

# SHEARMAN & STERLING LLP

EXECUTION VERSION

**Dated** 14 November 2019

**EDDIE STOBART LOGISTICS PLC**

- and -

**MARCELOS LIMITED**

- and -

**ALPHA CASSIOPEIAE LIMITED**

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**SALE AND PURCHASE  
AGREEMENT RELATING TO THE ISSUED  
SHARE CAPITAL OF GREENWHITESTAR ACQUISITIONS LIMITED**

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**THIS AGREEMENT** (this "**Agreement**") is made on \_\_\_\_\_ 14 November

2019 **BETWEEN:**

- (1) **EDDIE STOBART LOGISTICS PLC**, a public company incorporated in England and Wales (company no. 08922456), whose registered office is at Stretton Green Distribution Park, Langford Way, Appleton, Warrington, Cheshire, England WA4 4TQ (the "**Seller**");
- (2) **MARCELOS LIMITED**, a company incorporated in the Isle of Man (company no. 016829V), whose registered office is at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF ("**NewCo 1**"); and
- (3) **ALPHA CASSIOPEIAE LIMITED**, a company incorporated in the Isle of Man (company no. 016522V), whose registered office is at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF ("**NewCo 2**");

The Seller, NewCo 1 and NewCo 2 are together referred to as the "**Parties**" and each a "**Party**".

**BACKGROUND:**

- (A) The Company is a private company limited by shares incorporated in England and Wales.
- (B) The Seller is the sole legal and beneficial owner of the Sale Shares.
- (C) The Seller has agreed to sell and NewCo 2 has agreed to purchase the Sale Shares in consideration for the issue of the Loan Note to the Seller, and NewCo 1 has agreed to subsequently purchase the Loan Note from the Seller in consideration for the issue of the Consideration Shares, in each case on the terms and conditions set out in this Agreement (the "**Transaction**").

**THE PARTIES AGREE** as follows:

## 1. **INTERPRETATION**

### 1.1 In this Agreement (including the Background):

"**Affiliate**" means, in relation to any party, any subsidiary or holding company of that party and any subsidiary of such holding company;

"**Articles**" means the articles of association of NewCo 1;

"**Business**" means the business carried on by the Seller's Group at the date of this Agreement;

"**Buyer's Group**" means NewCo 1 and its Affiliates from time to time;

"**Business Day**" means a day (other than Saturday or Sunday) on which banks in the City of London and in the Isle of Man are customarily open for business;

"**Clause 8.1 Warranties**" has the meaning given to that term in Clause 8.1;

"**Clause 8.3 Warranties**" has the meaning given to that term in Clause 8.3;

"**Company**" means Greenwhitestar Acquisitions Limited, a private limited liability company incorporated in England and Wales (company no. 08922540), whose registered office is at Stretton Green Distribution Park, Langford Way, Appleton, Warrington, Cheshire, England WA4 4TQ;

"**Completion**" means completion of the sale and purchase of the Sale Shares and the Loan Note in accordance with this Agreement;

"**Completion Date**" means the date on which Completion is required to take place in accordance with Clause 7.1;

"**Conditions**" has the meaning given to that term in Clause 4.1;

"**Consideration Amount**" has the meaning given to that term in Clause 2.2;

"**Consideration Shares**" has the meaning given to that term in Clause 3.2;

"**DBC Fund III**" means DouglasBay Capital III Fund LP, a limited partnership incorporated in the Cayman Islands;

"**Employee**" means a person employed by the Seller or any Group Company under a contract of employment;

"**Encumbrance**" means a claim, charge, mortgage, security, lien, equity, beneficial interest, power of sale, option or other right to purchase, usufruct, hypothecation, retention of title, right of pre-emption or other third party right or security interest of any kind or an agreement to create any of the foregoing;

"**Event of Default**" has the meaning given to that term in the Senior Facility Agreement;

"**Existing Security**" means the existing security granted by the Seller pursuant to the following security documents:

