of the Company upon the terms and subject to the conditions set out in this Agreement.

IT IS AGREED as follows:

1. **INTERPRETATION**

- 1.1 The definitions and other interpretative provisions set out in Schedule 11 shall apply throughout this Agreement, including the recital, unless the contrary intention appears.
- 1.2 In this Agreement, except where the context otherwise requires, any reference to this Agreement includes a reference to the Schedules, each of which forms part of this Agreement for all purposes.

2. **SALE AND PURCHASE**

Sale and purchase

- 2.1 The Seller is the legal and beneficial owner of and shall sell and the Purchaser shall purchase the Sale Shares on the basis that they are sold at Completion with Full Title Guarantee and free from any Encumbrance and together with all rights attached to them at the date of this Agreement or subsequently becoming attached to them.
- 2.2 The Purchaser is not obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously and the Seller is not obliged to complete the sale of any of the Sale Shares unless the sale of all the Sale Shares is completed simultaneously.

Waiver of rights

- 2.3 The Seller waives and agrees to procure the waiver of any restrictions on transfer, including pre-emption rights, which may exist in relation to the Sale Shares, under the articles of association of the Company, any shareholders' agreement or otherwise.

3. **CONSIDERATION**

Consideration

- 3.1 Subject to adjustment in accordance with the provisions of this Agreement, including any adjustments in accordance with Clause 3.6 and Schedule 3, the consideration for the sale of the Sale Shares shall be the payment by the Purchaser to the Seller of an aggregate sum of £15,000,000 (fifteen million pounds) (the "**Consideration**") in accordance with Clauses 3.2 and 3.3.
- 3.2 Subject to Clause 11.1, the Purchaser shall pay:
 - 3.2.1 £6,500,000 (six million five hundred thousand pounds) on or prior to the date which is eighteen (18) months following Completion;

- 3.2.2 £4,250,000 (four million and two hundred and fifty thousand pounds) on or prior to the date which is twenty-seven (27) months following Completion; and
- 3.2.3 £4,250,000 (four million and two hundred and fifty thousand pounds) on or prior to the date which is thirty-six (36) months following Completion.
- 3.3 The Purchaser shall pay the Consideration by electronic transfer of immediately available funds to the account of the Seller (details of which shall be provided (and may be updated from time to time) in writing to the Purchaser).
- 3.4 The receipt of the total of the Consideration in cleared funds by the Purchaser in the relevant account in accordance with Clauses 3.2 and 3.3 on or prior to each relevant Payment Date shall constitute a valid discharge of the Purchaser's obligations under Clause 3.1.
- 3.5 The Consideration payable to the Seller pursuant to Clause 3.1 shall be deemed to be reduced by an amount equal to the aggregate amount (if any) paid by the Seller to the Purchaser pursuant to a Claim.

Locked Box

- 3.6 Schedule 3 shall apply.

Withholdings

- 3.7 Any payments made by or due by the Purchaser pursuant to this Clause 3 shall be paid free and clear of all Taxation whatsoever save only for any deductions or withholdings required by law.

4. CONDITION

Condition

- 4.1 Completion is conditional on either (i) the passing of the Resolution or (ii) Connect Group obtaining such number of written voting undertakings from Connect Group Shareholders to the effect that they would approve the Transaction and vote in favour of the Resolution were the Connect Group Shareholders Meeting to be held so as to ensure that the Resolution would be passed, in either case on or before 31 August 2020 (or such later date as the Parties may agree) (the "**Longstop Date**").
- 4.2 The Seller shall notify the Purchaser of the satisfaction of the Condition as soon as possible after such Condition has been satisfied and in any event within one Business Day of such satisfaction.

Despatch of Circular

- 4.3 As soon as reasonably practicable and, in any event, within five (5) Business Days following the date of this Agreement, the Seller shall use all reasonable endeavours to procure that Connect Group prepares and files with the FCA for its approval a draft copy of the Circular. The Seller shall use all reasonable endeavours to cause the Circular to be finalised and approved by the FCA as soon as reasonably practicable following the date of this Agreement.
- 4.4 Subject to Applicable Laws (in particular any requirement for a supplementary circular in accordance with the Listing Rules), the Seller shall, as soon as reasonably practicable following the FCA's approval of the Circular in accordance with Clause 4.3, use all reasonable endeavours to procure that Connect Group takes all actions in accordance with Applicable Laws, its constitutional documents and the Listing Rules to duly call, give notice of, and convene the Connect Group Shareholders Meeting, for a date not less than fourteen (14) and no more than twenty-one (21) Clear Days from the date of posting of the Circular and/or to seek written voting undertakings from such number of Connect Group Shareholders to the effect that they would approve the Transaction and vote in favour of the

Resolution were the Connect Group Shareholders Meeting to be held so as to ensure that the Resolution would be passed.

- 4.5 The Purchaser shall cooperate with the Seller in the preparation of the Circular and shall promptly provide for inclusion or incorporation by reference in the Circular all reasonably required information relating to the Purchaser or its Affiliates.

Failure to satisfy the Condition

- 4.6 If the Condition:

4.6.1 remains unsatisfied on the Longstop Date; or

4.6.2 becomes impossible to satisfy on or before the Longstop Date,

the Purchaser may give notice to the Seller that it wishes to terminate this Agreement and the Seller may give notice to the Purchaser that it wishes to terminate this Agreement.

Purchaser Costs

- 4.7 By way of compensation for any loss or damage (including incurring material costs and expenses) that may be suffered by the Purchaser on the occurrence of a Break Fee Event, the Seller Group shall pay the sum of £100,000 (inclusive of VAT) to the Purchaser within five (5) Business Days of such Break Fee Event in the event that, following the date of this Agreement:

4.7.1 a vote having been held on the Resolution, the Resolution is not passed by the Connect Group Shareholders at the Connect Group Shareholders Meeting; or

4.7.2 as at 5:30 p.m. on the Longstop Date, no vote has been held on the Resolution nor written voting undertakings have been obtained from such number of Connect Group Shareholders to the effect that they would approve the Transaction and vote in favour of the Resolution were the Connect Group Shareholders Meeting to be held so as to ensure that the Resolution would be passed,

(either event being a "**Break Fee Event**").

5. PRE-COMPLETION ACTIONS

Conduct of Business before Completion

- 5.1 Subject to Clause 5.2 to Clause 5.13 (both inclusive), pending Completion:

5.1.1 the Seller shall procure that each Group Company continues to carry on business in the normal course and in substantially the same manner as its business has been carried on before the date of this Agreement subject to any required changes (to which the Purchaser's prior consent has been given or deemed to have been given in accordance with Clause 5.3) to the conduct of any Group Company's business outside of the Seller's control resulting from the Group's need to respond to Covid-19; and

5.1.2 Schedule 4 shall apply.

- 5.2 Clause 5.1 and Schedule 4 shall not restrict or prevent any Group Company from doing anything:

5.2.1 permitted or required by this Agreement or any agreed form document (including, for the avoidance of doubt, the entry into any agreement between any member of the Seller Group and TPE for the repayment, assignment, waiver, capitalisation or equivalent of any monies owing to the Seller Group to facilitate the Seller satisfying its obligation pursuant to paragraph 1.6 of Part 1 of Schedule 5);

5.2.2 with the Purchaser's prior consent in accordance with Clause 5.3; and

5.2.3 required by any Applicable Laws or by any regulation of any recognised exchange.

- 5.3 The Purchaser's prior consent in accordance with Clause 5.2.2 (which shall not be unreasonably withheld, delayed or conditioned) may be given either in writing (including by e-mail) or verbally in response to any management proposal or information documented and presented to the Purchaser during any weekly call held pursuant to Clause 5.12.2(A). In the event the Seller seeks the consent of the Purchaser in respect of any action the Seller reasonably believes is required to be taken by the Seller in response to any act, event or circumstance outside the control of the Seller Group in relation to Covid-19 (where any failure or delay in any Group Company from taking any steps in response to such act, event or circumstance may have a material adverse impact on the business, performance or operations of any Group Company) and no positive or negative confirmation as to whether such consent is granted is given by the Purchaser to the Seller in accordance with this Clause 5.3 within 48 hours of such consent being sought, such consent will be deemed to have been granted.

Surrender of tax losses

- 5.4 Pending Completion, members of the Seller's Tax Group shall be permitted to receive by way of surrender from any Group Company any Group Relief which they would be entitled to receive on or after Completion under the operation of clause 11 of the Tax Deed.

Transfer of employment contracts

- 5.5 Prior to Completion, there will be an intra-group TUPE transfer pursuant to which the contracts of employment of the Transferring Employees will transfer from the relevant members of the Seller Group to TPE (subject to the right of any such individual to object to such transfer). The Seller shall provide the Purchaser with details of any individual who objects to such transfer within 2 Business Days of receipt of such objection.
- 5.6 Save as a result of implementing any "furlough" arrangements in accordance with any government Covid-19 job retention scheme (with the Purchaser's consent having been given or deemed to be given to such arrangements in accordance with Clause 5.3) and save for any measures that are notified to the affected employees as a result of the TUPE information and consultation process (such measures having been discussed in advance with the Purchaser), the Seller shall not and shall procure that the relevant members of the Seller Group or TPE shall not change the terms and conditions of employment of the Transferring Employees (whether before or after the transfer of their contracts of employment as per Clause 5.5) or take any measures (whether before or after the transfer of their contracts of employment) in connection with the Transferring Employees.
- 5.7 The Seller shall indemnify the Purchaser (for itself and on behalf of TPE) against any loss, costs, expenses, damages, or compensation in respect of any claim by or on behalf of any Transferring Employee or other affected employee for a failure by any of the Seller, the relevant members of the Seller Group or TPE to comply with Regulation 11 or Regulation 13 of TUPE in connection with the TUPE transfer as envisaged in Clause 5.5 and any claim or liability arising in relation to or as a result of a breach of Clause 5.6.
- 5.8 In the event that any Transferring Employee is dismissed by reason of redundancy in the six (6) months following Completion, the Purchaser shall procure that the Seller's discretionary enhanced redundancy pay policy is applied, to the extent that policy applied to such individual at the date of this Agreement and it was disclosed to the Purchaser.
- 5.9 Provided that the Purchaser has complied in full with the obligations set out in Clause 5.10:
- 5.9.1 the Purchaser (or TPE, as applicable) shall be entitled to submit an invoice to the Seller for the Enhanced Redundancy Costs within thirty (30) days after the date on

which TPE pays to the Eligible Redundant Employee such Enhanced Redundancy Costs;

- 5.9.2 the Purchaser shall provide to the Seller, and supply with the Purchaser's invoice:
- (A) such documents or information as the Seller may reasonably require to verify the Enhanced Redundancy Costs claimed by the Purchaser;
 - (B) information and relevant supporting documents to explain the process followed by TPE in compliance with its obligations under Clause 5.10; and
 - (C) the Seller shall discharge such invoice within thirty (30) days of receipt of the invoice and supporting documents (such payment to be made on an After Tax Basis).
- 5.10 The Purchaser shall procure that TPE shall follow a fair dismissal procedure and comply with its statutory and contractual requirements (in so far as it is reasonably possible) in respect of each Eligible Redundant Employee, including looking for and offering any Eligible Redundant Employees any suitable alternative employment with TPE or any of its Associated Companies (in accordance with its statutory obligations) and, for the avoidance of doubt, if any Eligible Redundant Employee unreasonably refuses an offer of suitable alternative employment, then the Seller shall not be liable for any Enhanced Redundancy Costs unless it is determined that such refusal was not unreasonable.
- 5.11 To the extent any Transferring Employees and/or any employees of TPE are furloughed prior to Completion (the "**Furloughed Employees**"), the Purchaser will use all reasonable endeavours (and/or will procure that TPE uses all reasonable endeavours, as applicable), to the extent such sums have not already been recovered and paid over to the Seller prior to Completion, to recover from HMRC any Furlough Amount to the maximum permissible extent. Within 5 Business Days of receipt of any such recovery from HMRC, the Purchaser will (or will procure that TPE will), pay fifty (50) per cent. of such amounts to the Seller.

Access

- 5.12 Subject to Applicable Laws, pending Completion the Seller shall procure that:
- 5.12.1 upon the Purchaser giving reasonable notice to the Seller, the Purchaser is given reasonable access during normal business hours to all material books and records of the Group; and
- 5.12.2 the persons nominated in writing by the Seller prior to Completion being representatives of the Group Companies and the Seller shall:
- (A) be available for a weekly call (on such Business Day and at such reasonable times as may be agreed) with the Purchaser and its professional advisers (if appropriate); and
 - (B) use reasonable endeavours to be available to discuss upon reasonable notice any additional ad hoc queries from the Purchaser or its senior representatives,

in each case where they shall provide the Purchaser with such information as it reasonably requires, including updates on the financial affairs of the Group Companies and any details of any material events or matters relating to them, provided always that the Seller shall not be required to disclose (and may procure that the Group Companies do not disclose) any confidential information relating to the Seller or any member of the Seller Group (other than the Group Companies).

Financial Statements

- 5.13 Prior to Completion, the Seller shall procure that the financial statements for the year ended 31 August 2019 of each Group Company (whose financial statements have not been filed as at the date of this Agreement) are filed at the UK Companies House.

6. COMPLETION

Completion Date

- 6.1 Completion shall take place on the Completion Date at the offices of Herbert Smith Freehills LLP in London or at such other place as the Seller and Purchaser shall agree.

Seller's Obligations

- 6.2 At Completion, the Seller shall observe and perform all of the provisions of Part 1 of Schedule 5.

Purchaser's Obligations

- 6.3 At Completion, the Purchaser shall observe and perform all of the provisions of Part 2 of Schedule 5.

Post-Completion Obligations

- 6.4 Part 3 of Schedule 5 shall apply.

Transferring Equipment

- 6.5 With effect from Completion, the Seller acknowledges and agrees (on behalf of itself and the relevant members of the Seller Group) that full legal and beneficial ownership to the Transferring Equipment shall immediately transfer to TPE. Following Completion, the Seller shall promptly deliver to the Purchaser any waivers, consents or other documents reasonably requested by the Purchaser to vest in TPE the full legal and beneficial ownership of the Transferring Equipment in accordance with this Clause 6.5.

7. SELLER WARRANTIES

Seller Warranties

- 7.1 Subject to the limitations in Clause 8, the Seller warrants to the Purchaser in the terms of the Seller Warranties as at the date of this Agreement.

Seller's Knowledge

- 7.2 Where any of the Seller Warranties is qualified by the expression "so far as the Seller is aware" or any similar expression, the Seller shall be deemed to be aware of anything which is actually known to Jonathan Bunting, Michael Holt, Philip Deakin, Stuart Marriner or Anthony Grace.

Covenant not to sue

- 7.3 The Seller shall not (if a claim is made against it in connection with the sale of the Sale Shares to the Purchaser) make any claim, other than in respect of fraud or dishonesty, against any Group Company or against any person who is, at the time such claim is made, a director or employee of any Group Company on whom the Seller may have relied before agreeing to any term of this Agreement or the Tax Deed or authorising any statement in the Disclosure Letter. The rights of each Group Company and any director or employee of any Group Company under this Clause are subject to Clause 12.10.

8. SELLER LIMITATIONS ON LIABILITY

Disclosure

8.1 The Seller shall not be liable in respect of a Claim (other than a Fundamental Warranty Claim or a Tax Deed Claim) to the extent that the facts and circumstances giving rise to the Claim are:

8.1.1 Fairly Disclosed in the Disclosure Letter or expressly deemed to be disclosed pursuant to the terms of the Disclosure Letter; or

8.1.2 Fairly Disclosed in the Data Room.

Time Limits

8.2 The Purchaser shall give written notice to the Seller of any matter or event which may give rise to a Claim as soon as practicable after the Purchaser or any Group Company becomes aware of such matter or event together with reasonable details of such matter or event then known to the Purchaser. The Seller shall not be liable in relation to a Claim to the extent that any delay by the Purchaser in providing written notice pursuant to this Clause 8.2 itself creates or increases the loss arising as a result of the circumstances giving rise to the Claim.

8.3 The Seller shall not be liable for any:

8.3.1 General Claim (other than a Fundamental Warranty Claim) unless the Purchaser gives written notice containing full details of the legal and factual basis of the General Claim to the Seller on or before the date being eighteen (18) months from Completion;

8.3.2 Fundamental Warranty Claim unless the Purchaser gives written notice containing full details of the legal and factual basis of the Fundamental Warranty Claim to the Seller on or before the date being five (5) years from Completion;

8.3.3 Tax Claim unless the Purchaser gives written notice containing full details of the legal and factual basis of the Tax Claim to the Seller on or before the date being seven (7) years from the end of the last accounting period prior to Completion; and

8.3.4 Locked Box Claim unless the Purchaser gives written notice containing full details of the legal and factual basis of the Locked Box Claim to the Seller on or before the date being six (6) months from Completion.

8.4 To the extent that a Claim arises out of a liability which at the time that it is notified to the Seller is contingent only, the Seller shall not be under any obligation to make any payment to the Purchaser until the liability ceases to be contingent.

8.5 A Claim shall not be enforceable against the Seller and shall be deemed to have been withdrawn, and no new Claim may be made in respect of the facts giving rise to such Claim, unless legal proceedings in respect of such Claim are commenced (by being issued and served):

8.5.1 within six (6) months of such Claim ceasing to be contingent, if the Claim is based upon what, at the time of service of notice of the Claim on the Seller was a contingent liability; and

8.5.2 within nine (9) months of service of notice of the Claim on the Seller with regard to any other Claim.

Monetary Limits

8.6 The aggregate amount of the liability of the Seller in respect of the aggregate of all Claims (other than a Locked Box Claim) shall not exceed an amount equal to £5,000,000.

- 8.7 The aggregate amount of the liability of the Seller in respect of the aggregate of all claims in respect of the Seller Warranties (other than Fundamental Warranty Claims) shall not exceed an amount equal to £1,000,000.
- 8.8 Subject to Clause 8.10, the Seller shall have no liability in respect of any Claim (other than Locked Box Claims) unless the aggregate amount of the liability of the Seller in respect of all Claims exceeds £100,000 in which case the Seller shall be liable for the full amount of the Claims not just the excess.
- 8.9 Subject to Clause 8.10, the Seller shall have no liability in respect of any Claim unless the amount of the Claim (other than a Locked Box Claim) exceeds £10,000 in which case the Seller shall be liable for the full amount of the Claim not just the excess and the full amount of the Claim shall be taken into account when calculating whether the aggregate amount of the liability of the Seller exceeds £100,000 for the purposes of Clause 8.8. A Claim for which the Seller has no liability pursuant to this Clause shall not be taken into account when calculating whether the aggregate amount of the liability of the Seller exceeds £100,000 for the purposes of Clause 8.8.
- 8.10 Clauses 8.8 and 8.9 shall not apply in respect of any Tax Claim in relation to employer national insurance contributions which arise as a result of any awards made pursuant to the Share Schemes becoming vested and/or exercisable upon or as a consequence of Completion.