- (a) an English law security over shares agreement dated 25 April 2017 between, amongst others, the Seller as a chargor and The Governor and Company of The Bank of Ireland as security agent (the "**Share Charge**"); and
- (b) an English law supplemental security agreement dated 21 June 2018 in relation to the Share Charge between, amongst others, the Seller as a chargor and The Governor and Company of The Bank of Ireland as security agent; and
- (c) an English law debenture to be entered into on or around the date of this Agreement between, amongst others, the Seller as a chargor and The Governor and Company of The Bank of Ireland as security agent;

"**FCA**" means the Financial Conduct Authority;

"**FCA Condition**" has the meaning given to that term in Clause 4.1(a);

"**Fee Letter**" means the letter in the form to be agreed between the Seller, NewCo 1 and DBAY Advisors Limited setting out the terms pursuant to which, once the Seller has received (i) £55,000,000 in connection with its holding of shares in NewCo 1, DBAY Advisors Limited shall be entitled to receive 5%; and (ii) £75,000,000 in connection with its holding of shares in NewCo 1, DBAY Advisors Limited shall be entitled to receive 10%, in each case of further value received by the Seller in connection with its holding of shares, including (i) upon the Seller disposing of any shares in NewCo 1 for cash, the consideration received by the Seller (including any deferred and/or contingent consideration); and (ii) any distribution (including any dividend and any loan repayments) received by the Seller.

"**FSMA**" means the Financial Services and Markets Act 2000;

"**Group**" means collectively the Company and the Subsidiaries, and Group Company will be construed accordingly;

"**Intellectual Property Rights**" means patents, rights to inventions, copyright and related rights, moral rights, trade marks, service marks and trade names, domain names, rights in get-up, rights to goodwill or to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights in confidential information (including Know How) and any other intellectual property rights or rights of a similar nature, in each case whether registered or unregistered, and including all applications (or rights to apply) for, and renewals or extensions of, 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;

"**Interim PIK Facility**" means the £55,000,000 payment-in-kind loan note instrument between the Company and any entity controlled by DBC III Fund, on the terms of the term sheet set out in Schedule 1 (*Interim PIK Facility Term Sheet*), as amended at the NewCo 1's discretion to meet the requirements of the Lending Banks with the consent of the Seller;

"**Know How**" means all inventions, improvements, modifications, processes, formulae, models, prototypes and sketches, drawings, plans or specifications or any other matters made, devised, developed or discovered by or otherwise belonging to the Seller or any Group Company, alone or with one or more others, relating to or otherwise in connection with the Business;

"**Law**" means any applicable national, federal, state, local or other statute, law, ordinance, regulation, rule, code, order or other requirement or rule of law (including common law);

"**Lending Banks**" means the Governor and Company of the Bank of Ireland, AIB Bank Group (UK) plc, Allied Irish Bank plc, BNP Paribas, London Branch and KBC Bank NV;

"**Loan Note**" has the meaning given to that term in Clause 2.2;

"**Long-Form Documentation**" has the meaning given to that term in Clause 4.1(d);

"**Longstop Date**" means 13 December 2019, being one month from the date of this Agreement, subject to extension in one month increments at NewCo 1's sole discretion by up to a maximum of 15 months;

"**Material Adverse Change**" means in relation to the Seller and the Group:

- (a) the Seller or any member of the Group entering into or resolving to enter into any arrangement, composition or compromise with or assignment for the benefit of its creditors or any class of them;
- (b) the Seller or any member of the Group being deemed under any statutory provision to be insolvent;
- (c) the occurrence of an Event of Default under the Senior Facility Agreement which is not cured within any applicable cure period or waived;
- (d) a liquidator or provisional liquidator being appointed to the Seller or any member of the Group, or a receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertakings of the Seller or any member of the Group, or an event analogous with any such event occurring; or
- (e) an application or order being made or a resolution being passed for the winding up of the Seller or any member of the Group;

"**NewCo 1**" has the meaning given to that term in the Preamble;

"**NewCo 2**" has the meaning given to that term in the Preamble;

"**PIK Facility**" means the payment-in-kind loan note instrument (in an amount not exceeding the aggregate of £55,000,000 and any amounts used to refinance the accrued PIK interest under the Interim PIK Facility) between NewCo 2 and any entity controlled by DBC III Fund, on the terms of the term sheet set out in Schedule 2 (*Completion PIK Facility Term Sheet*), as amended at NewCo 1's discretion to meet the requirements of the Lending Banks with the consent of the Seller, to be entered into on Completion;

"**Pre-Completion Reorganisation**" has the meaning given to that term in Clause 6.1;

"**Regulatory Requirement**" means any applicable requirement of Law, the FCA, The London Stock Exchange plc, the Panel on Takeovers and Mergers or of any person who has regulatory authority;

"**Relevant Activity**" means any investment in the Company or any of the Subsidiaries; or (b) the disposal (whether by way of sale, takeover offer, transfer or otherwise) of any part of, or the whole of, the issued share capital (or any interest in such share capital) of the Company or any of the Subsidiaries; or (c) the disposal (whether by way of sale, offer, transfer or otherwise) of all, or any part of, the business or the material assets of the Company or any of the Subsidiaries

"**Retained Cash**" means no more than £1,000,000;

"**Sale Shares**" means:

- (f) 653,001 fully-paid issued ordinary shares of £1 in the capital of the Company;
- (g) 60,000 fully-paid issued A1 ordinary shares of £0.65 in the capital of the Company;  
and
- (h) 20,000 fully-paid issued A2 ordinary shares of £2 in the capital of the Company;

"**Seller's Group**" means the Seller and its Affiliates from time to time;

"**Seller Warranties**" has the meaning given to that term in Clause 8.2;

"**Senior Facility Agreement**" means the senior facility agreement between, among others, the Seller, the Company, the guarantors thereto and the Governor and Company of the Bank of Ireland dated 13 April 2017 as amended and/or restated from time to time;

"**Shareholder Approval**" has the meaning given to that term in Clause 4.1(b);

"**Shareholder Approval Condition**" has the meaning given to that term in Clause 4.1(b);

"**Shareholder Circular**" means the document issued by the Seller to its shareholders to seek approval of the Transaction in accordance with the applicable Regulatory Requirement;

"**Shareholders' Agreement**" means the shareholders' agreement in the form agreed between the parties thereto between DBC Fund III, NewCo 1 and the Seller to be entered into on or prior to Completion;

"**Subsidiaries**" means the subsidiaries of the Company as at the date of this Agreement;

"**Takeover Code**" means the City Code on Takeovers and Mergers;

"**Tax Authority**" means any authority for the collection or management of any Tax

"**Tax**" means:

- (i) all forms of tax, charges, duties, imposts, contributions, levies, withholdings or liabilities imposed, assessed or enforced by any statutory, governmental, state, federal, local or municipal body or authority, whether of the UK or any other jurisdiction, and wherever chargeable; and
- (j) any penalty, fine, surcharge, interest, charges or costs payable in connection with any tax within paragraph (a) above;

"**Transaction**" has the meaning given to that term in the recitals;

"**VAT**" means value added tax as provided in the Value Added Tax Act 1994; and

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

1.2 In this Agreement, a reference to:

- (a) a statutory provision includes a reference to the statutory provision as modified or re-enacted or both from time to time before the date of this Agreement and any subordinate legislation made under the statutory provision (as so modified or re-enacted) before the date of this Agreement;
- (b) a person includes a reference to any individual, firm, company, corporation or other body corporate, government, state or agency of a state or any joint venture, association or partnership, works council or employee representative body (whether or not having separate legal personality);
- (c) a person or Party includes a reference to that person's or Party's legal personal representatives, successors and permitted assigns;
- (d) the terms "**subsidiary**" and "**holding company**" shall have the meanings given to those terms in s.1159 of the Companies Act 2006;
- (e) the singular includes the plural, and vice versa;
- (f) a clause or schedule, unless the context otherwise requires, is a reference to a clause of, or schedule to, this Agreement;
- (g) a time of day is a reference to the time in London; and
- (h) "**£**" shall be a reference to the lawful currency from time to time of the United Kingdom.

1.3 The ejusdem generis principle of construction shall not apply to this Agreement. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words. Any phrase introduced by the terms "**other**", "**including**", "**include**" and "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.4 The headings in this Agreement do not affect its interpretation.