Provision of information to Seller

- 8.11 Upon the Purchaser notifying the Seller of a Claim or a matter or event which may lead to a Claim being made, the Purchaser shall and shall procure that each Group Company shall:
- 8.11.1 give the Seller and its advisers such access as the Seller reasonably requests to the personnel, records and information of each Group Company together with the right to examine and copy or photograph such assets, documents, records and information as the Seller reasonably requires; and
- 8.11.2 subject to the Seller entering into such hold harmless letters in favour of the statutory auditors as may reasonably be required, procure that any former auditors of the Company and the Group make available to the Seller and its advisers their audit working papers in respect of any audit of the accounts of the Company and the Group relevant to the Claim or potential Claim.
- 8.12 The Purchaser shall and shall procure that each Group Company shall keep safe all information, books, records, documents (including information in electronic form) relating to the relevant Group Company and its business which are or may be relevant in connection with any matter which may give rise to a Claim for the period within which any Claim may be brought under this Agreement and after that for as long as any actual or prospective Claim remains outstanding.

Purchaser's knowledge

- 8.13 The Seller shall not be liable in respect of a Claim (other than a Tax Deed Claim, a Fundamental Warranty Claim or a Locked Box Claim) to the extent that Michael Holt, the Purchaser or its agents or advisers is, on the date of this Agreement, actually aware of the matter fact or circumstance giving rise to the Claim.

Purchaser's actions

- 8.14 The Seller shall not be liable in respect of a Claim (other than a Tax Claim) to the extent that the Claim would not have arisen but for an act or omission of the Purchaser or a Group Company or any of their respective agents, employees, assignees or other successors in title after Completion or to the extent that the Claim would not have arisen but for a breach of this Agreement by the Purchaser.

- 8.15 The Seller shall not be liable in respect of a Claim (other than a Tax Claim) to the extent that the Claim would not have arisen but for an act, omission or transaction occurring before Completion at the express request or direction of or with the express consent of the Purchaser.

Changes in law, regulation and practice

- 8.16 The Seller shall not be liable in respect of a Claim to the extent that the Claim arises or is increased as a result of:
- 8.16.1 a change in law or administrative practice after the date of this Agreement;
 - 8.16.2 any change in generally accepted accounting practices after the date of this Agreement;
 - 8.16.3 any change in the accounting policies or practice of the Purchaser, or any of its group undertakings, or any Group Company after the date of Completion; or
 - 8.16.4 the passing of any legislation, or making of any subordinate legislation after the date of this Agreement.

Insurance

- 8.17 The Seller shall not be liable in respect of a Claim to the extent that the Claim relates to any loss which is actually recoverable by the Purchaser (or any assignee or successor in title thereof) or any Group Company from its insurers.

Matters included in the Accounts

- 8.18 The Seller shall not be liable in respect of a Claim (other than a Tax Deed Claim) to the extent that the Claim relates to any matter provided for, or included as a liability, in the Accounts or the Locked Box Accounts.

Sums recoverable from third parties

- 8.19 Where the Purchaser, or any Group Company (or any assignee or successor in title thereof) is or may be entitled to recover from any third party any sum in respect of any matter or event which is likely to give rise to a Claim (other than a Tax Deed Claim), the Purchaser shall or shall procure that the person so entitled shall use all reasonable endeavours to recover that sum. The Purchaser shall keep the Seller at all times fully and promptly informed of the conduct of such recovery. Any sum recovered by the Purchaser, or any Group Company (less any reasonable out of pocket expenses incurred by the Purchaser or any Group Company in recovering the sum and any Tax attributable to or suffered in respect of the sum recovered) will reduce the amount of the Claim by an equivalent amount.
- 8.20 If recovery from the third party is delayed until after the Claim has been satisfied by the Seller, the Purchaser shall (subject to the remaining provisions of this Clause) repay to the Seller the amount so recovered (less any reasonable out of pocket expenses incurred by the Purchaser or any Group Company in recovering the sum and any Tax attributable to or suffered in respect of the sum recovered).

Actions by third parties

- 8.21 If the Purchaser becomes aware of any claim, action or demand made against it or any Group Company by a third party which may give rise to a Claim (other than a Tax Deed Claim) (a "**Third Party Claim**"):
- 8.21.1 the Purchaser shall as soon as practicable, notify the Seller giving full details of the relevant facts and circumstances relating to the Third Party Claim;
 - 8.21.2 the Purchaser shall and shall procure that the relevant Group Company shall keep the Seller informed of all material developments in relation to the Third Party Claim

and not settle or make any admission of liability, agreement or compromise any claim or matter relating to the Third Party Claim without written consent of the Seller, such consent not to be unreasonably withheld or delayed; and

- 8.21.3 subject to the Purchaser and the relevant Group Company being secured and indemnified against all reasonable costs and expenses which may be incurred by reason of such action, the Purchaser shall and shall procure that the relevant Group Company shall consult with and follow the instructions of the Seller in relation to all matters connected with the Third Party Claim and take all such action as the Seller may reasonably request in relation to the Third Party Claim, including commencing conducting, defending, resisting, settling, compromising or appealing against any proceedings.

Mitigation

- 8.22 Nothing in this Clause 8 restricts or limits the general obligation at law of each of the Purchaser and the Group Companies to mitigate any loss or damage which it may suffer or incur as a consequence of any breach of any Seller Warranties or any other provision of this Agreement or in relation to any other matter, event or circumstance which gives rise to a Claim.

No liability to third parties

- 8.23 No person other than the Purchaser is entitled to make any Claim.

No double recovery

- 8.24 The Purchaser agrees that it shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnity more than once in respect of any one shortfall, damage, deficiency, breach or other set of circumstances which give rise to one or more Claims. For this purpose, recovery by the relevant Group Company shall be deemed to be recovery by the Purchaser.

Indirect and consequential loss

- 8.25 The Seller shall not be liable to the Purchaser for any:

8.25.1 indirect or consequential loss; or

8.25.2 any loss of or damage to reputation or goodwill.

General

- 8.26 Save as provided in Clause 8.26, this Clause 8 applies notwithstanding any other provision of this Agreement to the contrary and shall not cease to have effect as a consequence of any rescission or termination of any other provisions of this Agreement.

- 8.27 The limitations on the liability of the Seller set out in this Clause 8 shall not apply in relation to the Seller to the extent that the Claim is in respect of any fraud or fraudulent misrepresentation by the Seller.

9. PURCHASER WARRANTIES AND UNDERTAKINGS

Purchaser Warranties

- 9.1 The Purchaser warrants to the Seller in the terms of the warranties set out in Schedule 7.

Release of guarantees and undertakings

- 9.2 The Purchaser undertakes that, on or after Completion it shall in respect of the Property Guarantees, promptly, either (at the reasonable discretion of the counterpart to each Guaranteed Lease) procure:

9.2.1 a guarantor approved by the counterpart to guarantee TPE's performance of its obligations under each Guaranteed Lease; or

9.2.2 a rent deposit deed is agreed and a rent deposit account established with each relevant counterpart for a deposit of not less than twelve (12) months' Main Rent (as defined and set out in each Guaranteed Lease) in respect of each Guaranteed Lease,

in either case in a manner and to the extent required to obtain the release of each of the Property Guarantees in accordance with the terms of each Guaranteed Lease; and

9.2.3 prior to obtaining any release in accordance with Clause 9.2.1 or 9.2.2 and after such release has been obtained, the Purchaser shall unconditionally and irrevocably indemnify and hold harmless the Seller and each member of the Seller Group from any and all costs, claims and liabilities arising under any Property Guarantee.

9.3 Without prejudice to the obligations of the Purchaser in Clause 9.2, the Seller shall use reasonable endeavours to provide to the Purchaser such information and assistance as the Purchaser may reasonably request to assist the Seller in procuring the release of the Property Guarantees.

Conduct of business following Completion

9.4 The Purchaser undertakes to the Seller that for a period of not less than six (6) months following Completion the Purchaser shall procure that the Group shall carry on business in the ordinary course, maintaining the Group as a going concern, but consistent with the requirements of a company pursuing a turnaround strategy. The Purchaser shall:

9.4.1 procure that any payments to the Pension Schemes are paid on time and in accordance with the schedule of contributions; and

9.4.2 procure that no Group Company shall declare, make or pay or agree to declare, make or pay any dividend or other distribution, return of capital, reduction of capital or buyback of shares in favour of or for the benefit of the Purchaser, its Affiliates or any member of the Purchaser Group,

save that nothing in this Clause 9.4 shall require the directors of the Purchaser to take any action or procure that any Group Company takes any action which is inconsistent with their fiduciary or statutory duties owed to the Purchaser and/or any Group Company, or is otherwise unlawful.

10. PROTECTION OF PURCHASER INTERESTS

10.1 In this Clause, the following words and expressions shall have the following meanings:

"Business" means the business of the Group as it was carried on at the date of this Agreement being the carriage, handling and delivery of parcel consignments of irregular dimension or weight units (excluding, for the avoidance of doubt, newspapers and magazines) across the United Kingdom;

"Excluded Business" means:

(a) any business carried on by the Seller Group at the date of this Agreement other than through the Group Companies;

(b) any business acquired or newly established by the Seller Group after the date of this Agreement (each an **"Acquired Business"**):

(i) the principal activity of which is magazine and newspaper wholesale and/or distribution; and/or

- (ii) which provides “last mile” delivery services using all or some of the Seller Group's and/or any Acquired Business' distribution network; and/or
- (c) any Acquired Business provided that no more than 10% of the revenue of such acquired or newly established business is attributable to business which competes with the Business,

the customers of such Excluded Business being the "**Excluded Business Customers**" and the suppliers of such Excluded Business being the "**Excluded Business Suppliers**";

"**Key Employee**" means an employee with an annual salary exceeding £50,000 or any other person directly or indirectly engaged by any member of the Group Companies and whose total annual remuneration is in excess of £50,000;

"**Relevant Business**" means the Business but excluding the Excluded Business;

"**Restricted Customer**" means any person who is at Completion, or who has been at any time during the period of twelve (12) months immediately preceding the Completion Date, a client or customer of the Company or any of the Subsidiaries; and

"**Restricted Person**" means any Key Employee who is at Completion or who has been at any time during the period of 6 months immediately preceding the Completion Date, employed or engaged by the Company or any of the Subsidiaries.

10.2 Subject to Clause 10.3 and Clause 10.4, the Seller covenants with the Purchaser that it shall not (and shall procure that no member of Seller Group shall):

10.2.1 at any time during the period of eighteen (18) months commencing on the Completion Date, carry on or be engaged, concerned or interested in, a business which competes with the Relevant Business;

10.2.2 other than the Excluded Business Customers, at any time during the period of eighteen (18) months commencing on the Completion Date canvass, solicit or otherwise seek the custom of any Restricted Customer with a view to providing goods or services to that Restricted Customer in competition with the Purchaser or the Relevant Business (or any part of it) as it was carried on at the date of this Agreement;

10.2.3 other than the Excluded Business Suppliers, at any time during the period of eighteen (18) months commencing on the Completion Date, have any business dealings with, or solicit, entice or attempt to entice away, any person who is at Completion, or has been at any time during the period of twelve (12) months immediately preceding the Completion Date, a supplier of goods or services to the Company or any of the Subsidiaries, if such dealings, solicitation or enticement causes or is reasonably likely to cause such supplier to cease supplying, or to reduce its supply of goods or services to, the Company or any of the Subsidiaries, or to vary adversely the terms upon which it conducts business with the Company or any of the Subsidiaries; or

10.2.4 at any time during the period of eighteen (18) months commencing on the Completion Date:

(A) offer employment to, enter into a contract for the services of, or otherwise entice or attempt to entice away from the Company or any of the Subsidiaries, any Restricted Person; or

(B) procure or facilitate in relation to a Restricted Person, the making of any such offer or attempt by any other person,

in each case other than recruitment of a Restricted Person who has responded to a general advertisement of a post to members of the public generally and/or through an employment agency provided that none of the Seller, any member of

the Seller Group or any of its representatives encourage or advise such agency to approach any such Restricted Person.

- 10.3 Nothing in Clause 10.2 shall prevent the Seller (or any member of Seller Group) from holding for investment purposes only:
- 10.3.1 units of any authorised unit trust;
 - 10.3.2 not more than 10% of any class of shares or securities of any company traded on a recognised investment exchange (within the meaning of the Financial Services and Markets Act 2000); or
 - 10.3.3 up to 20% of any class of securities not so quoted or dealt.
- 10.4 Each of the covenants in Clause 10.2 is a separate undertaking by the Seller, is intended for the benefit of, and shall be enforceable by, the Purchaser separately and independently. The Seller acknowledges that the restrictions contained in this Clause 10 are fair and reasonable to assure the Purchaser the full value and benefit of the Sale Shares.

11. **FUTURE SALE**

- 11.1 If following Completion but on or before the date which is thirty-six (36) months from the Completion Date, a Trigger Disposal occurs, the Purchaser shall pay to the Seller the full amount of the Consideration (minus any amount already paid to the Seller pursuant to Clauses 3.2 and 3.3) within five (5) Business Days of the Trigger Disposal in accordance with Clause 3.3.
- 11.2 If following Completion but on or before the date which is twenty-four (24) months from the Completion Date, a Trigger Disposal occurs, the Purchaser shall pay to the Seller an amount in cash equal to 50% of the Net Sale Proceeds received in relation to such Trigger Disposal.
- 11.3 The Purchaser undertakes to the Seller that:
- 11.3.1 it shall act in good faith in relation to Clauses 11.1 and 11.2 and neither the Purchaser nor any member of the Purchaser Group nor any of their respective directors, officers, employees or agents shall take any action designed to assist or cause the circumvention of the overall commercial intent and purpose of this Clause 11;
 - 11.3.2 in the event a Trigger Disposal occurs following Completion but prior to the date which is twenty-four (24) months from the date of Completion, the existence of the Trigger Disposal and the extent of the related Net Sale Proceeds shall be subject to equivalent announcement and confidentiality restrictions as set out in Clause 12.1 to Clause 12.5;
 - 11.3.3 the Purchaser shall promptly notify the Seller in writing of any Trigger Disposal that occurs following Completion but prior to the date which is twenty-four (24) months from the date of Completion and state in such notice the Purchaser's calculation of the amount due in accordance with Clause 11.2, and such notice shall set out reasonable details of the Trigger Disposal; and
 - 11.3.4 the Purchaser shall pay the Seller any amount due in accordance with Clause 11.2 within 5 Business Days of the Purchaser being in receipt of the Net Sale Proceeds following the relevant Trigger Disposal in accordance with Clause 3.3.
- 11.4 The Purchaser undertakes to the Seller that, prior to the Consideration having been paid in full pursuant to Clauses 3.2 and 3.3, it shall and shall procure that each Group Company and each member of the Purchaser Group shall not (without the prior written consent of the Seller not to be unreasonably withheld) take or omit to take any action outside the ordinary course

of business of the Purchaser Group which the Purchaser, acting in good faith, believes will, or would reasonably be expected to, materially adversely impact the right of the Seller to receive the Consideration, including, without prejudice to the foregoing:

- 11.4.1 the declaring, paying or making of any dividend or distribution, or the making any repurchase, redemption or return of capital, by the Purchaser; or
- 11.4.2 entering into any transaction with any person otherwise than on arms' length terms and which would, or would reasonably be expected to, materially adversely affect the rights of the Purchaser to receive the Consideration.

12. MISCELLANEOUS

Announcements

- 12.1 Subject to the remaining provisions of this Clause 12.1 and except in respect of the Announcement and the Circular or as otherwise provided in this Agreement, no Party shall release any announcement or despatch any announcement or circular, relating to this Agreement unless the form and content of such announcement or circular have been submitted to, and agreed by, the other Party. Nothing in this Clause 12.1 shall prohibit either Party from making any announcement or despatching any circular as required by law or regulation or any regulatory body.

Confidentiality

- 12.2 Each Party undertakes to the other that, before and after the expiry or termination of this Agreement, it:

- 12.2.1 shall (and shall procure that its officers, employees and agents) preserve the confidentiality of the Confidential Information belonging to the other; and

- 12.2.2 shall not, by failure to exercise due care or otherwise by any act or omission disclose to any person, or use or exploit commercially for its own purposes, any Confidential Information belonging to the other Party (and it shall not permit or allow its officers, employees, agents or contractors to do any such thing),

subject to the provisions of Clauses 12.4 and 12.5.

- 12.3 For the purposes of Clauses 12.2, 12.4 and 12.5, "**Confidential Information**" means any information which a Party may have or acquire as a result of negotiating, entering into or performing its obligations pursuant to this Agreement, relating to:

- 12.3.1 the existence and contents of this Agreement and any other agreement or arrangement contemplated by this Agreement;

- 12.3.2 the business, finances, assets, liabilities, customers, suppliers, personnel, plans or intentions, market opportunities, operations, processes, product information, dealings, transactions, know-how, or affairs of any Group Company from time to time; and

- 12.3.3 the business, finances, assets, liabilities, customers, suppliers, personnel, plans or intentions, market opportunities, operations, processes, product information, dealings, transactions, know-how, or affairs of the other Party or any of their group undertakings (other than any Group Company) from time to time,

provided that such information concerning the Group in relation to the period before Completion shall not be treated as Confidential Information belonging to the Seller following Completion and such information concerning the Group in relation to the period before or after Completion shall be treated as Confidential Information belonging to the Purchaser.

- 12.4 The restrictions contained in Clause 12.2 shall not apply to the disclosure by a Party of any Confidential Information:
- 12.4.1 pursuant to the terms of this Agreement;
 - 12.4.2 to the extent such information is reasonably required to be included in the Announcement or the Circular or is required to be disclosed in conjunction with the same;
 - 12.4.3 subject to Clause 12.5,
 - (A) to the extent required by Applicable Law;
 - (B) to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing Party is a party in a case where such disclosure is required by such proceedings; or
 - (C) which is required to be disclosed by the regulations of any recognised exchange upon which the share capital of the disclosing Party is or is proposed to be from time to time listed or dealt in, or the regulations of any regulatory or supervisory authority to which such Party is or may become subject;
 - 12.4.4 to any tax authority to the extent reasonably required for the purposes of the tax affairs of the Party concerned or a member of its group;
 - 12.4.5 where it has reasonable grounds to believe that the other Party is involved in activity which may constitute a corrupt act or an offence under the Modern Slavery Act 2015;
 - 12.4.6 to any professional advisers or providers of finance who are bound by a duty of confidence to such Party which applies to any information disclosed;
 - 12.4.7 to the extent that the relevant Confidential Information is in the public domain otherwise than by breach of this Agreement by either Party;
 - 12.4.8 which is disclosed to such Party by a third party who is not in breach of any undertaking or duty as to confidentiality whether express or implied; or
 - 12.4.9 which that Party lawfully possessed prior to obtaining it from the other Party.
- 12.5 If a Party becomes required, in circumstances contemplated by Clause 12.4.3, to disclose any Confidential Information such Party shall (to the extent permitted by Applicable Laws) give to the other such notice as is practical in the circumstances of such disclosure and shall co-operate with the other Party, having due regard to the other Party's views, and take such steps as the other Party may reasonably require in order to enable it to mitigate the effects of, or avoid the requirements for, any such disclosure.
- No other right to terminate or rescind**
- 12.6 Save as provided for in Clause 4.6, the Purchaser shall have no right (including any right under common law or any right in respect of claims arising under or in connection with this Agreement, other than in the case of fraud) to delay or defer Completion or either before or after Completion to rescind or terminate or fail to perform this Agreement and shall not be entitled to treat the Seller as having repudiated this Agreement. The sole remedy of the Purchaser in relation to any delay, default, breach or failure on the part of the Seller under, or in relation to, this Agreement (other than in the case of fraud) shall be in damages and the Purchaser hereby expressly and unconditionally waives all other rights and remedies (whether statutory, at common law, in equity or otherwise).

Effect of termination

- 12.7 The termination of this Agreement in the circumstances set out in Clause 4.6 shall not affect:
- 12.7.1 any rights or obligations which have accrued or become due prior to the date of termination; and
 - 12.7.2 the continued existence and validity of the rights and obligations of the Parties under this Clause 12 and Clauses 1, 8, 14, and 15.

No partnership

- 12.8 Nothing in this Agreement or in any document referred to in it shall constitute either Party a partner of the other, nor shall the execution, completion and implementation of this Agreement confer on either Party any power to bind or impose any obligations to any third parties on the other Party or to pledge the credit of the other Party.

Assignment

- 12.9 This Agreement shall be binding on and be for the benefit of the successors and personal representatives of the Parties, but neither Party may assign its rights under this Agreement.

Third party rights

- 12.10 With the exception of:
- 12.10.1 the rights of group undertakings of the Seller pursuant to Clause 9.2;
 - 12.10.2 the rights of any director or former director or employee of any Group Company pursuant to Clause 7.3; and
 - 12.10.3 the rights of each Group Company pursuant to Clauses 7.3 and 10, (each such party being for the purposes of this Clause 12.10, a "**Third Party**"), no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a Party to this Agreement.

The rights of the relevant Third Parties to enforce the terms of Clause 9.2 against the Purchaser are subject to the term that the Seller has the right (which it may waive in whole or in part in its absolute discretion and without the consent of or consultation with any Third Party) to have the sole conduct of any proceedings in relation to the enforcement of such rights (including any decision as to commencement or compromise of such proceedings) but will not owe any duty or have any liability to any of the Third Parties in relation to such conduct.

The rights of the relevant Third Parties to enforce the terms of Clauses 7.3 and 10 against the Seller are subject to the term that the Purchaser has the right (which it may waive in whole or in part in its absolute discretion and without the consent of or consultation with any Third Party) to have the sole conduct of any proceedings in relation to the enforcement of such rights (including any decision as to commencement or compromise of such

proceedings) but will not owe any duty or have any liability to any of the Third Parties in relation to such conduct.

The rights of the Third Parties under Clauses 7.3, 9.2 and 10 are also subject to the other terms of this Agreement.

The Parties to this Agreement may by agreement rescind or vary any term of this Agreement without the consent of any of the Third Parties.

Entire agreement

12.11 Each Party to this Agreement confirms on behalf of itself and its group undertakings that this Agreement together with the agreed form documents, represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supersedes any previous agreement between the Parties with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom, usage or course of dealing.

12.12 Each Party confirms on behalf of itself and its group undertakings that:

12.12.1 in entering into this Agreement it has not relied on any representation, warranty, assurance, covenant, indemnity, undertaking or commitment which is not expressly set out or referred to in this Agreement or the agreed form documents; and

12.12.2 in any event, without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement, the only rights or remedies in relation to any representation, warranty, assurance, covenant, indemnity, undertaking or commitment given or action taken in connection with this Agreement or with any of the agreed form documents are those pursuant to this Agreement or such agreed form document, and neither Party has any other right or remedy (whether by way of a claim for contribution or otherwise) in tort (including negligence) or for misrepresentation (whether negligent or otherwise, and whether made prior to, or in, this Agreement).

Unenforceable provisions

12.13 If any provision or part of this Agreement is void or unenforceable due to any Applicable Law, it shall be deemed to be deleted and the remaining provisions of this Agreement shall continue in full force and effect.

Effect of Completion

12.14 So far as it remains to be performed, this Agreement shall continue in full force and effect after Completion. The rights and remedies of the Parties shall not be affected by Completion.

Waiver

12.15 The rights and remedies of the Parties shall not be affected by any failure to exercise or delay in exercising any right or remedy or by the giving of any indulgence by the other Party or by anything whatsoever except a specific waiver or release in writing and any such waiver or release shall not prejudice or affect any other rights or remedies of the Parties. No single or partial exercise of any right or remedy shall prevent any further or other exercise thereof or the exercise of any other right or remedy.

Variation

12.16 No variation of this Agreement (or any of the documents referred to in it) shall be valid unless it is in writing (which, for this purpose, does not include email) and signed by or on behalf of each Party. The expression "variation" includes any variation, supplement, deletion or replacement however effected.

Counterparts

12.17 This Agreement may be executed in any number of counterparts and by the Parties to it on separate counterparts, each of which when executed and delivered shall be an original, but all the counterparts together constitute one instrument.

No set-off, deduction or counterclaim

12.18 Every payment payable by the Purchaser under this Agreement including any payment due pursuant to Clauses 3 and 11 shall be made in full without any set-off or counterclaim howsoever arising and shall be free and clear of, and without deduction of, or withholding for or on account of, any amount which is due and payable by the Seller under this Agreement.

Costs

12.19 Unless expressly provided otherwise in this Agreement, the Parties shall pay their own costs in connection with the preparation and negotiation of this Agreement and any matter contemplated by it.

Language

12.20 This Agreement was negotiated in English and, to be valid, all certificates, notices, communications and other documents made in connection with it shall be in English. If all or any part of this Agreement or any such certificate, notice, communication or other document is for any reason translated into any language other than English the English text shall prevail. Each Party understands English and is content for all communications relating to this Agreement to be served on it in English.

13. NOTICES

13.1 Unless expressly stated to the contrary in this Agreement, a notice (including any approval, consent or other communication) given in connection with this Agreement and the documents referred to in it must be in writing and must be given by one of the following methods:

13.1.1 by hand (including by courier or process server) to the address of the addressee;
or

13.1.2 by pre-paid first class post, recorded delivery or airmail if posted from a place outside the United Kingdom to the address of the addressee,

being the address which is specified in Clause 13.2 in relation to the Party to whom the notice is addressed, and marked for the attention of the person so specified, or to such other address in the United Kingdom, or marked for the attention of such other person, as the relevant Party may from time to time specify by notice given to the other Party in accordance with this Clause.

13.2 The relevant address and specified details for each of the Parties within the UK at the date of this Agreement is as follows:

Purchaser

Address: c/o Broad Oak Support Services LLP, 2nd Floor,
Berkeley Square House, Berkeley Square, London W1J
6BD

For the attention of: Alastair Watson

With a copy to: Paul Webb, Goodman Derrick LLP, 10 St Bride Street,
London EC4A 4AD

Seller

Address: Rowan House, Cherry Orchard North, Kembrey Park,
Swindon SN2 8UH

For the attention of: Company Secretary

13.3 Subject to Clause 13.4, a notice is deemed to be received:

13.3.1 in the case of a notice given by hand (including by courier or process server), at the time when the notice is left at the relevant address; and

13.3.2 in the case of a notice given by posted letter, on the third day after posting or, if posted from a place outside the United Kingdom, the seventh day after posting.

13.4 A notice received or deemed to be received in accordance with Clause 13.3 on a day which is not a Business Day, or after 5pm on any Business Day, shall be deemed to be received on the next following Business Day.

14. GOVERNING LAW

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

15. DISPUTE RESOLUTION

15.1 Each Party irrevocably agrees that the Courts of England shall have exclusive jurisdiction in relation to any dispute or claim arising out of or in connection with this Agreement or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims).

15.2 Each Party irrevocably waives any right that it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

15.3 Regardless of whether the courts of any country other than England have jurisdiction to consider a dispute falling within Clause 15.1 of this Agreement, each Party irrevocably undertakes that it will neither issue or cause to be issued originating or other process in respect to such a dispute in any jurisdiction other than England.

15.4 In the event that any Party commences an action in the courts of any country other than England (a "**Foreign Action**"), the Party which commenced the Foreign Action shall indemnify the other Party in respect of any and all costs and liabilities which they have incurred in connection with the Foreign Action, whether or not those costs and liabilities would be recoverable apart from the provisions of this Clause.

15.5 Each Party agrees that without preventing any other mode of service, any document in an action (including a claim form or any other document to be served under the Civil Procedure Rules) may be served on the other Party by being delivered to or left for that Party at its address for service of notices under Clause 13 and each Party undertakes to maintain such an address at all times in the United Kingdom and to notify the other Party in advance of any change from time to time of the details of such address in accordance with the manner prescribed for service of notices under Clause 13.

This Agreement has been duly executed by the Parties (or their duly authorised representatives) on the date specified at the beginning of this Agreement.

SCHEDULE 1

DETAILS OF SELLER AND SALE SHARES

Seller's name and addresses	Number of Sale Shares held at date of Agreement
(1)	(2)
Smiths News Holdings Limited Rowan House, Cherry Orchard North, Kembrey Park, Swindon SN2 8UH	2,534,879 ordinary shares of £0.10 each

SCHEDULE 2
DETAILS OF THE COMPANY AND THE SUBSIDIARIES

PART 1
DETAILS OF THE COMPANY

Registered number:	06459283
Company status:	Private limited company
Country of incorporation:	England and Wales
Registered office:	Rowan House, Cherry Orchard North Kembrey Park Swindon SN2 8UH
Issued share capital:	£253,487.90 made up of 2,534,879 ordinary shares of £0.10 each
Directors:	Jonathan Bunting Anthony Grace
Secretary (if any):	Stuart Marriner
Auditors:	None
Outstanding charges:	None

PART 2
DETAILS OF THE SUBSIDIARIES

Name:	The Big Green Parcel Group Limited
Registered number:	05356630
Company status:	Private limited company
Country of incorporation:	England and Wales
Registered office:	Rowan House, Cherry Orchard North Kembrey Park Swindon SN2 8UH
Issued share capital:	£1,296,000 made up of 1,296,000 ordinary shares of £1 each
Registered shareholders:	The Company
Directors:	Jonathan Bunting Anthony Grace
Secretary (if any):	Stuart Marriner
Auditors:	None
Outstanding charges:	None

Name:	The Big Green Parcel Machine Limited
Registered number:	03125293
Company status:	Private limited company
Country of incorporation:	England and Wales
Registered office:	Rowan House, Cherry Orchard North Kembrey Park Swindon SN2 8UH
Issued share capital:	£108,107,631.10 made up of 1,081,076,311 ordinary shares of £0.10 each
Registered shareholders:	The Big Green Parcel Group Limited
Directors:	Jonathan Bunting Anthony Grace
Secretary (if any):	Stuart Marriner

Auditors: None
Outstanding charges: None

Name: Tuffnells Parcels Express Limited
Registered number: 00319964
Company status: Private limited company
Country of incorporation: England and Wales
Registered office: Rowan House, Cherry Orchard North
Kembrey Park
Swindon
SN2 8UH
Issued share capital: £1,112,787 made up of 1,112,787 ordinary shares of £1 each
Registered shareholders: The Big Green Parcel Machine Limited
Directors: Jonathan Bunting
Anthony Grace
Secretary (if any): Stuart Marriner
Auditors: BDO LLP
55 Baker Street
London
W1U 7EU
Outstanding charges: None

Name: The Big Green Euro Machine Limited
Registered number: 02496549
Company status: Private limited company
Country of incorporation: England and Wales
Registered office: Rowan House, Cherry Orchard North
Kembrey Park
Swindon
SN2 8UH
Issued share capital: £1,535,842 made up of 1,535,842 ordinary shares of £1 each
Registered shareholders: The Big Green Parcel Machine Limited

Directors:	Jonathan Bunting Anthony Grace
Secretary (if any):	Stuart Marriner
Auditors:	None
Outstanding charges:	None

SCHEDULE 3

LOCKED BOX

1. INTERPRETATION

For the purposes of this Schedule 3 the following additional terms shall have the following meanings:

"GPA": has the meaning given to that term in the Tax Deed;

"Leakage": means:

- 1.1.1 any dividend or distribution declared, paid or made, or any repurchase, redemption or return of capital made, or any agreement or obligation to do any of the foregoing, in each case by any Group Company to the Seller or any Seller Related Person;
- 1.1.2 any payments (including management fees, consulting fees, monitoring fees, directors' fees, licence fees or royalties) made to, or any assets transferred to, or liabilities (actual or contingent) assumed or incurred for the benefit of, or indemnification given to, the Seller or any Seller Related Person by any Group Company, or any agreement or arrangement to do any of the foregoing provided that any assumption or indemnity gives rise to an actual payment by, or actual liability of, a Group Company;
- 1.1.3 the forgiving, waiver, or agreement to forgive or waive (whether conditional or not) by any Group Company of any amount owed to that Group Company by, or of any claims (or parts thereof) or rights of that Group Company against, the Seller or any Seller Related Person;
- 1.1.4 any payments made or agreed to be made by any Group Company to the Seller or any Seller Related Person in respect of the issuance of any securities by any Group Company; and
- 1.1.5 the payment by any Group Company, or the agreement to pay by any Group Company, of any fees, costs, expenses, Tax or other amounts in connection with any of the matters referred to above,

but does not include any Permitted Leakage Payment;

"Leakage Tax Relief Payment" means, with respect to any amounts of Leakage which gives rise to a Tax Relief for UK corporation tax (or the equivalent in any jurisdiction) purposes, the amount of such Tax Relief multiplied by the prevailing rate of corporation tax (or the equivalent in any jurisdiction) as applied to the relevant Group Company as at the date of this Agreement;

"Permitted Leakage Payment": means:

- 1.1.1 any payment provided for or outlined to be paid in this Agreement or the documents in the agreed form;
- 1.1.2 any payment undertaken at the written request of the Purchaser or with the Purchaser's prior written consent;
- 1.1.3 the amount payable by any Group Company to the Seller Group in respect of the following services provided to the Group Companies by, or paid for by, the Seller Group:
 - (A) fixed asset procurement and depreciation charges;
 - (B) agency drivers and C&D round support (agency and third party carriers);
 - (C) third party trunking costs;
 - (D) agency warehouse support / porters;
 - (E) fork lift and commercial vehicle hire;

- (F) general office equipment, consumables, stationery and postage;
- (G) depot support consumables (e.g. stretch film);
- (H) workplace uniforms and boots/clothing;
- (I) workplace training courses;
- (J) professional advisory fees;
- (K) carbon reduction commitment fees;
- (L) private medical/health insurance;
- (M) sums due in respect of any of the Real Properties or facility management services thereat, including rates, property services charges, rent, security, catering, maintenance and utilities (to the extent rentals, business rates, utilities and other costs associated thereto are administered by the Seller Group's services team and/or property management agents);
- (N) share/share scheme based payments (plus any applicable employer national insurance contributions, payroll or income Tax or any other Employee Tax Liabilities in respect of such payments);
- (O) shared service centre charges for certain finance, IT and customer services support;
- (P) payroll sums, including employee liabilities and employment taxes thereon (including any such sums, liabilities and taxes relating to the Transferring Employees);
- (Q) supplier charges which are borne by the Seller Group and cross-charged by the Group based on the principle of cost of use;
- (R) group tax, treasury, audit or legal fees;
- (S) insurance;
- (T) telephony including mobile and WAN/data;
- (U) IT equipment and/or vehicle leasing contracts
- (V) vehicle fleet, rental, maintenance, accident damage, vehicle cleaning and regulatory compliance (e.g. tachograph discs);
- (W) advertising and marketing;
- (X) travel and entertainment expenses and booking services; and
- (Y) waste,

in all cases to the extent that the scope of such services and the amounts paid in respect of the same are either materially consistent with the practice prior to the Locked Box Date or otherwise bona fide in the ordinary course of business;

- 1.1.4 any payments made by any Group Company to any member of the Seller Group of up to fifty (50) per cent. of any Furlough Amount recovered from HMRC;
- 1.1.5 any payments of amounts equal to VAT made by any Group Company to the representative member of the VAT group of which that Group Company is a member for which the representative member is liable to account to HMRC as a result of any supplies, acquisitions or importations actually made by a Group Company (but treated as made by the representative member under Section 43(1) VATA);
- 1.1.6 any payments made by any Group Company to any member of the Seller Group pursuant to any GPA with HMRC;
- 1.1.7 any payments made in the ordinary course of business by any Group Company to any member of the Seller Group in respect of any service for the benefit of the Group Companies, or use of equipment otherwise to be provided to the Group

Companies, in each case as set out in (and which is expected to be continued pursuant to) the Transitional Services Agreement to the extent such matters and charges are not duplicative with any other matter or charge set out herein;

- 1.1.8 any management fees paid by any Group Company to the Seller Group (or accrued but not yet paid) in connection with the provision of management services to the Group Companies by employees of the Seller Group, subject to a maximum of £205,000 per annum;
- 1.1.9 any payments made in to or out of the Group Companies' inter-company cash pooling arrangements by any Group Company, provided that such payments have been properly recorded by each Group Company making or receiving such payment;
- 1.1.10 any payments made in the ordinary course of business by any Group Company to any member of the Seller Group, provided that any such payments shall be consistent in all material respects with the manner and extent to which such payments are made as at the Accounts Date and as at the date of this Agreement, in an amount not exceeding £75,000 in aggregate;
- 1.1.11 any payments made in the ordinary course of business by any Group Company to any member of the Seller Group in respect of IT equipment and/or vehicle leases provided for the benefit of the Group Companies pursuant to the Seller Lease Rental Contracts;
- 1.1.12 any surrender of Group Relief by any Group Company to any member of the Seller's Tax Group where such surrender would be permitted on or after Completion under the operation of clause 11 of the Tax Deed;
- 1.1.13 any payments made by any Group Company, provided that a corresponding liability in respect of such payment has been reflected in the Locked Box Accounts; and
- 1.1.14 the payment by any Group Company, or the agreement to pay by any Group Company, of any fees, costs, expenses, Tax or other amounts in connection with any of the matters referred to above; and

"Tax Relief" has the meaning given to that term in the Tax Deed.

2. LEAKAGE

In the event of any Leakage from, but excluding, the Locked Box Date to, and including, the Completion Date, the Seller undertakes to pay to the Purchaser (or any Group Company as the Purchaser may reasonably direct) on demand an amount in cash equal to the amount of the Leakage less the Leakage Tax Relief Payment (as far as possible by way of repayment of the consideration paid by the Purchaser under Clause 3.1 of this Agreement).