## 2. SALE AND PURCHASE OF THE SALE SHARES; CONSIDERATION

- 2.1 The Seller hereby agrees to sell, with full title guarantee, and NewCo 2 agrees to purchase, the Sale Shares and each right attaching to the Sale Shares at Completion, free of any Encumbrance.
- 2.2 The total consideration for the sale of the Sale Shares under this Agreement shall be £49 (the "**Consideration Amount**"). The Consideration Amount shall be satisfied by the issue to the Seller of a loan note with a principal amount of £49 in the form agreed between NewCo 1 and NewCo 2, acting reasonably (the "**Loan Note**").
- 2.3 On the Completion Date, NewCo 2 shall issue and deliver the Loan Note to the Seller.

## 3. SALE AND PURCHASE OF THE LOAN NOTE; CONSIDERATION

- 3.1 Subject only to completion of the sale of the Sale Shares pursuant to Clause 2, the Seller hereby agrees to sell, with full title guarantee, and NewCo 1 agrees to purchase, the Loan Note and each right attaching to the Loan Note at Completion, free of any Encumbrance.
- 3.2 The total consideration for the sale of the Loan Note under this Agreement shall be the total amount outstanding under the Loan Note (the "**Loan Note Amount**"). The Loan Note Amount shall be satisfied by the allotment and issue of such shares in NewCo 1 as amounts in the aggregate to 49% of the entire enlarged issued share capital of NewCo 1 (the "**Consideration Shares**").
- 3.3 On the Completion Date, NewCo 1 shall allot and issue the Consideration Shares credited as being fully paid, free from any Encumbrances and, from the date of allotment and issue, ranking pari passu in all respects with the existing shares in issue

## 4. CONDITIONS

- 4.1 Completion is conditional on the following matters having been fulfilled or waived by the Longstop Date in accordance with this Agreement:
- (a) the earlier to occur of:
- (i) the FCA notifying NewCo 1 pursuant to section 189(4)(a) of FSMA (or issuing a decision notice under section 189(7) of FSMA, in terms which do not impose any conditions, obligations or restrictions on the Buyer's Group or the Group Companies that are material in the context of their respective businesses and/or Completion) that it approves any acquisition or increase in control (notified in accordance with section 178 of FSMA and article 6A of the Financial Services and Markets Act 2000 (Controllers) (Exemption) Order 2009) over Eddie Stobart Limited by any member of the Buyer's Group which, in either case, would take place as a result of Completion or its implementation, or the FCA being treated as having given such approval under section 189(6) of FSMA (being, the "**FCA Change of Control Route**"); or
  - (ii) the FCA notifying Eddie Stobart Limited pursuant to section 55H(3) of FSMA that the permission granted by the FCA to Eddie Stobart Limited to carry out specified regulated activities under Part 4A of FSMA has been cancelled (being, the "**FCA De-authorization Route**"),
- (together, the "**FCA Condition**");

- (b) the approval of the Transaction by a majority of the shareholders of the Seller in a general meeting (the "**Shareholder Approval**" and such Condition being the "**Shareholder Approval Condition**");
  - (c) completion of the Pre-Completion Reorganisation;
  - (d) entry into long-form documentation with the Lending Banks in relation to debt arrangements, on the basis of the agreed form term sheet set out in Schedule 3 (*Lending Banks Term Sheet*) and as otherwise agreed by, and in a form reasonably satisfactory to, NewCo 1 (the "**Long-Form Documentation**"); and
  - (e) satisfaction of all conditions precedent to effectiveness of the Long-Form Documentation, other than those conditions precedent that have been waived by the Lending Banks or that cannot occur until consummation of the Transaction,
- (together, the "**Conditions**").

4.2 To the extent that it is legally entitled to do so, each of NewCo 1 and NewCo 2 may in each of their absolute discretion waive any of the Conditions, other than the FCA Condition and the Shareholder Approval Condition, either in whole or in part by notice in writing to the Seller.

4.3 To the extent that it is legally entitled to do so, the Seller may in its absolute discretion waive the Shareholder Approval Condition by notice in writing to NewCo 1 and NewCo 2.