SCHEDULE 4

CONDUCT OF BUSINESS BEFORE COMPLETION

1. Without prejudice to Clauses 5.1 to 5.13 (both inclusive), pending Completion the Seller shall procure that no Group Company shall:
 - 1.1 create, allot or issue any shares or agree, arrange or undertake to do any of those things;
 - 1.2 give or agree to give any option, right to acquire or call (whether by conversion, subscription or otherwise) in respect of any of its share or loan capital;
 - 1.3 redeem or purchase any shares or reduce its issued share capital, or any uncalled or unpaid liability in respect thereof, or any capital redemption reserve, share premium account or other reserve that is not freely distributable;
 - 1.4 acquire or agree to acquire an interest in a corporate body or merge or consolidate with a corporate body or any other person, enter into any demerger transaction or participate in any other type of corporate reconstruction;
 - 1.5 grant or issue any mortgage, charge, debenture or other security, save for those arising by virtue of the operation of law in the ordinary course of business;
 - 1.6 acquire or dispose of, or agree to acquire or dispose of, any material assets, businesses or undertakings or any material revenues or assume or incur, or agree to assume or incur, any liability, obligation or expense including any guarantee, security agreement or similar commitment or agreement in excess of £150,000;
 - 1.7 pass any resolution by its members in a general meeting or make any alteration to its articles of association;
 - 1.8 declare, make or pay any dividend or other distribution;
 - 1.9 enter into any contract, liability or commitment which is reasonably likely to involve expenditure or liability which exceeds £150,000 otherwise than in the ordinary course of business;
 - 1.10 enter into or amend any financial facilities or other arrangements in the nature of borrowings (including extending any existing overdraft limit);
 - 1.11 make any capital expenditure in excess of £150,000;
 - 1.12 make any material advance, loan or deposit of money other than in the ordinary course of business;
 - 1.13 enter into any transaction with any person otherwise than at arms' length and for full value;
 - 1.14 make any proposal for the winding up or liquidation of any Group Company;
 - 1.15 lease, licence or part with or share possession or occupation of or surrender or otherwise dispose of any Real Property;
 - 1.16 vary the terms on which it holds any Real Property or settle any rent review in relation to any Real Property;
 - 1.17 enter into any agreement or arrangement to license, part with or share any Intellectual Property Rights;
 - 1.18 initiate, settle or abandon any claim, litigation, arbitration or other proceedings or make any admission of liability by or on behalf of any Group Company except, in any case, in relation to debt collection in the ordinary course of the business of sums not exceeding £25,000 for any single claim;
 - 1.19 other than in the ordinary course of business, make or pay any discretionary bonus, commission or profit-related or other incentive payment to any directors, employees or consultants, or increase the annual remuneration or pension entitlement of any director, employee or consultant or make any other material change in the terms and conditions of appointment, employment or engagement of any director, employee or consultant;

- 1.20 fail to pay any insurance premium when due for payment of fail to renew any of its insurance policies or materially reduce the amount or scope of cover of any such policies;
- 1.21 change the accounting reference date or auditors of any Group Company; or
- 1.22 agree, undertake or otherwise give any binding undertaking to do any of the same.

SCHEDULE 5

COMPLETION OBLIGATIONS

PART 1

SELLER'S OBLIGATIONS

At Completion, the Seller shall:

1. deliver or cause to be delivered to the Purchaser or the Company (as applicable):
 - 1.1 a copy of or extracts from the minutes of a meeting of the directors of the Seller authorising the Seller to enter into and perform its obligations under the Transaction Documents to which it is party;
 - 1.2 a transfer of all the Sale Shares, in the agreed form, in favour of the Purchaser;
 - 1.3 the Tax Deed duly executed by or on behalf of the Seller;
 - 1.4 the written resignations of all directors and any secretaries of the Company and each of the Subsidiaries in the agreed form;
 - 1.5 the Transitional Services Agreement in the agreed form signed by the Seller;
 - 1.6 an agreed form letter from the Seller to the Purchaser and Group Companies confirming that as at Completion, other than payments which are contemplated by the Transaction Documents, the Group Companies have repaid all monies then owing to each member of the Seller Group (whether due and payable or not) and the Seller has otherwise waived (or procured the waiver of) any and all claims with respect to the same;
 - 1.7 a written statement evidencing that there is no overdraft or debit balances and confirming any credit balances for any Group Company as at the close of banking hours on the Business Day immediately preceding Completion;
 - 1.8 any power of attorney or other authority under which this Agreement or any document referred to in it is executed on behalf of the Seller;
 - 1.9 letters resigning TPE from its obligations under the Seller Group Finance Documents, (including delinking from the group of accounts and any guarantee arrangements in such a manner that TPE ceases to have any ongoing liability in respect of such Seller Group Finance Documents);
 - 1.10 the Deed of Security duly executed by or on behalf of the Seller;
 - 1.11 the Loan Agreement duly executed by or on behalf of the Seller;
 - 1.12 a letter in the agreed form from the Seller assigning to the Purchaser its right to bring and/or pursue any claim pursuant to the Acquisition Tax Deed;
 - 1.13 to the extent not in the possession of a Group Company, the cheque books, certificates of incorporation, common seals, and all statutory and minute books (which shall be written up to, but not including, the date of Completion) of each Group Company;
2. procure that at a meeting of the directors of the Company, the directors of the Company shall approve registration of the transfer of the Sale Shares to the Purchaser and the entry of the Purchaser in the register of members of the Company, in each case subject to the transfer being presented duly stamped;
3. procure that the following business is transacted at meetings of the directors of each Group Company other than TPE:
 - 3.1 the resignations of the relevant Group Company's directors and secretary referred to in paragraph 1.4 above shall be accepted with effect from the end of the relevant board meeting;
 - 3.2 the situation of the registered office of the relevant Group Company shall be changed to 10 St Bride Street, London, EC4A 4AD;

- 3.3 all existing mandates for the operation of the bank accounts of the relevant Group Company shall be revoked and new mandates issued giving authority to persons nominated by the Purchaser; and
- 3.4 Alastair Watson, Michael Holt and Charles Rolandi shall be appointed as directors of the relevant Group Company, in each case subject to such person having consented to act.
- 4. procure that the following business is transacted at meetings of the directors of TPE:
 - 4.1 the resignations of TPE's directors and secretary referred to in paragraph 1.4 above shall be accepted with effect from the end of the relevant board meeting;
 - 4.2 the situation of the registered office of TPE shall be changed to 10 St Bride Street, London, EC4A 4AD;
 - 4.3 all existing mandates for the operation of the bank accounts of TPE shall be revoked and new mandates issued giving authority to persons nominated by the Purchaser; and
 - 4.4 Alastair Watson, Michael Holt, Charles Rolandi, Ignacio Garat, Christopher Tresadern and Allan Blakeley shall be appointed as directors of TPE, in each case subject to such person having consented to act.

PART 2

PURCHASER OBLIGATIONS

At Completion, the Purchaser shall:

1. deliver to the Seller:
 - 1.1 a copy of the minutes of meetings of the directors of the Purchaser authorising the Purchaser to enter into and perform its obligations under the Transaction Documents to which it is party;
 - 1.2 the Tax Deed duly executed by or on behalf of the Purchaser;
 - 1.3 any power of attorney or other authority under which this Agreement or any document referred to in it is executed on behalf of the Purchaser;
2. deliver to the Company a statement from any individual who, on completion, will become a registrable person or any entity that will become a registrable legal entity in relation to the Company within the meaning of section 790C of the 2006 Act confirming that person's required particulars in accordance with section 790M(9) of the 2006 Act;
3. procure that, following the appointment of Alastair Watson, Michael Holt, Charles Rolandi, Ignacio Garat, Christopher Tresadern and Allan Blakeley in accordance with paragraph 4.4 and the resignation of the relevant directors and secretary in accordance with paragraphs 1.4 and 4.1 of Part 1 of this Schedule 5, at a meeting of the directors of TPE, the directors of TPE shall authorise TPE to enter into and perform its obligations under the Transitional Services Agreement, the Loan Agreement and the Deed of Security; and
4. immediately following the steps out in paragraph 3 of this Part 2 of this Schedule 5 above, the Purchaser shall deliver to the Seller:
 - 4.1 the Loan Agreement duly executed by or on behalf of TPE;
 - 4.2 the Deed of Security duly executed by or on behalf of TPE; and
 - 4.3 the Transitional Services Agreement duly executed by or on behalf of TPE.

PART 3

POST-COMPLETION OBLIGATIONS

1. SELLER LEASE RENTAL CONTRACTS

1.1 The Parties shall, from Completion, use their reasonable endeavours to assign, novate or transfer from the relevant member of the Seller Group, the Seller Lease Rental Contracts to the relevant member of the Purchaser Group. The Purchaser agrees at its own expense to use its reasonable endeavours to obtain any third party consent required to assign, novate or transfer the Seller Lease Rental Contracts to the relevant member of the Purchaser Group.

1.2 Until such time as the benefit and burden of the Seller Lease Rental Contracts have been fully assigned, novated or transferred to the Purchaser Group:

1.2.1 the Seller shall procure that the relevant member of the Seller Group shall hold the benefit of the Seller Lease Rental Contracts on trust for the relevant member of the Purchaser Group and the relevant member of the Purchaser Group shall (to the extent not constrained by operation of law or by any third party) be entitled to the use and enjoyment of those Seller Lease Rental Contracts;

1.2.2 the Seller shall procure that the relevant member of the Seller Group shall do all such reasonable acts and things as the Purchaser may reasonably request in relation to such Seller Lease Rental Contracts provided that the Seller shall not be restricted from taking any such action nor shall it be obliged to comply with the Purchaser's requests if the Seller (acting reasonably) considers that a failure to do so or doing so (as applicable) would be materially prejudicial to its interests or would otherwise materially damage the goodwill or reputation of its business; and

1.2.3 the Purchaser shall, if permitted, perform the Seller Lease Rental Contracts on behalf of the relevant member of the Seller Group,

provided that in each case the Purchaser shall indemnify and hold the Seller or the relevant member of the Seller Group harmless from and against all losses and damages, and reasonable charges, costs or expenses which the Seller or the relevant member of the Seller Group may incur from time to time arising out of the performance of this paragraph 1 of Part 3 of this Schedule 5 (any such payments being, together with any sums due to the Seller pursuant to Clause 5.11 and Clause 9.2, as the "**Post-Completion Amounts**").

2. TPE LEASE RENTAL CONTRACTS

2.1 The Parties shall, from Completion, use their reasonable endeavours to assign, novate or transfer from TPE, the TPE Lease Rental Contracts to the Seller. The Seller agrees at its own expense to use its reasonable endeavours to obtain any third party consent required to assign, novate or transfer the TPE Lease Rental Contracts to the Seller.

2.2 Until such time as the benefit and burden of the TPE Lease Rental Contracts have been fully assigned, novated or transferred to the Seller:

2.2.1 the Purchaser shall procure that TPE shall hold the benefit of the TPE Lease Rental Contracts on trust for the Seller and the Seller shall (to the extent not constrained by operation of law or by any third party) be entitled to the use and enjoyment of those TPE Lease Rental Contracts;

2.2.2 the Purchaser shall procure that TPE shall do all such reasonable acts and things as the Seller may reasonably request in relation to such TPE Lease Rental Contracts provided that the Purchaser shall not be restricted from taking any such action nor shall it be obliged to comply with the Seller's requests if the Purchaser

(acting reasonably) considers that a failure to do so or doing so (as applicable) would be materially prejudicial to its interests or would otherwise materially damage the goodwill or reputation of its business; and

2.2.3 the Seller shall, if permitted, perform the TPE Lease Rental Contracts on behalf of TPE,

provided that in each case the Seller shall indemnify and hold the Purchaser or TPE harmless from and against all losses and damages, and reasonable charges, costs or expenses which the Purchaser or TPE may incur from time to time arising out of the performance of this paragraph 2 of Part 3 of this Schedule 5.

3. **SHARE SCHEMES**

3.1 The Seller shall assist the Purchaser with Share Scheme vesting and share option exercise administration in line with the Seller Group's current operating procedure and following vesting of an award or the exercise application of an option in each case pursuant to any Share Scheme, by an Employee:

3.1.1 within two Business Days of such exercise or vesting, the Seller shall notify the Purchaser of the exercise application or vesting and shall provide or procure the provision of such information to the Purchaser as the Purchaser may reasonably require to calculate the Tax Liabilities arising on the vesting of an award or exercise of the option at any relevant exercise price or price limit proposed by the Employee;

3.1.2 the Purchaser shall notify the Seller of the actual or forecasted Employee Tax Liabilities (as the case may be, applying a prudent approach to such Tax Liabilities in light of the relevant circumstances of the Employee in question) within three Business Days of receipt of a notification under paragraph 3.1.1 of Part 3 of this Schedule 5;

3.1.3 the Seller shall, as soon as reasonably practicable following the receipt of information from the Purchaser under paragraph 3.1.2 of Part 3 of this Schedule 5 and subject to all price limit conditions for exercise having been met, procure that the option exercise or vesting of an award is duly processed and an amount equal to the Employee Tax Liability is recovered from the Employee in question and shall pay an amount equal to the Employee Tax Liability to the Purchaser no later than five Business Days after the vesting or option exercise is processed;

3.1.4 following receipt of the Employee Tax Liabilities from the Seller under paragraph 3.1.3 of Part 3 of this Schedule 5 the Purchaser will account for the Tax Liabilities to HMRC; and

3.1.5 the Seller shall make all returns of information relating to the exercise of options under the Share Schemes (or procure the making of such returns) to HMRC within the appropriate time limits as required by law. The Purchaser shall supply all information within the power or control of the Purchaser which the Seller may reasonably require and which is requested by the Seller in writing in connection with the completion of the returns referred to in this paragraph 3.1.5 of Part 3 of Schedule 5 within five Business Days of receiving such written request.

3.2 Where the processing of the exercise of an option in accordance with paragraph 3.1.3 of Part 3 of this Schedule 5 is delayed by the operation of a price limit condition, the Seller shall liaise with the Purchaser, at the time of processing of the option, to confirm that the Employee Tax Liabilities notified to the Seller in paragraph 3.1.2 of Part 3 of this Schedule 5 remain unchanged and the Purchaser shall notify the Seller of any new Employee Tax Liabilities.

- 3.3 Following Completion, the Seller shall procure that a letter is sent to each of the designated 'Good Leaver' employees who have been or are entitled to be recipients of awards under any Share Scheme, in relation to the vesting or exercise of their options (or other awards).
- 3.4 For the purposes of this paragraph 3 of Part 3 of Schedule 5, "**Employee**" shall mean any employee or any former employee of the Purchaser's Group who is not an employee of the Seller Group, "**Employee Tax Liability**" shall mean the amount of any income tax due under PAYE and employees' primary Class 1 National Insurance contributions (and any equivalent tax or social security liability arising in any jurisdiction outside the United Kingdom), "**Employer Tax Liability**" shall mean secondary Class 1 National Insurance contributions (and any equivalent social security liability arising in any jurisdiction outside the United Kingdom), and "**Tax Liabilities**" shall mean the Employee Tax Liabilities and the Employer Tax Liabilities.

4. **INFORMATION PROVISION**

- 4.1 The Seller undertakes to the Purchaser that it shall:
- 4.1.1 procure that all books of account, records, documents and information of the Company and each Subsidiary (in whatever form) relating to the period before Completion that are retained by the Seller Group ("**Retained Information**") and which are legally required to be retained by it or which would be preserved in the ordinary course of business are preserved for two years from the Completion Date; and
- 4.1.2 upon reasonable advance notice by the Purchaser, provide copies (at the Purchaser's expense) of, the Retained Information to the Purchaser.
- 4.2 The Purchaser undertakes to the Seller that it shall:
- 4.2.1 procure that all books of account, records, documents and information of the Company and each Subsidiary (in whatever form) relating to the Company's and each Subsidiary's ordinary course of business and financial and corporate governance (including information required for financial, gender pay gap, PAYE and supplier payment practice reporting and the tax-related affairs of the Seller Group) relating to the period before Completion ("**Reporting Information**") and which are legally required to be retained by it or which would be preserved in the ordinary course of business are preserved for two years from the Completion Date;
- 4.2.2 upon reasonable advance notice by the Seller, provide copies (at the Seller's expense) of, the Reporting Information to the Seller;
- 4.2.3 provide support to the Seller in connection with Seller Group audit for its financial year ended 31 August 2020, including providing the Seller and its auditor with full access to the data, records and management of the Group Companies including any cooperation reasonably required by the Seller or any member of the Seller Group to ensure that the auditors of Connect can undertake the work needed to complete the Seller Group audit in a timely manner;
- 4.2.4 provide support to the Seller in connection with the Seller Group's preparation and submission of its tax computations for its financial year ended 31 August 2020 including general ledger support and access to the AX system of the Group;
- 4.2.5 provide the Seller Group with month end support for the month in which Completion occurs by providing, as soon as practicable following Completion:
- (A) flash profit and loss figures in relation to the Group Companies to be submitted into Hyperion (HFM) to allow the figures to be consolidated into the group flash; and

- (B) the profit and loss, balance sheet and cashflow figures to be submitted to Hyperion (HFM) and the validations cleared to allow the Seller Group to prepare its management accounts pack for the Connect Group board;
- 4.2.6 for the 18 months following Completion, provide reasonable access by prior arrangement to the Seller and its representatives, during normal business hours, to consult any person employed by the Purchaser Group who assisted with the Company's or any Subsidiary's ordinary course financial, wider corporate governance reporting (including gender pay gap and supplier payment practices reporting), PAYE reporting or tax-related affairs prior to Completion for the purpose of obtaining information he possesses in relation to the Company's or any Subsidiary's ordinary course reporting practices and tax-related affairs relating to the period before Completion, and the Purchaser shall use its reasonable endeavours to procure that any such person shall disclose all such information to the Seller; and
- 4.2.7 until the Consideration has been paid in full pursuant to Clauses 3.2 and 3.3, upon written request from the Seller (not more than two times per annum), provide the Seller with periodical reports setting out the information that the Seller reasonably requires in respect of the Group's performance for the purpose of the Seller Group's financial reporting requirements relating to the Consideration including as to recoverability. Such reports are not anticipated to require information in addition to full management accounts relating to the Group's business for the period in question.

5. **USE OF CONNECT IP**

- 5.1 The Purchaser shall not and shall procure that no member of the Purchaser Group shall after Completion in any way suggest, imply or in any way represent or hold out that any Group Company is still a member of the Seller Group or that any Group Company has any connection with or association with the Seller Group (save to the extent that is in fact the case).
- 5.2 The Purchaser shall procure that, as soon as practicable after Completion, each Group Company shall no longer use or exploit any Intellectual Property Rights of the Seller Group (including the "Connect" and "Pass my Parcel" names), unless such Intellectual Property Rights are expressly licensed to such Group Company, and in any event:
 - 5.2.1 within sixty (60) days of Completion procure that:
 - (A) the website used and operated by the Group Companies shall be changed to remove any reference to the Seller Group or to its trading;
 - (B) no member of the Purchaser Group shall use the Connect Arrow; and
 - (C) no member of the Purchaser Group shall use any e-mail addresses using the word "Connect"; and
 - 5.2.2 within six (6) months of Completion procure that no vehicles owned or hired by the Group Companies shall display vehicle livery displaying the word "Connect" or phrase "Pass My Parcel".

6. **TRANSITIONAL SUPPORT**

- 6.1 The Purchaser shall for six (6) months (or such shorter period of time as otherwise agreed between the Seller and Purchaser) following Completion procure that configuration, maintenance and management support, including call centre and routing services, for the Mitel telephony systems of the Seller Group on an ad hoc as required basis for up to five

Business Days per calendar month (the "**Mitel Support**") is provided to the Seller in accordance with paragraph 6.2 of this Part 3 of Schedule 5.

6.2 The Purchaser shall procure that the Mitel Support provided in accordance with paragraph 6.1 above is provided:

6.2.1 at cost to the Purchaser (being £700 (inclusive of VAT per day)) for each day the Seller requests such support upon reasonable advance notice (including by e-mail) to the Purchaser;

6.2.2 subject to operational capabilities, in all material respects consistent with the quality and service level and standard provided to the Seller Group during the twelve (12) month period prior to the date of Completion; and

6.2.3 to the Seller Group on a basis that, as between the Seller Group and TPE, affords the Seller Group at least the same level of priority and treatment that TPE gave the Seller Group in respect of the Mitel Support during the twelve (12) month period prior to the date of Completion.

6.3 The Purchaser shall for three (3) months (or such shorter period of time as otherwise agreed between the Seller and Purchaser) following Completion procure that office facility support (including the provision of workstations and access to office facilities including printer, canteen, telephony and hygiene resources) at the Sheffield Office for up to twenty (20) Seller Group employees (the "**Sheffield Location Office Support**") is provided to the Seller in accordance with paragraph 6.4 of this Part 3 of Schedule 5.

6.4 The Purchaser shall procure that the Sheffield Location Office Support provided in accordance with paragraph 6.3 above is provided:

6.4.1 at the sole cost of the Purchaser (with no cost or expense incurred by the Seller or any member of the Seller Group in respect of the same); and

6.4.2 in all material respects consistent with the support provided to the Seller Group during the twelve (12) month period prior to the date of Completion.

6.5 Without prejudice to the obligations of the Purchaser in paragraphs 6.1 to 6.4 of this Part 3 of Schedule 5, the Seller shall cooperate with the Purchaser to provide such information and assistance as may be reasonably required by the Purchaser to assist the Purchaser in procuring the provision of the Mitel Support and Sheffield Location Office Support in accordance with this paragraph 6 of this Part 3 of Schedule 5.

7. **GROUP'S OPERATING LICENCES**

7.1 The Purchaser shall promptly following Completion notify the Office of the Traffic Commissioner of the Transaction (including details of the resignation of the directors of the Company and the Subsidiaries and the appointment of new directors of the Company and the Subsidiaries in accordance with paragraphs 1.4, 3.1, 3.4, 4.1 and 4.4 of Part 1 of this Schedule 5) and take any other steps reasonably required to ensure no member of the Seller Group nor any of their respective directors, officers or employees have any outstanding actual or contingent liability or any other obligations in respect of any of the Group's Operating Licences for the period following Completion.

8. **INSURANCE**

8.1 The Parties acknowledge and agree that:

8.1.1 any existing claims made by or behalf of any Group Company accepted pursuant to any Seller Group Policy before Completion that remain outstanding at Completion shall be for the account (including any payment of any applicable

deductible under any Seller Group Policy) of the Seller Group and the Purchaser shall have no such liability in respect of any such claims; and

8.1.2 neither the Purchaser nor any Group Company shall have the benefit of the Seller Group Policies in relation to events, acts or omissions that occur after Completion, and the Purchaser shall be responsible for ensuring that each Group Company has adequate on-going insurance.

8.2 If following Completion any third party asserts a claim against a Group Company in respect of an event which took place prior to Completion (the “**Insured Third Party Claim**”) and it is reasonably likely that the relevant Group Company is able to recover any loss under a Seller Group Policy, then the Purchaser shall, or as the case may be shall ensure that the relevant Group Company shall:

1.1.2 consult with the Seller as soon as reasonably practicable with regard to the Insured Third Party Claim in question; and

1.1.3 provide the Seller on request with copies of all documents in relation to the relevant Insured Third Party Claim, save where to do so would result in a breach of any obligation of confidentiality or the loss of legal professional privilege,

and the Seller shall allow the relevant Group Company to bring a claim under any applicable Seller Group Policy. The Seller shall maintain conduct of any such claim and the Purchaser and the relevant Group Companies shall provide all such assistance and cooperation as the Seller may reasonably request for the purposes of bringing any such insurance claim on behalf of the relevant Group Companies and recovering the insurance proceeds, and the Seller shall comply with any reasonable request of the Purchaser and or the relevant Group Company with respect to the conduct of the insurance claim. In the event that any member of the Seller Group receives any such insurance proceeds, the Seller shall procure that such member of the Seller Group remits such proceeds to, as applicable, the relevant third party, the Purchaser or a Group Company (if so directed by the Purchaser) promptly and in any event within ten (10) Business Days of receipt, without set-off, deduction or counter-claim, save for any reasonable expenses not otherwise discharged by the Purchaser or a Group Company and any Tax attributable to or suffered in respect of the sum recovered.

8.3 Following Completion, the Seller shall not (and shall procure that the Seller Group shall not) cancel any Seller Group Policy with retrospective effect or do or omit to do anything which would materially adversely affect any Group Company’s rights pursuant to paragraphs 8.1 and 8.2 above.

SCHEDULE 6

SELLER WARRANTIES

PART 1 – FUNDAMENTAL WARRANTIES

1. SALE OF THE SALE SHARES

- 1.1 Subject to the satisfaction of the Condition, the Seller has taken all necessary actions and has all requisite power and authority to enter into and perform this Agreement and the other documents referred to in it (to which it is a party) in accordance with their respective terms.
- 1.2 This Agreement and the other documents referred to in it constitute (or shall constitute when executed) valid, legal and binding obligations on the Seller in accordance with their respective terms.
- 1.3 The execution and delivery by the Seller of this Agreement and the documents referred to in it, and compliance with their respective terms shall not breach or constitute a default:
- 1.3.1 under the Seller's articles of association, or any other agreement or instrument to which the Seller is a party or by which the Seller is bound; or
- 1.3.2 of any order, judgment, decree or other restriction applicable to the Seller.

2. SHARES IN THE COMPANY AND THE SUBSIDIARIES

- 2.1 The Sale Shares constitute the whole of the allotted and issued share capital of the Company and are fully paid or credited as fully paid.
- 2.2 The Seller is the sole legal and beneficial owner of the Sale Shares and is entitled to transfer the legal and beneficial title to the Sale Shares to the Purchaser free from all Encumbrances, without the consent of any other person.
- 2.3 The Company is, directly or indirectly, the sole legal and beneficial owner of the whole of the allotted and issued share capital of each of the Subsidiaries.
- 2.4 The issued shares of each Subsidiary are fully paid or credited as fully paid.
- 2.5 No person has any right to require, at any time, the transfer, creation, issue or allotment of any share, loan capital or other securities (or any rights or interest in them) of the Company or any of the Subsidiaries, and neither the Seller, the Company nor any of the Subsidiaries has agreed to confer any such rights, and no person has claimed any such right.
- 2.6 Neither the Company nor any of the Subsidiaries:
- 2.6.1 holds or beneficially owns, or has agreed to acquire, any shares, loan capital or any other securities in any company (other than the Subsidiaries);
- 2.6.2 has at any time in the three years prior to the date of this Agreement, had any subsidiaries or subsidiary undertakings, other than the Subsidiaries;
- 2.6.3 is, or has agreed to become, a member of any limited liability partnership, partnership or other unincorporated association, joint venture or consortium (other than recognised trade associations);
- 2.6.4 controls or takes part in the management of any company or business organisation (other than the Subsidiaries), nor has it agreed to do so;
- 2.6.5 is, in relation to any company (other than a Subsidiary), limited liability partnership or Societas Europaea registered in the UK, a registrable relevant legal entity within the meaning of section 790C of the 2006 Act; or
- 2.6.6 has any branch or permanent establishment outside its country of incorporation.
- 2.7 Neither the Company nor any of the Subsidiaries has in the three years prior to the date of this Agreement:

- 2.7.1 purchased, redeemed, reduced, forfeited or repaid any of its own share capital;
- 2.7.2 given any financial assistance in contravention of any Applicable Laws; or
- 2.7.3 allotted or issued any securities that are convertible into shares.

PART 2 – BUSINESS WARRANTIES

1. CONSTITUTIONAL AND CORPORATE DOCUMENTS

- 1.1 Copies of the memorandum and articles of association (or other constitutional and corporate documents) of the Company and the Subsidiaries have been disclosed. Such copy documents:
- 1.1.1 are true, accurate and complete in all material respects in accordance with Applicable Law; and
 - 1.1.2 fully set out all the rights and restrictions attaching to each class of shares in the capital of the Company and the Subsidiaries.
- 1.2 The register of members, register of people with significant control (“**PSC Register**”) and all other statutory books and registers of the Company and each of the Subsidiaries:
- 1.2.1 have been properly kept;
 - 1.2.2 are correctly written up to date; and
 - 1.2.3 contain a true, complete and accurate record of all matters and information which should be contained in them,
- in each case in all material respects in accordance with Applicable Laws.
- 1.3 In relation to its PSC Register, the Company and each Subsidiary has at all times complied with its duties under section 790D (Duty to investigate and obtain information) and section 790E (Duty to keep information up-to-date) of the 2006 Act since those duties came into force.
- 1.4 All dividends or distributions declared, made or paid by the Company or any of the Subsidiaries in the three years prior to the date of this Agreement have been declared, made or paid in accordance with its memorandum and articles of association, all Applicable Laws and any agreements or arrangements made with any third party regulating the payment of dividends and distributions.

2. POWERS OF ATTORNEY

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

3. DISPUTES AND INVESTIGATIONS

- 3.1 Neither the Company nor any of the Subsidiaries, is engaged or involved in, or otherwise subject to any of the following matters (apart from normal debt collection), such matters being referred to in this paragraph 3 as “**Proceedings**”:
- 3.1.1 any litigation or administrative, mediation, arbitration or other proceedings, or any claims, actions or hearings before any court, tribunal or any governmental, regulatory or similar body, or any department, board or agency (except for debt collection in the normal course of business); or
 - 3.1.2 any dispute with, or any investigation, inquiry or enforcement proceedings by, any governmental, regulatory or similar body or agency in any jurisdiction,
- in each case with a value in excess of £5,000.
- 3.2 So far as the Seller is aware, no Proceedings have been threatened or are pending by or against the Company, any of the Subsidiaries, any Director or any person for whose acts the Company or any of the Subsidiaries may be vicariously liable, and there are no circumstances likely to give rise to any such Proceedings.
- 3.3 Neither the Company nor any of the Subsidiaries:
- 3.3.1 is directly affected by any existing or pending judgment, order or other decision or ruling of a court, tribunal, arbitrator, or any governmental, regulatory or similar body or agency in any jurisdiction; or

3.3.2 has given any undertaking to any court, tribunal, arbitrator, or any governmental, regulatory or similar body or any other third party arising out of, or in connection with, any Proceedings which remains in force.

4. **CONTRACTS**

4.1 The definition in this paragraph applies in this Agreement.

"Material Contract" means any agreement, contract, transaction, obligation, commitment, understanding, liability or arrangement (whether written or oral) that has aggregate payments over its term of £150,000 or more and that:

- (a) is entered into otherwise than in the ordinary and usual course of business, or not on a fully arm's length basis;
- (b) is unusual, abnormal, exceptional or onerous in the context of the business of the Group Companies; or
- (c) has an unexpired term of three (3) years or more.

4.2 Each Material Contract has been disclosed and is in full force and effect and binding on the Group Companies which are party to them.

4.3 Neither the Company nor any of the Subsidiaries, nor, so far as the Seller is aware, any other counterparty is (or will, with the lapse of time, be) in material default of any Material Contract and no such material default has been threatened, and there are no facts or circumstances likely to give rise to any such default.

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

4.5 Neither the Company nor any of the Subsidiaries is a party to, or otherwise subject to any agreement (whether or not a Material Contract) which:

- 4.5.1 restricts the freedom of the Company or any of the Subsidiaries to carry on the whole or any part of the Business in any part of the world in a manner which is material to the Group Companies as a whole;
- 4.5.2 involves partnership or joint venture; or
- 4.5.3 involves the grant of any sole or exclusive rights by or to the Company or any of the Subsidiaries in a manner which is material to the Group Companies as a whole.

4.6 In the period of 12 months ending on the date of this Agreement no counterparty to a Material Contract has ceased, or, so far as the Seller is aware, no counterparty has served notice on the Company or any of the Subsidiaries confirming it wishes to cease, business with the Company or any of the Subsidiaries.

5. **TRANSACTIONS WITH SELLER GROUP**

5.1 Other than the Seller Guarantees, Property Guarantees or payments which are contemplated by any Transaction Document (and any liability or debt arising under them), there is no outstanding indebtedness or other liability (actual or contingent) and no outstanding contract, commitment or arrangement between the Company or any of the Subsidiaries and any of the following:

- 5.1.1 the Seller, or any other member of the Seller Group which will not be settled on or before the Completion Date; or
- 5.1.2 a Director, or a director of any other member of the Seller Group.

6. **FINANCE AND GUARANTEES**

6.1 The Data Room contains details of:

- 6.1.1 all money borrowed by the Company and each of the Subsidiaries from third parties; and
- 6.1.2 all loans, overdrafts or other financial facilities currently outstanding or available to the Company or any of the Subsidiaries (the "**Financial Facilities**").
- 6.2 The total amount borrowed by the Company or any of the Subsidiaries (whether pursuant to the Financial Facilities or otherwise) does not exceed any limitations on the borrowing powers of the Company or the relevant Subsidiary contained in:
 - 6.2.1 its articles of association; or
 - 6.2.2 any debenture or other deed or document binding on the Company or the relevant Subsidiary.
- 6.3 No Encumbrance, guarantee, indemnity or other similar security arrangement has been given or entered into by the Company, a Subsidiary or any third party in respect of borrowings or other obligations of the Company or any of the Subsidiaries (whether arising pursuant to the Financial Facilities or otherwise), nor has any such person agreed to do so where such guarantee, indemnity or similar security arrangement will not be fully discharged on Completion.
- 6.4 Neither the Company nor any of the Subsidiaries has given or entered into, or agreed to give or enter into, any Encumbrance, guarantee, indemnity or other similar security arrangement in respect of the indebtedness of, or the default in the performance of any obligation by, of any other person where such guarantee, indemnity or similar security arrangement will not be fully discharged on Completion.
- 6.5 Neither the Company nor any of the Subsidiaries has any outstanding loan capital, or has lent any money that has not been repaid, and there are no debts owing to the Company or any of the Subsidiaries other than debts that have arisen in the normal course of the Business.
- 6.6 Neither the Company nor any of the Subsidiaries is subject to any arrangement for receipt or repayment of any grant, subsidy or financial assistance from any government department or other body.

7. **EFFECT OF SALE OF THE SALE SHARES**

- 7.1 The acquisition of the Sale Shares by the Purchaser will not:
 - 7.1.1 result in the creation, imposition, crystallisation or enforcement of any Encumbrance on any of the assets of the Company or any of the Subsidiaries;
 - 7.1.2 result in any present or future indebtedness of the Company or any of the Subsidiaries becoming due and payable, or capable of being declared due and payable, prior to its stated maturity date, or cause any Financial Facility to be terminated or withdrawn;
 - 7.1.3 entitle any person to receive from the Company or any of the Subsidiaries any finder's fee, brokerage or other commission in connection with the transaction pursuant to the terms of this Agreement;
 - 7.1.4 give rise to, or cause to become exercisable, any right of pre-emption over the Sale Shares; or
 - 7.1.5 entitle any person to acquire, or affect the entitlement of any person to acquire, shares in the Company.

8. **INSOLVENCY**

- 8.1 No order has been made and no resolution has been passed for the winding up of, or a provisional liquidator to be appointed in respect of any Group Company and no petition has been presented and no meeting has been convened for the purpose of winding up any Group Company.

- 8.2 No administrator or compulsory manager has been appointed in respect of any Group Company and no steps intended to result in such an appointment have been taken.
- 8.3 No receiver (which expression shall include an administrative receiver) has been appointed in respect of any Group Company.
- 8.4 No Group Company is insolvent or unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 and no Group Company has stopped paying its debts as they fall due.
- 8.5 No voluntary arrangement has been proposed under section 1 of the Insolvency Act 1986 in respect of the Company or any Subsidiary.
- 8.6 No event analogous to any of the foregoing has occurred in any jurisdiction.
- 8.7 No unsatisfied judgment for an amount in excess of £10,000 is outstanding against the Company or any Subsidiary.

9. ACCOUNTS

- 9.1 The Accounts:
 - 9.1.1 show a true and fair view of the state of affairs of TPE as at the Accounts Date, and of the profit or loss of TPE for the accounting period ended on the Accounts Date; and
 - 9.1.2 have been properly prepared in accordance with UK GAAP applicable to TPE in force for the accounting period ended on the Accounts Date and comply with the requirements of the 2006 Act and all other Applicable Law and regulations in the UK.
- 9.2 Save as expressly disclosed in the Accounts, the Accounts have been prepared using the same accounting policies and estimation techniques as those adopted and applied in preparing the Previous Accounts.
- 9.3 The Company, The Big Green Parcel Group Limited, The Big Green Parcel Machine Limited and The Big Green Euro Machine Limited have not traded in the 12 month period ending on the Accounts Date.

10. LOCKED BOX ACCOUNTS

- 10.1 The Locked Box Accounts:
 - 10.1.1 were properly and carefully prepared using the accounting policies, estimation techniques, measurement bases, practices and procedures used in the preparation of the Accounts on a materially consistent basis; and
 - 10.1.2 disclose with reasonable accuracy the financial position of the Company as at the date to which they were prepared.

11. CHANGES SINCE THE ACCOUNTS DATE

- 11.1 Since the Accounts Date:
 - 11.1.1 the Company and each of the Subsidiaries has conducted the Business in the normal course and as a going concern;
 - 11.1.2 neither the Company nor any of the Subsidiaries has issued or agreed to issue any share or loan capital; and
 - 11.1.3 no dividend or other distribution of profits or assets has been, or agreed to be, declared, made or paid by the Company or any of the Subsidiaries.

12. FINANCIAL AND OTHER RECORDS

- 12.1 All financial and other records of the Company and of each of the Subsidiaries (the "Records"):
 - 12.1.1 have been properly prepared and maintained in all material respects;

- 12.1.2 do not contain any material inaccuracies or discrepancies; and
- 12.1.3 are in the possession of the Company or the Subsidiary to which they relate.

13. **ASSETS**

- 13.1 The assets included in the Accounts, together with any assets acquired since the Accounts Date and all other assets used by the Company or any of the Subsidiaries in connection with the Business (except for those disposed of since the Accounts Date in the normal course of business) are:
 - 13.1.1 legally and beneficially owned by either the Company or a Subsidiary; or
 - 13.1.2 in the possession and control of the Company or a Subsidiary.
- 13.2 None of the assets, undertaking or goodwill of the Company or any of the Subsidiaries is subject to an Encumbrance or any agreement or commitment to create an Encumbrance, and no person has claimed to be entitled to create such an Encumbrance.

14. **INTELLECTUAL PROPERTY RIGHTS**

- 14.1 The definitions in this paragraph apply in this Agreement:
 - "**Business IP**" means all Intellectual Property Rights, legally or beneficially owned by any Group Company including the rights listed in Schedule 9; and
 - "**Intellectual Property Rights**" means patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.
- 14.2 Details are set out in Schedule 9 respectively of all registered Intellectual Property Rights and domain names which are owned or registered by the Group Companies.
- 14.3 Copies of all other material licences, agreements, authorisations and permissions (in whatever form and whether express or implied) under which the Company or any of the Subsidiaries:
 - 14.3.1 uses or exploits Intellectual Property Rights (other than rights in computer software, database rights and rights to use software and data) owned by any third party; or
 - 14.3.2 has licensed or agreed to license Intellectual Property Rights (other than rights in computer software, database rights and rights to use software and data) to, or otherwise permitted the use of any such Intellectual Property Rights by, any third party,(together, the "**IP Licences**") have been disclosed.
- 14.4 So far as the Seller is aware, the Business IP is valid, subsisting and enforceable and nothing has been done, or not been done, as a result of which any of it has ceased or might cease to be subsisting or enforceable.
- 14.5 All application and renewal fees and other steps required for the maintenance or protection of the Business IP by the Company or the Subsidiaries have been paid on time or taken.
- 14.6 So far as the Seller is aware, all confidential information (including know-how and trade secrets) owned or used by the Company or any of the Subsidiaries in the five years prior to the date of this Agreement has not been disclosed by the Company or any of the Subsidiaries to third parties (other than to the extent necessary in the ordinary course of business or to parties who have signed written confidentiality undertakings in respect of such information).