4.4 In relation to the FCA Condition, it is acknowledged and agreed between the Parties that the FCA Change of Control Route will be implemented first at the exclusion of the FCA De-authorization Route, provided that the Seller may opt to implement the FCA De-authorization Route and require NewCo 1 and NewCo 2 to terminate the implementation of the FCA Change of Control Route:

- (a) at any time, at the mutual agreement of the Parties; or
- (b) four weeks from the date of this Agreement, if the FCA Change of Control Route has not yet been completed,

provided that in the event that the Seller elects to pursue the FCA De-authorization Route, the Seller undertakes to use all reasonable endeavours to ensure that the FCA Condition is fulfilled as soon as reasonably practicable and in any event by the Longstop Date and will notify NewCo 1 and NewCo 2 in writing of any circumstance, event, fact or matter which will or may prevent fulfilment of the FCA Condition as soon as such circumstance, event, fact or matter comes to the attention of the Seller.

4.5 The Seller undertakes to use all reasonable endeavours to ensure that the Conditions set out at Clauses 4.1(b), 4.1(c), 4.1(d), 4.1(e), and where the FCA De-authorization Route is implemented in accordance with Clause 4.4, 4.1(a)(ii) are fulfilled as soon as reasonably practicable and in any event by the Longstop Date and will notify NewCo 1 and NewCo 2 in writing of any circumstance, event, fact or matter which will or may prevent fulfilment of any of the Conditions as soon as such circumstance, event, fact or matter comes to the attention of the Seller. The Seller's obligation to procure satisfaction of the Condition set out at Clause 4.1(b) shall be satisfied and discharged by the despatch of the Shareholder Circular to shareholders in the Company.

4.6 Each of NewCo 1 and NewCo 2 undertakes to use all reasonable endeavours to ensure that the Conditions set out in Clauses 4.1(d), 4.1(e), and, subject to Clause 4.4, 4.1(a)(i) are fulfilled as soon as reasonably practicable and in any event by the Longstop Date and will notify the Seller in writing of any circumstance, event, fact or matter which will or may prevent fulfilment of

any of the Conditions as soon as such circumstance, event, fact or matter comes to the attention of NewCo 1 or NewCo 2, as applicable.

- 4.7 If any of the Conditions have not been fulfilled to the satisfaction of NewCo 1 and NewCo 2 or waived pursuant to Clause 4.2 or 4.3 by the Longstop Date, NewCo 1 and NewCo 2 will not be bound to proceed with the purchase of the Sale Shares and the Loan Note, as applicable, and this Agreement will automatically terminate with immediate effect and the provisions of Clause 9.4 will apply.

## 5. PRE-COMPLETION COVENANTS

- 5.1 The Seller will give NewCo 1 and NewCo 2 reasonable opportunity to comment on the Shareholder Circular, and shall use all reasonable endeavours to procure that the Shareholder Circular is circulated to the Seller's shareholders by no later than two Business Days following execution of this Agreement, convening a general meeting of the shareholders of the Seller, for the purpose of obtaining the Shareholder Approval, to be held on the day that is 14 clear days following the date of circulation of the Shareholder Circular, which shall not be cancelled, adjourned or delayed at the direction of the Seller (in each case other than where there has been an announcement, pursuant to Rule 2.7 of the Takeover Code, of a firm intention to make an offer for the entire issued and to be issued share capital of the Seller). NewCo 1 shall submit the notifications to the FCA which are necessary to the FCA to obtain the relevant approval pursuant to the FCA Change of Control Route as soon as reasonably practicable after the date of this Agreement and in any event within five Business Days of the date of this Agreement. Notwithstanding the foregoing or any other provision of this Agreement, the Seller shall be entitled to negotiate, agree or solicit a Relevant Activity at any time prior to the granting of Shareholder Approval.
- 5.2 From the date of this Agreement until Completion, the Seller will, and will procure that the Group Companies will, conduct the Business in the ordinary course of business, except with NewCo 1's written consent (such consent not to be unreasonably withheld or delayed).
- 5.3 From the date of this Agreement until Completion, without prejudice to the generality of Clause 5.2 and other than in connection with the Pre-Completion Reorganisation or to the extent required to give effect to the Transaction, the Seller will ensure that, except with NewCo 1's written consent (such consent not to be unreasonably withheld or delayed), neither the Seller nor any Group Company will take, or enter into an agreement or assume any obligation to take, any of the actions set out in Schedule 4 (*Pre-Completion Covenants*). Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that nothing contained in Clause 5.2 or this Clause 5.3 shall operate so as to restrict the Seller from taking any action:
- (a) in the ordinary course of business;
  - (b) which is necessary to comply with applicable Law;
  - (c) contemplated or required pursuant to a binding agreement, commitment or arrangement existing as at the date of this Agreement (other than any action set out in paragraph 11(b) and (d) of Schedule 4);
  - (d) contemplated or required pursuant to this Agreement or any other document entered into pursuant to this Agreement;
  - (e) which has been disclosed to NewCo 1 prior to the date of this Agreement in sufficient detail to enable such party to make an accurate assessment of its impact upon the Seller and the Group;

- (f) at the request, or with the consent, of NewCo 1;
  - (g) which is required by the Lending Banks or otherwise required for the Group to comply with its existing debt facilities or any waiver in respect thereof; or
  - (h) which relates to the renewal (on terms which are substantially no less favourable to the Group than those historically in place), extension or variation of the Group's insurance policies (or any of them), including the renewal, variation or amendment of the letter of credit with HCC (Tokio Marine) (on terms which are substantially no less favourable to the Group than those historically in place).
- 5.4 With effect from the Business Day following receipt of the (i) Shareholder Approval, (ii) execution of the Interim PIK Facility and receipt of funds thereunder in the amount of £55,000,000; and (iii) the completion of the steps referred to in Clause 6.4 ("**PIK Date**") and until the earlier of Completion and the termination of this Agreement, the Seller will procure that the board of directors of the Company will be composed of the following people:
- (a) Saki Riffner;
  - (b) William Stobart;
  - (c) Michael Branigan;
  - (d) Geoffrey Bicknell;
  - (e) Sébastien Desreumaux; and
  - (f) Anoop Kang.
- 5.5 If requested by NewCo 1, with effect from the Business Day following the PIK Date the Seller will, subject to satisfaction of applicable on-boarding requirements (which shall be reasonable and consistent with market practice), appoint Saki Riffner to the board of directors of the Seller.
- 5.6 Immediately following Completion the Seller will procure, subject to satisfaction of applicable on-boarding requirements (which shall be reasonable and consistent with market practice), that the board of directors of the Seller will be composed of the following people:
- (a) Saki Riffner; and
  - (b) three other individuals, two of whom shall be nominated by the Seller, and one of whom shall be nominated by NewCo 1 (who shall be the chairman), all of whom shall meet the necessary criteria for independence in accordance with applicable corporate governance standards.
- 5.7 On the Business Day following receipt of the Shareholder Approval, the Seller and NewCo 1 shall procure that the Interim PIK Facility is entered into by the relevant entity controlled by DBC III Fund and the Company respectively, and upon execution thereof the relevant entity controlled by DBC III Fund shall advance funding in the amount of £55,000,000 to the Company.
- 5.8 The Seller and NewCo 1 shall, acting reasonably, agree the form of constitutional documents of NewCo 1 which shall take effect immediately prior to Completion, provided that in the absence of such agreement the Articles in place as at the date of this Agreement shall remain in effect.

5.9 On or around the date of this Agreement, the Seller shall engage William Stobart as a consultant of the Group, on terms to be agreed between the Seller and William Stobart, each acting reasonably.

## 6. PRE-COMPLETION REORGANISATION

6.1 As soon as reasonably practicable, and in any event no later than the later to occur of (i) receipt of the Shareholder Approval and (ii) the satisfaction of the FCA Condition, the Seller will take:

- (a) such steps as are necessary (in light of applicable legal and tax constraints, including the availability of distributable reserves) to offset/waive all outstanding intercompany balances (in a manner to be agreed between the Seller and NewCo 1, acting reasonably) between the Seller and the Seller's Group such that there are no outstanding intercompany receivables/payables due to or from the Seller immediately following Completion; and
- (b) such other steps as are agreed in good faith between the Parties to ensure that all operational and employee related matters that may arise as a result of Completion are dealt with in such a way so as to minimise disruption to the business,

(with such steps and transactions being the "**Pre-Completion Reorganisation**").