- 14.7 Nothing has been done by the Company or any of the Subsidiaries, or not been done by the Company or any of the Subsidiaries, which might render any registered trademark owned or used by the Company or any of the Subsidiaries liable to be revoked or declared invalid.
- 14.8 Neither the Company nor any of the Subsidiaries has received any notification of any material claims, challenges disputes or proceedings, pending or threatened, in relation to the ownership, validity or use of such rights.
- 14.9 In the past 3 years, there has been no infringement by any third party of any Business IP, nor any third party breach of confidence, passing off or actionable act of unfair competition in relation to the business and assets of the Company or any of the Subsidiaries and, so far as the Seller is aware, no such infringement, breach of confidence, passing off or actionable act of unfair competition is current or anticipated.
- 14.10 So far as the Seller is aware, the IP Licences:
- 14.10.1 have not been the subject of any breach or default by any party or of any event which, with the giving of notice or lapse of time, would constitute a default;
 - 14.10.2 are not the subject of any claim, dispute or proceeding, pending or threatened; and
 - 14.10.3 have, where required, been duly recorded or registered.
- 14.11 So far as the Seller is aware, the activities of the Company or any of the Subsidiaries:
- 14.11.1 do not infringe the Intellectual Property Rights of any third party in any material respect;
 - 14.11.2 have not constituted and do not constitute any breach of confidence, passing off or actionable act of unfair competition; and
 - 14.11.3 have not given and do not give rise to any obligation to pay any royalty, fee, compensation or any other sum whatsoever.

15. INFORMATION TECHNOLOGY

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

"IT Contracts" means all written and oral arrangements and agreements with a value exceeding £100,000 under which any third party (including, without limitation, any member of the Seller Group (excluding the Company and the Subsidiaries) and any source code deposit agents) provides or will provide any element of, or services relating to, the IT System, including leasing, hire purchase, licensing, maintenance, website hosting, outsourcing, security, back-up, disaster recovery, and IT services agreements.

"IT System" means all computer hardware (including network and telecommunications equipment other than public communications networks), databases and software (including associated user manuals, object code and source code and other materials sufficient to enable a reasonably skilled programmer to maintain and modify the software ("**Software**") owned, used, leased or licensed by or to the Company or any of the Subsidiaries.

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

- 15.2 The IT Contracts have been disclosed and are valid and binding on the Group Companies which are party to them and, so far as the Seller is aware, no act or omission has occurred which would, if necessary with the giving of notice or lapse of time, constitute a material breach of any such contract.
- 15.3 So far as the Seller is aware, the elements of the IT System:
- 15.3.1 are functioning properly and in all material respects in accordance with all applicable specifications, and are fit for the purposes of the Business;
 - 15.3.2 are not defective in any material respect and have not been materially defective or materially failed to function during the last three years;

- 15.3.3 do not contain any Virus and have not within the last 12 months been infected by any Virus or accessed by any unauthorised person;
- 15.3.4 have sufficient capacity, scalability and performance to meet the current requirements of the Business as at the date of this Agreement;
- 15.3.5 (to the extent relevant) include sufficient user information to enable reasonably skilled personnel in the field to use and operate the IT System without the need for further assistance; and
- 15.3.6 have been satisfactorily and regularly maintained, all versions of the Software used by the Business are currently supported by the respective owners of the Software and the IT System has the benefit of appropriate maintenance and support agreements.

16. DATA PROTECTION

- 16.1 The Company and each of the Subsidiaries has notified registrable particulars of all personal data held by them where and to the extent required by Data Protection Legislation to do so and:
 - 16.1.1 has renewed such notifications and has notified any changes occurring in between such notifications as required by the Data Protection Legislation; and
 - 16.1.2 has paid all fees payable in respect of such notifications.
- 16.2 Neither the Company nor any of the Subsidiaries has transferred any personal data outside the European Economic Area in a manner that is not compliant with Data Protection Legislation.
- 16.3 The Company and each of the Subsidiaries has:
 - 16.3.1 complied in all material respects with the Data Protection Legislation; and
 - 16.3.2 satisfied any valid requests for access to personal data in accordance with Data Protection Legislation.
- 16.4 Neither the Company nor any of the Subsidiaries has received in the three years prior to the date of this Agreement any:
 - 16.4.1 notice or complaint under Data Protection Legislation alleging non-compliance with the Data Protection Legislation (including any information or enforcement notice, or any transfer prohibition notice); or
 - 16.4.2 claim for compensation for loss or unauthorised disclosure of data,and (so far as the Seller is aware) there are no circumstances which may give rise to the giving of any such notice or the making of any such notification.

17. EMPLOYMENT

- 17.1 The following definitions shall apply to this paragraph 17.

"Employment Legislation" means legislation applying in England and Wales and/or any other jurisdictions 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 or any of the Subsidiaries by any Group Employee or Worker;

"Group Employee" means any person employed by the Company or any of the Subsidiaries under a contract of employment, plus the Transferring Employees;

"Relevant Employee" means any Group Employee with a notice period of over three months (but excluding, for the avoidance of doubt, any Group Employee who has accrued the maximum statutory notice period of 12 weeks);

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

"TUPE" means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) and/or similar or equivalent legislation in other jurisdictions outside of the UK, each as amended, consolidated, modified, re-enacted or replaced from time to time; and

"Worker" means any person who personally performs work for the Company or any of the Subsidiaries but who is not in business on their own account or in a client/customer relationship, and excluding Group Employees.

- 17.2 The name of each Director is set out in Schedule 2.
- 17.3 The Data Room contains details of any bonus, share option, profit related pay or other schemes or arrangements, whether or not approved by HMRC, for the benefit of any Group Company's current or former directors or employees or any of them.
- 17.4 No litigation with a value exceeding £2,500 per single claim under any Employment Legislation or otherwise is outstanding between the Company or any of the Subsidiaries and any current or former:
 - 17.4.1 Group Employee relating to their employment, its termination or any reference given by the Company or any of the Subsidiaries regarding such Group Employee; or
 - 17.4.2 Worker relating to their contract, its termination or any reference given by the Company or any of the Subsidiaries regarding such Worker.
- 17.5 So far as the Seller is aware, the Company and/or any of the Subsidiaries do not have any outstanding actual or contingent liability in connection with the termination of the employment of any of its Group Employees (including redundancy payments) or for a failure to comply with any order for the reinstatement or re-engagement of any Group Employee.
- 17.6 All material facts, documents and matters relating to all collective agreements with any Representative Body (whether binding or not and whether in writing or not), and all material particulars of the extent to which any body is recognised or, within the last two years, has claimed recognition or been de-recognised, have been disclosed.
- 17.7 The Company and/or any of the Subsidiaries are not involved in any material industrial, trade or other dispute or negotiation regarding a claim with any Representative Body and, so far as the Seller is aware, there is nothing likely to give rise to such a dispute or claim.
- 17.8 So far as the Seller is aware, no Relevant Employee is currently under notice of termination of their contract of employment (whether such notice was given by the relevant employer or by the Relevant Employee).
- 17.9 No offer of employment with a proposed notice period of over three months has been made by the Company or any of the Subsidiaries that has not yet been accepted, or which has been accepted but where the employment or engagement has not yet started.
- 17.10 The Company and the Subsidiaries have, in relation to Group Employees, Directors and Workers in all material respects:
 - 17.10.1 complied with their legal obligations and duties they are required to perform, whether arising under contract, statute, common law, equity and/or under all relevant domestic and international legislation and all other regulations and codes of practice relevant to their relations with Group Employees, Directors and Workers (including the Employment Legislation);
 - 17.10.2 complied with their legal obligations and duties they are required to perform whether arising under contract, statute, common law, equity and/or under all relevant domestic and international legislation and other regulations and codes of practice relevant to its relations with any recognised trade union, employee representatives or other association or body representing and all collective

- agreements from time to time in force relating to such relations or the conditions of service of the Group Employees, Directors or Workers;
- 17.10.3 complied with the terms of any relevant agreement or arrangement with any Representative Body (whether binding or not); and
- 17.10.4 discharged fully their obligations to pay holiday pay up to the date of this Agreement in accordance with statute, regulations, directives and/or common law in the UK and/or other jurisdictions.
- 17.11 Neither the Company nor any of the Subsidiaries is a party to, bound by or proposing to introduce in respect of any Director or Group Employee, any redundancy payment scheme in addition to statutory redundancy, nor is there any agreed procedure for redundancy selection.
- 17.12 In the period of two years preceding the date of this Agreement, neither the Company nor any of the Subsidiaries has been a party to a relevant transfer for the purposes of TUPE affecting any of the Group Employees or Workers and so far as the Seller is aware no event has occurred which may involve such persons in the future being a party to such transfer, save as envisaged in Clause 5.5. No such persons have had their terms or employment varied for any reason as a result of or connected with such a transfer.
- 17.13 There are no loans or notional loans to any current Director or former director of the Company or any of the Subsidiaries, or any Group Employee or Worker (or any of their respective nominees or associates) made or arranged by:
- 17.13.1 the Company or any of the Subsidiaries; or
- 17.13.2 any other member of Seller Group; or
- 17.13.3 any employee benefit trust or similar arrangement established by the Company, any of the Subsidiaries or any other member of the Seller Group.
- 17.14 So far as the Seller is aware, no Relevant Employee is currently subject to a formal disciplinary warning or procedure.
- 17.15 The Company and/or any Subsidiaries have complied at all times in all material respects with all obligations under the Agency Worker Regulations 2010 and/or Directive 2008/104/EC on temporary agency work and/or equivalent or similar legislation in other jurisdictions in which the Company or the Subsidiaries operate.
- 17.16 So far as the Seller is aware, there are no Workers with a notice period of over three months (but excluding, for the avoidance of doubt, any Worker who has accrued the maximum statutory notice period of 12 weeks).
- 18. RETIREMENT BENEFITS**
- 18.1 Other than pursuant to the Pension Schemes, no arrangements exist to which the Company or any of the Subsidiaries contribute for the provision of any benefits on retirement or, when connected with such an arrangement, death or disability benefits to or in respect of any Employee or former employee of the Company or any of the Subsidiaries other than arrangements which have been fully paid up or wound up.
- 18.2 Copies of the trust deed and rules or other documentation containing the provisions currently governing the Pension Schemes and, in relation to the Final Salary Scheme, a copy of the most recent actuarial valuation, have been provided to the Purchaser and there is, so far as the Seller is aware, no obligation to provide benefits under the Pension Schemes other than as revealed in such documents and particulars.
- 18.3 Contributions, insurance premiums, tax and expenses due to be paid to or in respect of the Pension Schemes by the Company or any of the Subsidiaries and by its Employees have been paid by the due dates.
- 18.4 Death in service benefits under the Pension Schemes are insured and premiums by way of insurance which are payable in respect of the Pension Schemes by the Company or any of the Subsidiaries have been paid to the relevant insurance company by the due dates.

- 18.5 The Pension Schemes are registered pension schemes for the purposes of Chapter 2 of Part 4 of the Finance Act 2004 and, so far as the Seller is aware, there is no reason why HMRC may seek to de-register any of the Pension Schemes.
- 18.6 No claims, actions or complaints have been made or so far as the Seller is aware are pending, threatened or anticipated in relation to the Pension Schemes (other than routine claims for benefits) and there are no facts or circumstances likely to give rise to any such claims, actions or complaints.
- 18.7 So far as the Seller is aware, having made relevant enquiry to the trustee of the Final Salary Scheme, the Pensions Schemes have at all times been administered in accordance with all applicable legal, regulatory and administrative requirements and in compliance with the provisions of its governing documents.
- 18.8 The membership data relating to the Pension Schemes that has been disclosed to the Purchaser is complete and accurate in all material respects.
- 18.9 The Seller has received no notice of any claims other than routine claims for benefits in respect of the Pension Schemes.
- 18.10 So far as the Seller is aware, the Company and the Subsidiaries have complied with the employer obligations under the auto-enrolment requirements of the Pensions Act 2008.
- 18.11 No material fees, charges, taxes or expenses in respect of the Pension Schemes have been incurred and remain unpaid.
- 18.12 So far as the Seller is aware, neither the Company or any of the Subsidiaries have been a party to any act or deliberate failure to act, and nor have any circumstances existed involving the Company or any of the Subsidiaries, which might result in any regulatory sanctions being threatened against or imposed upon the Company or any of the Subsidiaries.

19. **PROPERTY**

- 19.1 The Real Properties comprise all the land and buildings owned by the Group Companies which are material to the Business as it is carried on at the date of this Agreement.
- 19.2 The information regarding the Real Properties contained in Schedule 8 is true and accurate in all material respects.
- 19.3 Where the "Tenure" of a Real Property is listed as "Freehold", in Schedule 8, TPE is the sole legal and beneficial owner of it and is in possession of, uses and occupies the relevant Real Property free from any Encumbrance.
- 19.4 There are no agreements for sale or lease, estate contracts, options, rights of pre-emption or similar matters affecting the Real Properties, the provisions of which remain to be observed or performed.
- 19.5 The Seller is not aware of any circumstance which would entitle any third party to exercise a right or power of entry or to take possession or which would in any other way affect or restrict the continued possession, enjoyment or use of the Real Properties by the Group Companies.
- 19.6 No notice, order, proposal, application or schedule of dilapidations affecting or relating to the Real Properties has been served or made by any authority or other person or by any Group Company.
- 19.7 No action, claim, proceeding, demand, dispute or liability (contingent or otherwise) in respect of any of the Real Properties has been received or served by any Group Company.
- 19.8 The Group Company has paid the rent and all other sums payable under the leases of the Real Properties on or before the due dates for payment.
- 19.9 The Real Properties benefit from all rights and easements necessary for their current use and enjoyment (without restriction as to time or otherwise).
- 19.10 No notice of breach has been received or served by any Group Company in relation to any of the leases under which any Real Properties are held.

- 19.11 The Real Properties are not subject to any matters which are unregistered interests which override registered dispositions under Schedule 3 to the Land Registration Act 2002.
- 19.12 In the three years prior to the date of this Agreement, there has been no breach or alleged breach of any requirement of any current or previous Applicable Laws (excluding Environmental Laws) which are capable of enforcement and which affect any of the Real Properties.
- 19.13 So far as the Seller is aware, none of the Real Properties has suffered from any of the following:
- 19.13.1 flooding;
 - 19.13.2 subsidence;
 - 19.13.3 heave;
 - 19.13.4 landslip;
 - 19.13.5 mining activities;
 - 19.13.6 structural defects;
 - 19.13.7 dry rot, wet rot, rising damp or any infestation.

20. **ENVIRONMENT AND HEALTH AND SAFETY**

20.1 The definitions in this paragraph apply in this Agreement.

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

"Environmental Laws" means each Applicable Law which relates to pollution or protection of the Environment, or human health and safety, or the generation, transportation, storage, treatment, disposal or presence of any Hazardous Substance;

"Environmental Matters" means all matters relating to:

- (a) pollution or contamination of the Environment;
- (b) the presence, disposal, release, spillage, deposit, escape, discharge, leak, migration or emission of Hazardous Substances or Waste;
- (c) the exposure of any person to Hazardous Substances to the Environment or Waste;
- (d) the creation or existence of any noise, vibration, odour, radiation, common law or statutory nuisance or other adverse impact on the Environment; or
- (e) the condition, protection, maintenance, remediation, reinstatement, restoration or replacement of the Environment or any part of it.

"Environmental Permit" means any permits, licences, consents, certificates, registrations, notifications or other authorisations required under any Environmental Laws for the operation of the Business as presently carried on or in relation to any of the Real Properties.

"Harm" means harm to the Environment, and in the case of man, this includes offence caused to any of his senses or harm to his property.

"Hazardous Substances" means any natural or artificial substance or thing (whether in solid, liquid or gaseous form) which is (alone or in combination) capable of causing harm to human health or to the Environment.

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

20.2 The Company and the Subsidiaries have obtained and complied in the three years prior to the date of this Agreement with all Environmental Permits. All Environmental Permits are in

full force and effect, and, so far as the Seller is aware, there are no facts or circumstances that may lead to the revocation, suspension, variation or non-renewal of, or the inability to transfer, any Environmental Permits.

- 20.3 The Company and the Subsidiaries have in the three years prior to the date of this Agreement, operated in material compliance with all Environmental Laws in force from time to time.
- 20.4 There have in the two years prior to the date of this Agreement been no claims, investigations, prosecutions or other proceedings against or threatened against the Company, any of the Subsidiaries or any of their respective directors, officers or employees in respect of Harm arising from the operation of the Business or for any material breach or alleged breach of any Environmental Permits or Environmental Laws. At no time in the last two years prior to the date of this Agreement, has the Company or any of the Subsidiaries received any notice, communication or other written information alleging any material liability in relation to any Environmental Matters or that any remediation works are required.
- 20.5 Neither the Company nor any of the Subsidiaries has in the two years prior to the date of this Agreement received any enforcement, prohibition, stop, remediation, improvement or any other notice from, or been subject to any civil sanction imposed by, any enforcement authority, including (but not limited to) the Environment Agency, Natural Resources Wales, the Health and Safety Executive or the relevant local authority, with regard to any Environmental Matters or any breach of Environmental Laws in respect of the Business, the Company, any of the Subsidiaries or any of the Real Properties.

21. ANTI-CORRUPTION

- 21.1 The definition in this paragraph applies in this Agreement.
- "**Associated Person**" means in relation to a company, a person (including an employee, agent or subsidiary) who performs or has performed services for or on behalf of that company.
- 21.2 Neither the Company nor any of the Subsidiaries is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010.
- 21.3 No Associated Person of the Company or any of the Subsidiaries has bribed another person (within the meaning given in section 7(3) of the Bribery Act 2010) intending to obtain or retain business or an advantage in the conduct of business for the Company and/or any of the Subsidiaries, and the Company and each of the Subsidiaries has in place adequate procedures in line with the guidance published by the Secretary of State under section 9 of the Bribery Act 2010 designed to prevent their Associated Persons from undertaking any such conduct.
- 21.4 Neither the Company nor any of the Subsidiaries nor any of their Associated Persons is or has been the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body or any customer regarding any offence or alleged offence under the Bribery Act 2010, and no such investigation, inquiry or proceedings have been threatened or are pending and there are no circumstances likely to give rise to any such investigation, inquiry or proceedings.
- 21.5 To the extent that any of the matters in paragraphs 21.2 to 21.4:
- 21.5.1 are known or suspected by the Seller to have been committed by the Company, Subsidiaries or any officer, employee, representative or agent of any Company or Subsidiary has; or
- 21.5.2 are known or suspected by the Seller to have been committed by any former Subsidiary, or any former officer, employee, representative or agent of any Subsidiary or former Subsidiary such that the relevant Subsidiary may still have some financial, business or reputational risk in relation to such matters,
- these matters have been disclosed.

- 21.6 The Company has in place policies and procedures in relation to business conduct and ethics as required by the Bribery Act 2010 and generally accepted standards of business conduct and ethics.
- 21.7 The Company has in place adequate procedures and mechanisms for reporting a violation or suspected violation of the Bribery Act 2010 (and any similar Applicable Law and regulation) and generally accepted standards of business conduct and ethics and ensuring that all such reports are fully investigated and acted upon appropriately.