6.2 The Seller shall provide the drafts of the documents to effect the Pre-Completion Reorganisation to NewCo 1 and NewCo 2 by such date that they have a reasonable amount of time to review such drafts, and in any event no less than 3 Business Days prior to the Pre-Completion Reorganisation.

6.3 Immediately following completion of the Pre-Completion Reorganisation, the Seller shall deliver to NewCo 1 a certified copy of all corporate authorisations, agreements and other documents that have been executed to effect the completion of the Pre-Completion Reorganisation.

6.4 On the Business Day following receipt of Shareholder Approval the Seller and the Company will, or the Company shall procure that a Group Company (such company to have sufficient covenant strength and as agreed between NewCo 1 and the Seller, acting reasonably) will, either:

- (a) use reasonable endeavours to execute a deed of novation and assignment to novate and transfer the relevant agreements to the Company (or relevant Group Company); or
- (b) if such deed of novation and assignment is not executed, enter into arrangements whereby the Seller assigns its rights under, and the Company (or relevant Group Company) performs the Seller's obligations in accordance with, the relevant agreements such that the Company (or relevant Group Company) assumes the benefit and burden of such agreements,

in either case, in respect of the following existing rights, liabilities and obligations of the Seller which relate to the Business:

- (i) to the extent that the Company is the beneficiary of an insurance policy in respect of the relevant liabilities on terms reasonably satisfactory to NewCo 1 indemnities entered into between the Seller and the Directors;
- (ii) the Seller counter indemnity given to the Bank of Ireland regarding the guarantee issued by the Bank of Ireland to Stobart (Ireland) Limited;

- (iii) reimbursement agreement between QBE and the Seller and related insurance arrangements including those referred to in Clause 5.3(h) (provided that terms of the arrangements entered into pursuant to this Clause 6.4 provide that the Seller and its directors shall continue to benefit from such insurance);
- (iv) the obligation to pay Alex Laffey's contractual notice period and benefits;
- (v) all rights and liabilities under the following engagement letters between the Seller and its advisers: Rothschild & Co., PWC, BDO, Clifford Chance LLP, Alvarez & Marsal Linklaters LLP, Michelmores LLP, King & Spalding International LLP, Cenkos Securities; Joh. Berenberg, Gossler & Co. kg, and Merrill Datasite;
- (vi) all obligations and liabilities with respect to the unwinding of the Seller's SIP;
- (vii) Anoop Kang and Sebastien Desreumaux's employment contracts; and
- (viii) any other rights, liabilities and obligations of the Seller which relate to the Business identified by the Seller and consented to by NewCo 1 (acting reasonably),

(the ("**Assumed Obligations**") and the Company shall, with effect from the PIK Date, assume responsibility for the payment (when due) and performance of the Assumed Obligations, and the Seller shall have no further liability with respect thereto.

6.5 The parties shall cooperate and take all reasonable steps to ensure that, with effect from Completion, the Company and any relevant Subsidiaries cease to be members of the Seller's VAT group. This may be achieved by changing the representative member of the Seller's VAT group from the Seller to the Company or any relevant Subsidiaries and removing the Seller with effect from Completion. If the Seller continues to be the representative member of the Seller's VAT group, NewCo 1 will procure that each of the Company and any Subsidiary which was a member of the Seller's VAT group:

- (a) provides all such information as the Seller may reasonable require in order to prepare the VAT return of the Seller's VAT Group for any period that the Company or any Subsidiary has been a member of that VAT group at least ten Business Days before the last date for submission of that return;
- (b) contribute to the Seller that proportion of any VAT for which the Seller is accountable that is properly attributable to supplies, acquisitions and importations ("**Supplies**") made before Completion by the Company or the relevant Subsidiary (less any amount of deductible input tax that is attributable to those Supplies), any such contribution to be made in cleared funds the later of ten Business Days after demand is made for it by the Seller and ten Business Days before the day on which the Seller must account for that VAT to HMRC.