22. **SANCTIONS**

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

"Sanctions" means any laws or regulations relating to economic or financial sanctions or trade embargoes or related restrictive measures imposed, administered or enforced from time to time by a Sanctions Authority;

"Sanctions Authority" means (i) the United Nations Security Council; (ii) the United States government; (iii) the European Union; (iv) the United Kingdom government; (v) the respective governmental institutions and agencies of any of the foregoing, including without limitation, the Office of Foreign Assets Control of the US Department of Treasury ("**OFAC**"), the United States Department of State and Department of Commerce, and Her Majesty's Treasury; and (vi) any other governmental institution or agency with responsibility for imposing, administering or enforcing Sanctions with jurisdiction over any Group Company;

"Sanctions List" means the Specially Designated Nationals and Blocked Persons list maintained by OFAC, the Denied Persons List maintained by the US Department of Commerce, the Consolidated List of Financial Sanctions Targets maintained by Her Majesty's Treasury, or any other list issued or maintained by any Sanctions Authorities of persons subject to Sanctions (including investment or related restrictions), each as amended, supplemented or substituted from time to time; and

"Sanctioned Person" means a person that is listed on, or owned or controlled by, or acting on behalf of, a person listed on any Sanctions List.

- 22.2 Neither the Company nor any Subsidiaries' directors or employees is a Sanctioned Person, and neither the Company nor any Subsidiaries' directors and employees acts directly or indirectly on behalf of a Sanctioned Person.
- 22.3 The Company and the Subsidiaries are in compliance with all applicable Sanctions and are not engaged in any activities that would reasonably be expected to result in any of them being designated as a Sanctioned Person.

23. **LICENCES AND CONSENTS**

- 23.1 The Company and each of the Subsidiaries holds all licences, consents, permits and authorities which are material to their business as it is carried on at the date of this Agreement (the "**Consents**").
- 23.2 Each of the Consents is valid and subsisting, and neither the Company nor any of the Subsidiaries is in breach of the terms or conditions of the Consents (or any of them) in a manner which would mean such Consents could be revoked, suspended or cancelled.

24. **INSURANCE**

- 24.1 The Company and each of the Subsidiaries 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 reasonable person carrying on the same type of business as the Business.

25. **COMPETITION**

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

"Competition Law" means the national and directly effective legislation of any jurisdiction which governs the conduct of companies or individuals in relation to restrictive or other

anti-competitive agreements or practices (including, but not limited to, cartels, pricing, resale pricing, market sharing, bid rigging, terms of trading, purchase or supply and joint ventures), dominant or monopoly market positions (whether held individually or collectively).

- 25.2 Neither the Company nor any of the Subsidiaries is engaged in any agreement, arrangement, practice or conduct which amounts to an infringement of the Competition Law of any jurisdiction in which the Company or the Subsidiaries conduct business and, so far as the Seller is aware, none of their respective directors, officers or employees is or has been engaged in any activity which would be an offence or infringement under any such Competition Law in relation to the Business.
- 25.3 Neither the Company nor any of the Subsidiaries, nor any of their respective directors, officers or employees, is the subject of any investigation, inquiry or proceedings by any relevant government body, agency, authority or court in connection with any actual or alleged infringement of the Competition Law of any jurisdiction in which the Company or any of the Subsidiaries conducts business.
- 25.4 No such investigation, inquiry or proceedings as referred to in paragraph 25.3 of Part 2 of this Schedule 6 have been threatened or are pending.
- 25.5 Neither the Company nor any of the Subsidiaries is affected by any existing or pending decisions, judgments, orders or rulings of any relevant government body, agency, authority or court responsible for enforcing the Competition Law of any jurisdiction, nor have they given any undertakings or commitments to such bodies which materially adversely affect the conduct of the Business.
- 25.6 Neither the Company nor any of the Subsidiaries is in receipt of any payment, guarantee, financial assistance or other aid from the government or any state body which was not, but should have been, notified to the European Commission under Article 108 of the Treaty on the Functioning of the European Union for decision declaring such aid to be compatible with the internal market.

PART 3 – TAX WARRANTIES

1. TAX RETURNS AND COMPLIANCE

- 1.1 For the three years prior to the date of this Agreement each Group Company has, in all material respects, within the relevant time limits correctly made all returns, given all notices and submitted all computations, accounts or other information required to be made, given or submitted to any Tax Authority and all such returns and other documentation were and, so far as the Seller is aware, remain true, complete and accurate in all material respects.
- 1.2 For the three years prior to the date of this Agreement, all claims, elections and disclaimers assumed for the purposes of the Locked Box Accounts or the returns have, in all material respects, within the relevant time limits been correctly made and submitted, and remain valid in all material respects and the Disclosure Letter contains all material details of any claims, elections, disclaimers, returns or other documentation which need to be submitted to a Tax Authority, where the time limit has not expired at Completion.
- 1.3 No Group Company has any agreement or arrangement with a Tax Authority whereby it is assessed to or accounts for Tax other than in accordance with the strict terms of relevant legislation or published practice of the relevant Tax Authority.

2. DEDUCTIONS AND PAYMENTS OF TAX

For the three years prior to the date of this Agreement each Group Company has in all material respects:

- 2.1 properly deducted and/or withheld from payments made by it all Tax required to be deducted and/or withheld; and
- 2.2 within the relevant time limits paid or accounted for all Tax which it is or was liable to pay or account for (including Tax required to be deducted or withheld from payments).

3. RECORDS

So far as the Seller is aware, for the three years prior to the date of this agreement each Group Company has maintained and is in possession of all material records required for Tax purposes and all such records remain true, complete and accurate in all material respects.

4. PENALTIES, DISPUTES AND INVESTIGATIONS

No Group Company is, or has within the last three years been, liable to pay any material fine, interest, surcharge or penalty in relation to Tax, nor involved in any dispute with, or the subject of an enquiry or investigation by, a Tax Authority and so far as the Seller is aware there are no known facts which will cause it to become liable to pay any fine, interest, surcharge or penalty nor to give rise to any such dispute, enquiry or investigation.

5. RESIDENCE AND OVERSEAS MATTERS

- 5.1 Each Group Company is, and always has been, resident only in its country of incorporation for Tax purposes.
- 5.2 No Group Company is or has ever had a branch, agency or permanent establishment for Tax Purposes through which it carries on a trading activity in any jurisdiction other than its country of incorporation.

6. VAT AND INDIRECT TAXES

The Disclosure Letter contains true, complete and accurate details of all companies which are as at Completion members of the same group of companies as any Group Company for

the purposes of Section 43 VATA, including details of the representative member of such groups.

7. **GROUPS**

No Group Company shall be required to make any payments after Completion to the Seller or the nominated company (for the purposes of the GPA) pursuant to the GPA.

8. **ANTI-AVOIDANCE**

No Group Company has carried out, been party to, or otherwise involved in any transaction where the sole or main purpose or one of the main purposes was the avoidance of Tax or the obtaining of a tax advantage, whether as part of a scheme, arrangement or series of transactions.

9. **EVENTS SINCE LOCKED BOX DATE**

Since the Locked Box Date, no Group Company has been involved in any transaction outside the ordinary course of business which has given or could give rise to a liability to Tax on such Group Company (other than corporation Tax on normal trading income) or would have given rise to such a liability but for the availability of any Tax Relief.

10. **TAX DEFERRAL**

For the three years prior to the date Agreement, no Group Company has entered into any agreement or other arrangement with a Tax Authority in order to defer the payment of any Tax that would otherwise be due from that Group Company to a date later than the latest date on which the relevant Tax can be paid to the relevant Tax Authority without incurring interest, surcharge or penalties.

11. **CONTRACTS FOR DIFFERENCES**

11.1 No member of the Group has entered into any contract for differences after 19 December 2014 with any current or former employee of any Group Company for the purpose of securing a Tax benefit for that current or former employee.

11.2 The consolidated balance sheet for the Group as at the 31 August 2014 included no provision or reserve for any liabilities relating to any Proceedings with respect to any contracts for differences with any employee of any Group Company.

SCHEDULE 7

PURCHASER WARRANTIES

1. POWER TO PURCHASE THE SALE SHARES

- 1.1 The Purchaser has taken all necessary actions and has all requisite power and authority to enter into and perform this Agreement and the other documents referred to in it (to which it is a party) in accordance with their respective terms.
- 1.2 This Agreement and the other documents referred to in it constitute (or shall constitute when executed) valid, legal and binding obligations on the Purchaser in accordance with their respective terms.
- 1.3 The execution and delivery by the Purchaser of this Agreement and the documents referred to in it, and compliance with their respective terms shall not breach or constitute a default:
 - 1.3.1 under the Purchaser's articles of association, or any other agreement or instrument to which the Purchaser is a party or by which the Purchaser is bound; or
 - 1.3.2 of any order, judgment, decree or other restriction applicable to the Purchaser.

2. INSOLVENCY

- 2.1 No order has been made and no resolution has been passed for the winding up of, or a provisional liquidator to be appointed in respect of the Purchaser and no petition has been presented and no meeting has been convened for the purpose of winding up the Purchaser.
- 2.2 No administrator or compulsory manager has been appointed in respect of the Purchaser and no steps intended to result in such an appointment have been taken.
- 2.3 No receiver (which expression shall include an administrative receiver) has been appointed in respect of the Purchaser.
- 2.4 The Purchaser is not insolvent or unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 and the Purchaser has not stopped paying its debts as they fall due.
- 2.5 No voluntary arrangement has been proposed under section 1 of the Insolvency Act 1986 in respect of the Purchaser.
- 2.6 No event analogous to any of the foregoing has occurred in any jurisdiction.
- 2.7 No unsatisfied judgment for an amount in excess of £10,000 is outstanding against the Purchaser.

SCHEDULE 8
REAL PROPERTY

No.	Depot	Description of Real Property	Title Number of Property (if applicable)	Tenure
1.	Aberdeen	Unit 1/2/3 Hareness Road, Altens Ind Est, AB12 3LE		Leasehold
2.	Andover	87 Livingstone Rd, Walworth Ind Est, SP10 5NS	HP845161 (title allocated but registration pending)	Leasehold
3.	Basingstoke	39 Morse Road, West Ham Industrial Estate, Basingstoke, RG22 6NE	HP775675	Leasehold
4.	Belvedere	Crabtree Manorway North, Belvedere Ind Area, DA17 6BT	SGL809427 (title allocated but registration pending)	Leasehold
5.	Brierley Hill	Fens Pool Ave, Wallows Ind Est, Dudley Rd, DY5 1QA	WM338890	Freehold
6.	Bristol (Unit R)	Unit R Wellington drive, Stover Trad Est, BS37 5NZ	GR380061	Leasehold
7.	Carnforth	Kellet Rd Ind Est, Kellet Rd, Carnforth, Lancashire, LA5 9XP	LAN229144 (title allocated but registration pending)	Leasehold
8.	Coventry	Gresham Rd, Bermuda Ind Est, Nuneaton, Warwickshire, CV10 7QR	WK512042 (title allocated but registration pending)	Leasehold
9.	Crawley	Stephenson Place, Stephenson Way, Three Bridges, RH10 1TL	WSX162284	Freehold
10.	Darwen	Chanters Way, Lower Eccleshill Road, Darwen, BB3 0RP	LAN26219	Leasehold
11.	Dewsbury	Pennine View, Birstall, WF17 9NF	YY30919	Leasehold
12.	Exeter	Unit C, Silverton Road, Matford Business Park, Exeter, EX2 8NN	DN671565	Leasehold
13.	Felling	Abbotsford Rd, Felling-on-Tyne, NE10 0EX	TY159837	Freehold

No.	Depot	Description of Real Property	Title Number of Property (if applicable)	Tenure
14.	Haydock	Unit P Yewtree Trad Est, Kilbuck lane, WA11 9UX	MS535733 MS206778	Freehold Leasehold
15.	Ipswich	Hadleigh Rd Ind Est, IP2 0UB	SK72542	Freehold
16.	Lanark	5 South Faulds Road, Caldwellside Ind Est, Lanark, ML11 7SR	LAN200135	Freehold
17.	Leeds	Haigh Park Road, Stourton, LS10 1RT	YY17851	Leasehold
18.	Leicester	18 Atlas Court, Hermitage industrial Estate, Coalville, LE67 3FL	LT472857	Leasehold
19.	Leighton Buzzard	Cherry Court Way, Marley Ind Est, off Stanbridge Rd, LU7 4UH	BD334487 (title allocated but registration pending)	Leasehold
20.	Lockerbie	Unit 6 61/63 Bridges St, DG11 2HS		Leasehold
21.	Maidstone	Unit GG & HH St Michaels Close, ME20 7BH	TT17909	Leasehold
22.	Manchester	239 Shaw Rd, Royton, Oldham, OL2 6EF	MAN206295	Leasehold
23.	Middlesex	Units 4B & 4C Swallowfield Way, Hayes, UB3 1DQ	AGL326006	Leasehold
24.	Newark	Units 7&8 Newark Storage Ind Est, Bowbridge Rd, NG24 4EQ	NT486369	Leasehold
25.	Newport	Azalea Rd, Rogerstone, NP10 9SA	CYM790036 (title allocated but registration pending)	Leasehold
26.	Northampton	Caswell Road, Brackmills Ind Est, NN4 7PW	NN85937	Freehold
27.	Norwich	23 Vulcan Road, Norwich, NR6 6AG	NK453099	Leasehold
28.	Oxford	Unit 6 Cherwell Valley Business Park, Twyford, OX17 3AA	NN315572	Leasehold
29.	Perth	Ruthvenfield Rd, Inveralmond Est, PH1 3EE		Leasehold

No.	Depot	Description of Real Property	Title Number of Property (if applicable)	Tenure
30.	Petersborough	Unit B Harrier Park, PE2 6YQ	CB388178	Leasehold
31.	Plymouth	Abbots Close, Lee Mill Ind Est, Ivybridge, PL21 9GA	DN725664 (title allocated but registration pending)	Leasehold
32.	Sheffield (Meadowhall)	MBP1, Meadowhall Business Park, Sheffield	SYK654299	Leasehold
33.	Sheffield Europa	Depot, Sheffield Bus. Park, Europa Close, S9 1XS	SYK623576	Freehold
34.	Slough	61 Whitby Road Trading Estate Slough	BK490858	Leasehold
35.	Stafford	Building T (23) Beacon Business Park, Western Rd, ST18 0WL	SF563614	Leasehold
36.	West Horndon	Unit 6 West Horndon Ind Park, Station Rd, CM13 3XL	EX985763	Leasehold
37.	Westbury	Units 4/5 Link Road, West Wilts Trad Est, BA13 4JB	WT422571	Leasehold

SCHEDULE 9
INTELLECTUAL PROPERTY RIGHTS

PART 1 – TRADEMARKS

Mark Description	Country	Trade Mark Number	Filing Date	Expiry Date
The Big Green Parcel Machine	UK	2046220	25/11/2025	25/11/2025
Fast4ward	UK	2421928	03/08/2008	16/05/2026
Fastbak	UK	2421927	16/05/2006	16/05/2026
Premium Express	UK	1472434	03/08/2008	03/08/2028
Priority 1	UK	1472435	03/08/2008	03/08/2028
Tuffnells	UK	1472436	03/08/2008	03/08/2028

PART 2 – DOMAIN NAMES

No.	Domain Name
1.	ezeelink.co.uk
2.	ezeelink.uk
3.	ezeelinkweb.co.uk
4.	ezeelinkweb.uk
5.	mobile-tuffnells.uk
6.	mytuffnells.co.uk
7.	mytuffnells.uk
8.	tpoopod.co.uk
9.	tpoweb.co.uk
10.	tpoweb.uk
11.	tpoweb2.co.uk
12.	tpoweb2.uk
13.	tuffnells.co.uk

No.	Domain Name
14.	tuffnells.uk
15.	tuffnells.io

SCHEDULE 10
CONNECT ARROW



SCHEDULE 11

DEFINITIONS AND INTERPRETATION

1. In this Agreement each of the following words and expressions shall have the following meanings:

"the 1985 Act" means the Companies Act 1985 to the extent in force at the relevant time;

"the 2006 Act" means the Companies Act 2006 to the extent in force at the relevant time;

"Accounts" means the audited statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and the notes thereto of TPE for the 12 month period ended on the Accounts Date;

"Accounts Date" means 31 August 2019;

"Acquisition Tax Deed" means the Tax Deed dated 19 December 2014 between the Seller and various management sellers relating to the acquisition by the Seller of the Company;

"Acting in Concert" has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

"Affiliate" means in relation to any person, any other person directly or indirectly Controlled by, or Controlling of, or under common Control with, that person and, in the case of a trust, any trustee or beneficiary (actual or potential) of that trust and, in the case of an individual, any person connected with him within the meaning of sections 252 to 254 of the 2006 Act;

"After Tax Basis" means, with respect to a payment obligation, the amount payable pursuant to such payment obligation (the **"Payment"**) shall be calculated in such a manner as will ensure that, after taking into account:

- (a) any Tax required to be deducted or withheld from the Payment by law;
- (b) any additional Tax which becomes payable by the recipient of the Payment as a result of the Payment being subject to Tax in the hands of the recipient; and
- (c) any Tax Relief available to the recipient of the Payment or which the recipient of the Payment is entitled to arising from either the circumstances giving rise to the payment obligation or the Payment itself,

the recipient of the Payment shall be in no better and no worse a financial position after any such Tax or utilisation of such Tax Relief than they would have been in had the Payment not been subject to any such Tax or there had been any Tax Relief as described above;

"Announcement" means an announcement by Connect Group in respect of the Transaction in the agreed form;

"Applicable Laws" means all laws, regulations, directives, statutes, subordinate legislation, common law and civil codes of any jurisdiction, all judgments, orders, notices, instructions, decisions and awards of any court or competent authority or tribunal exercising statutory or delegated powers and all codes of practice having force of law, statutory guidance and policy notes, in each case to the extent applicable to the Parties or either of them, any Group Company, or as the context requires;

"Asset Disposal" means the disposal whether by a sale, transfer or otherwise (in a single transaction or a series of transactions and regardless of the structure or form of the transaction or transactions) by the Purchaser or any member of the Purchaser's Group of all or a substantial part of the assets or business of the Company, TPE or any Group Company (including the granting of any options, warranties convertible securities, derivative securities or other rights of any kind in relation to all or a substantial part of the assets or business of the Company, TPE or any Group Company);

"Associated Companies" has the meaning given to that term as defined in section 231 of the Employment Rights Act 1996;

"Associated Person" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Break Fee Event" has the meaning given to that term in Clause 4.8;

"Business" has the meaning given to that term in Clause 10.1;

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

"Business Warranties" means the warranties given in Part 2, Schedule 6 (Seller Warranties);

"Business IP" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Change in Control" means one or a series of transactions by which a Controlling Interest in the Purchaser is acquired by a person (together with any other person who is Acting in Concert with such person) who is not, on the Completion Date, a shareholder in the Purchaser or an Affiliate of such shareholder;

"Circular" means the circular to be despatched by Connect Group to the Connect Group Shareholders relating to the Transaction, as amended or supplemented from time to time;

"Claim" means all and any of a General Claim, a Tax Claim and a Locked Box Claim;

"Clear Days" means, in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"Companies Acts" means the 1985 Act and the 2006 Act, to the extent that either is in force at the relevant time;

"Company" means The Big Green Parcel Holding Company Limited, a company incorporated in England and Wales under the 1985 Act with registered number 06459283 further details of which are set out in Part 1 of Schedule 2;

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

"Completion Date" means 1630hrs on the first Saturday following satisfaction of the Condition or at such other time as the Seller and Purchaser shall agree;

"Competition Law" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Condition" means the condition set out in Clause 4.1;

"Confidential Information" has the meaning given to that term in Clause 12.3;

"Connect Arrow" means the design (in any colour imitation) as set out in Schedule 10;

"Connect Group" means Connect Group PLC, a company incorporated and registered in England and Wales with company number 05195191 whose registered office is Rowan House Cherry Orchard North, Kembrey Park, Swindon, United Kingdom, SN2 8UH;

"Connect Group Shareholders" means holders of ordinary shares of Connect Group from time to time in their capacity as such;

"Connect Group Shareholders Meeting" means the general meeting of the Connect Group Shareholders convened to consider and, if thought fit, approve the sale of the Sale Shares by the Seller pursuant to the terms of this Agreement as required by Chapter 10 of the Listing Rules, including any adjournment thereof;

"Consents" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Consideration" means the consideration for the Sale Shares as set out in Clause 3.1;

"Control" means the power of a person to secure, directly or indirectly, (whether by the holding of shares, possession of voting rights or by virtue of any other power conferred by the articles of association, constitution, partnership deed or other documents regulating another person or otherwise) that the affairs of such other person are conducted in

accordance with his or its wishes and **"Controlled"** and **"Controlling"** shall be construed accordingly;

"Controlling Interest" means in relation to a company an interest in shares giving to the holder or holders control of such company within the meaning of section 1124 of the Corporation Tax Act 2010;

"Data Protection Legislation" means (i) the GDPR; and (ii) any legislation in force from time to time which implements or is related to the European Community's Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector;

"Data Room" means the documents (including correspondence and information and responses to Q&A) made available by or on behalf of the Seller or any Group Company for inspection by or on behalf of the Purchaser (including the Purchaser's agents and advisers) in relation to or connected with each Group Company and their businesses in the datasite powered by Merrill Corporation established for the purpose of the Transaction, being only those documents which are listed in the agreed form Data Room Index;

"DC Scheme" means the arrangements designated Aviva CGRSPT 1 and Aviva CGRSPT 2 within the pension arrangement provided by Aviva designated as the Aviva Master Trust;

"Deed of Security" means the deed of security in the agreed form to be entered into by the Seller and TPE pursuant to which TPE shall provide security to the Seller with respect to TPE's obligations set out in the Loan Agreement;

"Director" means each person who is a director or shadow director of the Company or any of its Subsidiaries;

"Disclosure Letter" means the letter dated the same date as this Agreement from the Seller to the Purchaser in relation to the Seller Warranties;

"Eligible Redundant Employee" means any Transferring Employee who is dismissed by TPE by reason of redundancy (as such term is defined in section 139 of the Employment Rights Act 1996) where the date of termination of the relevant employee's employment is within the six month period following Completion and who was eligible to participate in the Seller's enhanced redundancy pay arrangements (as expressly disclosed to the Purchaser prior to the date of this Agreement);

"Employee" has the meaning given to that term in Part 3, Schedule 5 (Completion Obligations);

"Employment Legislation" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Employee Tax Liability" has the meaning given to that term in Part 3, Schedule 5 (Completion Obligations);

"Employer Tax Liability" has the meaning given to that term in Part 3, Schedule 5 (Completion Obligations);

"Encumbrance" means any claim, option, charge (fixed or floating), mortgage, lien, pledge, equity, encumbrance, right to acquire, right of pre-emption, right of first refusal, title retention or any other third party right, or other security interest or any agreement or arrangement having a similar effect or any agreement to create any of the foregoing;

"Enhanced Redundancy Costs" means the amount of the enhanced redundancy pay incurred by TPE in respect of any Eligible Redundant Employee as a direct result of applying the Seller's enhanced redundancy pay policy (as disclosed to the Purchaser prior to the date of this Agreement), less statutory redundancy pay. For the avoidance of doubt Enhanced Redundancy Costs excludes:

(a) any contractual or statutory notice monies (including base salary and any contractual payable sums in respect of applicable employment benefits paid in lieu of the employee working their notice);

(b) any accrued holiday pay; and

(c) employer's National Insurance Contributions;

"Environmental Matters" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Environmental Permits" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Environment" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Environmental Law" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Environmental Permit" means any consent, permission, licence, accreditation, approval or other authorisation issued, registration made or exemption granted, pursuant to Environmental Law;

"Excluded Business" has the meaning given to that term in Clause 10.1;

"Excluded Business Customers" has the meaning given to that term in Clause 10.1;

"Excluded Business Suppliers" has the meaning given to that term in Clause 10.1;

"Fairly Disclosed" means disclosed to the Purchaser in such manner and such detail as to enable a reasonable purchaser to make an informed assessment of the matter concerned;

"FCA" means the UK Financial Conduct Authority;

"Final Salary Scheme" means the Tuffnells Parcels Express Pension Scheme governed by a trust deed and rules dated 17 July 2008, as amended from time to time;

"Financial Facilities" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Foreign Action" has the meaning given to that term in Clause 15.4;

"Full Title Guarantee" means with the benefit of the implied covenants set out in Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994 when a disposition is expressed to be made with full title guarantee;

"Fundamental Warranties" means the warranties given in in Part 1, Schedule 6 (Seller Warranties);

"Fundamental Warranty Claim" means a claim against the Seller in respect of any Fundamental Warranty;

"Furlough Amount" means the salary, employer's National Insurance Contributions, and employer's pensions contributions paid to or in respect of the Furloughed Employees in the period prior to Completion, in accordance with the UK Government's Coronavirus Job Retention Scheme;

"Furloughed Employees" has the meaning given to that term in Clause 5.11;

"GDPR" means the General Data Protection Regulation (EU) 2016/679 on the protection of natural persons with regards to the processing of personal data and on the free movement of such data;

"General Claim" means (without prejudice to Clauses 12.11 and 12.12) a claim against the Seller whether in contract or otherwise in respect of any of the Seller Warranties and any other claim by the Purchaser against the Seller under the provisions of this Agreement or in connection with the subject matter of this Agreement (other than a Tax Claim or a Locked Box Claim);

"Group" means the Company and the Subsidiaries;

"Group Company" means any one of the Company and the Subsidiaries;

"Group Employee" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Group's Operating Licences" means the operator's licences that the Group has in place as at Completion for the operation of vehicles above 3.5 tonnes gross vehicle weight used on public roads for trade or business purposes;

"GPA" has the meaning given to that term in Schedule 3 (Locked Box);

"Group Relief" has the meaning given to that term in the Tax Deed;

"Guaranteed Lease" means each of the properties listed at rows 2, 4, 7, 8, 19, 25, 29 and 31, respectively, in Part 1, Schedule 8 (Real Property);

"Harm" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Hazardous Substances" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"HMRC" means HM Revenue & Customs;

"Insured Third Party Claim" has the meaning given to that term in paragraph 8.2 of Part 3, Schedule 5 (Post-Completion Obligations);

"Intellectual Property Rights" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"IP Licences" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"IT Contracts" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"IT System" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Key Employee" has the meaning given to that term in Clause 10.1;

"Leakage" has the meaning given in Schedule 3 (Locked Box);

"Leakage Tax Relief Payment" has the meaning given in Schedule 3 (Locked Box);

"Listing" means any successful application and admission of all or any shares which may come to exist in the Company, TPE or any Group Company (or any securities representing such shares) to any recognised investment exchange (within the meaning of the Financial Services and Markets Act 2000) including an initial public offering to the Official List maintained by the Financial Conduct Authority in accordance section 74(1) of the Financial Services and Markets Act 2000, or to trading on the Alternative Investment Market of the London Stock Exchange plc;

"Listing Rules" means the listing rules made by the FCA under Part 6 of the Financial Services and Markets Act 2000;

"Loan Agreement" means the agreed form loan agreement for the loan by the Seller to TPE of an aggregate of up to £10,500,000 (ten million five hundred thousand pounds);

"Locked Box Accounts" means the unaudited balance sheet of TPE as at the Locked Box Date as set out at document 15.2.7 of the Data Room;

"Locked Box Claim" means (without prejudice to Clauses 12.11 and 12.12) a claim against the Seller whether in contract or otherwise, under paragraph 2 of Schedule 3 (Locked Box);

"Locked Box Date" means 31 January 2020;

"Longstop Date" has the meaning given to that term in Clause 4.1;

"Material Contract" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Mitel Support" has the meaning given to that term in Part 3, Schedule 5 (Completion Obligations), paragraph 6.1;

"Net Sale Proceeds" means the proceeds (whether cash or non-cash) received by the Purchaser or any member of the Purchaser's Group and attributable to the relevant Trigger Disposal including (i) any deferred consideration of any nature; (ii) the cash value of any non-cash consideration or other benefit received or receivable by any member of the Purchaser's Group which may reasonably be regarded as forming part of the consideration for the Share

Disposal or Asset Disposal; and (iii) in the case of a Listing, the aggregate value at which the relevant securities are listed on the recognised investment exchange;

"**Party**" or "**Parties**" means a party or the parties to this Agreement;

"**Payment Date**" means each date for a payment of part of the Consideration in accordance with Clause 3.2;

"**Pension Schemes**" means the Final Salary Scheme and the DC Scheme;

"**Permitted Leakage Payment**" has the meaning given in Schedule 3 (Locked Box);

"**Post-Completion Amounts**" has the meaning given in Part 3 of Schedule 5 (Completion Obligations);

"**Previous Accounts**" means the audited statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, and the notes thereto of TPE for the 12 month period ended on the Previous Accounts Date and the 12 month period immediately preceding the Previous Accounts Date;

"**Previous Accounts Date**" means 31 August 2018;

"**Proceedings**" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"**Property Guarantees**" means the guarantees as referenced at document 3.3.1 (Schedule of Parent Company Guarantees 2019) of the Data Room, in the tab named 'PCGs – Property';

"**Purchaser Group**" means the Purchaser and its group undertakings from time to time including, after Completion, the Company and its Subsidiaries;

"**Real Properties**" means the freehold and leasehold properties listed in Schedule 8;

"**Records**" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"**Relevant Business**" has the meaning given to that term in Clause 10.1;

"**Relevant Employee**" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"**Reporting Information**" has the meaning given to that term in paragraph 4.2.1 of Part 3 of Schedule 5;

"**Resolution**" means the resolution to approve the sale of the Sale Shares at the Connect Group Shareholders Meeting;

"**Restricted Customer**" has the meaning given to that term in Clause 10.1;

"**Restricted Person**" has the meaning given to that term in Clause 10.1;

"**Retained Information**" has the meaning given to that term in paragraph 4.1.1 of Part 3 of Schedule 5;

"**Sale Shares**" means the 2,534,879 issued ordinary shares of £0.10 each in the capital of the Company;

"**Sanctions**" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"**Sanctions Authority**" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"**Sanctions List**" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"**Sanctioned Person**" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"**Seller Guarantees**" means the guarantees as referenced in document 3.3.1 (Schedule of Parent Company Guarantees 2019) of the Data Room, in the tab named 'PCGs – Commercial';

"Seller Group" means Connect Group and its direct and indirect subsidiary undertakings from time to time including, prior to Completion, the Company and its Subsidiaries;

"Seller Group Finance Documents" means:

- (a) the term and multicurrency revolving facilities agreement dated 19 October 2017 between, among others Connect Group plc as the company, original borrower and original guarantor and HSBC Bank plc as agent;
- (b) the Group of Accounts Agreement (overdraft and cash pooling arrangement) dated 11 November 2019 (with side letter of same date); and
- (c) the Unlimited Composite Guarantee (and Accession) dated 4 August 2014 between Smiths News Trading Limited (nominated parent), Dawson Holdings Limited, Smiths News Investments Limited, Dawson Media Direct Limited, Phantom Media Limited, Martin-Lavell Limited, Smiths News Holdings Limited and Tuffnells Parcels Express Limited;

"Seller Group Policy" means each insurance policy purchased or maintained by the Seller Group at any time before Completion under which any Group Company has insurance coverage by virtue of being a member of the Seller Group;

"Seller Lease Rental Contracts" means the contracts pursuant to which motor vehicles are leased in the name of the Seller Group for and on behalf of TPE, as set out in document 5.2.5 of the Data Room;

"Seller Related Person" means in respect of the Seller, any of its group undertakings and Affiliates, or any of their respective advisers, directors, officers or employees but shall not include any Group Company or their respective advisers, directors officers or employees who are not Affiliates of the Seller in any other capacity;

"Seller's Tax Group" has the meaning given to that term in the Tax Deed;

"Seller Warranties" means the Fundamental Warranties, the Business Warranties and the Tax Warranties;

"Share Disposal" means the disposal whether by a sale, transfer or otherwise (in a single transaction or a series of transactions and regardless of the structure or form of the transaction or transactions) by the Purchaser or any member of the Purchaser's Group of a Controlling Interest in the Company, TPE or any other Group Company;

"Sheffield Location Office Support" has the meaning given to that term in Part 3, Schedule 5 (Completion Obligations), paragraph 6.3;

"Share Schemes" means the Connect Group LTIP, the Connect Group Executive Share Option Scheme, the Connect Group Sharesave Scheme and the Connect Group Deferred Bonus Plan;

"Sheffield Office" means the TPE leased office at MBP1, Meadowhall Business Park, Sheffield, S9 2EQ;

"Software" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"Subsidiaries" means the undertakings details of which are set out in Part 2 of Schedule 2 (Details of the Company and the Subsidiaries);

"Tax Authority" has the meaning given to that term in the Tax Deed;

"Tax Claim" means any Tax Warranty Claim or Tax Deed Claim;

"Tax Deed" means the deed in relation to Tax entered into pursuant to this Agreement in the agreed form;

"Tax Deed Claim" means a claim against the Seller under the Tax Deed;

"Tax Liabilities" has the meaning given to that term in Part 3, Schedule 5 (Completion Obligations);

"Tax Warranties" means the warranties contained in 1 of Schedule 6 (Seller Warranties);

"Tax Warranty Claim" means (without prejudice to Clauses 12.11 and 12.12) any claim in contract or otherwise against the Seller in respect of the Tax Warranties;

"Taxation" or **"Tax"** means taxation or tax as defined in the Tax Deed;

"Third Party" has the meaning given to that term in Clause 12.10;

"Third Party Claim" has the meaning given to that term in Clause 8.20;

"TPE" means Tuffnells Parcels Express Limited, a company incorporated and registered in England and Wales with company number 00319964 whose registered office is Rowan House Cherry Orchard North, Kembrey Park, Swindon, United Kingdom, SN2 8UH;

"TPE Lease Rental Contracts" means the contracts pursuant to which motor vehicles are leased in the name of TPE for and on behalf of the Seller, as set out in document 5.2.5 of the Data Room;

"Transaction" means the proposed acquisition of the Sale Shares by the Purchaser from the Seller on the terms of this Agreement;

"Transaction Documents" means this Agreement, the Transitional Services Agreement, the Loan Agreement, the Deed of Security, the Tax Deed and all other agreed form documents as referenced herein;

"Transferring Employee" means the employees of members of the Seller Group who are wholly or mainly assigned to TPE and whose names are set out in the agreed form list of such employees (as updated to reflect any employees who are added to or removed from the list as a direct result of the information and consultation process with representatives of the affected employees, such updates to be discussed with the Purchaser in advance);

"Transferring Equipment" means:

- (a) the laptop computers set out in document 7.1.12 of the Data Room;
- (b) the desk top computers set out in document 7.1.13 of the Data Room;
- (c) the Hand Held Terminals set out in document 7.1.11 of the Data Room;
- (d) the AS400 production system owned by the Seller Group and located at the BlueChip data centre at 243 Amphill Road, Bedford, MK42 9AZ;
- (e) the AS400 failover system owned by the Seller Group and located at the BlueChip data centre at Caxton Road, Bedford, MK41 0HT; and
- (f) the c700 Apple iPhones in aggregate, comprising various models (Apple iPhone 5, 6 and 7) that are owned by the Seller Group and used by Group Employees in the Business.

"Transitional Services Agreement" means the agreement in the agreed form pursuant to which the Seller will procure the provision of certain transitional services to the Group;

"Trigger Disposal" means a Share Disposal, Asset Disposal, Listing or Change in Control;

"TUPE" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

"VAT" means value added Tax imposed in any member state of the European Union pursuant to the European Council Directive on the common system of value added Tax (Directive 2006/112/EC) and national legislation implementing or supplemental to that Directive and any other sales or turnover Tax of a similar nature imposed in any country that is not a member of the European Union;

"VATA" means the Value Added Tax Act 1994;

"Virus" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties);

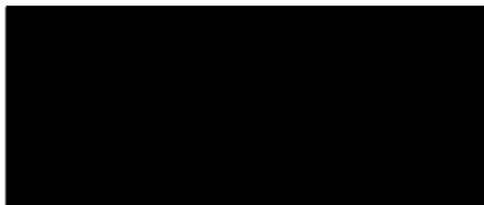
"Waste" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties); and

"Worker" has the meaning given to that term in Part 2, Schedule 6 (Seller Warranties).

2. In this Agreement, words and expressions defined in the Companies Acts shall bear the same meaning as in those Acts unless expressly stated otherwise.

3. In this Agreement, except where the context otherwise requires:
- 3.1 any reference to this Agreement includes the Schedules to it each of which forms part of this Agreement for all purposes;
- 3.2 a reference to an enactment, EU instrument or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment, EU instrument or statutory provision and is a reference to that enactment, EU instrument, statutory provision or subordinate legislation as from time to time amended, modified, incorporated or reproduced and to any enactment, EU instrument, statutory provision or subordinate legislation that from time to time (with or without modifications) re-enacts, replaces, consolidates, incorporates or reproduces it provided that no amendment, modification or re-enactment of any legislation made after the date of this Agreement shall operate as to increase the liability or extend the obligation of the Seller under this Agreement;
- 3.3 words in the singular shall include the plural and vice versa;
- 3.4 references to one gender include other genders;
- 3.5 a reference to a person shall include a reference to a firm, a body corporate, an unincorporated association, a partnership or to an individual's executors or administrators;
- 3.6 a reference to a Clause, paragraph, Schedule (other than to a schedule to a statutory provision) shall be a reference to a Clause, paragraph, Schedule (as the case may be) of or to this Agreement;
- 3.7 if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
- 3.8 references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates the English legal term in that jurisdiction and references to any English statute or enactment shall be deemed to include any equivalent or analogous laws or rules in any other jurisdiction;
- 3.9 references to writing shall include any modes of reproducing words in any legible form and shall include email except where expressly stated otherwise;
- 3.10 a reference to a balance sheet or profit and loss account shall include a reference to any note forming part of it;
- 3.11 a reference to "includes" or "including" shall mean "includes without limitation" or "including without limitation";
- 3.12 references to documents "in the agreed form" or any similar expression shall be to documents agreed between the Parties, annexed to this Agreement and initialled for identification by, or on behalf of, the Seller and the Purchaser;
- 3.13 the contents page and headings in this Agreement are for convenience only and shall not affect its interpretation; and
- 3.14 references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.

SIGNED by Anthony Grace
for and on behalf of
SMITHS NEWS HOLDINGS LIMITED



SIGNED by Alastair Watson
for and on behalf of
PALM BIDCO LIMITED