If the Seller ceases to be the representative member of the Seller's VAT group and is removed from the VAT group with effect from Completion, the Seller agrees to comply with the obligations set out in (a) and (b) above as if references to the Seller were references to the new representative member of the Seller's VAT group and references to the Company and any Subsidiary or the relevant Subsidiary were references to the Seller.

## 7. COMPLETION

7.1 Completion will take place at the offices of Shearman & Sterling (London) LLP at 9 Appold Street, London, United Kingdom, EC2A 2AP on the date falling one Business Day after the

date of the fulfilment or waiver of the Conditions in accordance with Clauses 4.2, 4.3, 4.5 or 4.6 (as applicable), or any other date that may be mutually agreed by the Parties in writing.

7.2 At Completion, the Parties shall take the steps set out below in the following order:

- (a) the Seller shall deliver to NewCo 1 and NewCo 2:
  - (i) a certified copy of the board minutes of the Seller approving entry into this Agreement and the consummation of the Transaction;
  - (ii) a certified copy of the resolution passed by the shareholders of the Seller to grant the Shareholder Approval; and
  - (iii) the written resignations in the agreed form of all the directors and the company secretaries of each Group Company whose resignation has been requested by NewCo 1 from their respective offices, such resignations to take effect from the close of the relevant board meeting referred to in Clause 7.2(f);
- (b) NewCo 2 shall deliver to the Seller a certified copy of the board minutes of NewCo 2 approving entry into this Agreement, the consummation of the Transaction and the issue of the Loan Note;
- (c) NewCo 1 shall deliver to the Seller a certified copy of the board minutes of NewCo 1 approving entry into this Agreement, the consummation of the Transaction and the issue and allotment of the Consideration Shares;
- (d) the Seller shall deliver to NewCo 2:
  - (i) a duly executed stock transfer form in respect of the Sale Shares together with the relevant share certificate(s) in the name of the Seller or indemnities in respect of any lost share certificates in a form satisfactory to NewCo 2; and
  - (ii) a duly executed copy of the Loan Note;
- (e) NewCo 2 shall deliver to the Seller a duly executed copy of the Loan Note;
- (f) the Seller will cause a board meeting of each Group Company to be held at which:
  - (i) in the case of the Company only, the transfer of the Sale Shares will be approved for registration;
  - (ii) all resignations provided for in Clause 7.2(a) will be tendered and accepted so as to take effect at the close of the relevant meeting and each person nominated by NewCo 1 will be appointed as a director or secretary of the relevant Group Company; and
  - (iii) such other business as may be necessary or desirable to effect the sale and purchase of the Sale Shares or as NewCo 2 may reasonably require will be conducted,and the Seller will deliver to NewCo 1 and NewCo 2 duly signed minutes of such meetings;
- (g) the Seller shall arrange for any and all amendments to the company books and registers of the Company that are necessary to give effect to the transfer of the Sale Shares on the terms of this Agreement;

- (h) the Seller shall deliver to NewCo 1 and NewCo 2 a duly executed assignment of the Loan Note;
- (i) NewCo 1 shall:
  - (i) issue and allot the Consideration Shares to the Seller;
  - (ii) arrange for any and all amendments to the company books and registers of NewCo 1 that are necessary to give effect to the issue and allotment of the Consideration Shares on the terms of this Agreement.
- (j) NewCo 2 shall, and shall procure that its relevant Affiliate or related fund shall, enter into the PIK Facility and each of them shall deliver a copy of it, duly executed by it, to the other;
- (k) each of the Seller and NewCo 1 shall procure that any security granted by the Seller in favour of The Governor and Company of the Bank of Ireland as Security Agent and any guarantees granted under or in respect of the Senior Facility Agreement (and the other existing liabilities and obligations under or in respect of the Senior Facility Agreement) have been released on customary terms to the reasonable satisfaction of the Seller;
- (l) the Seller and NewCo 1 shall, and NewCo 1 shall procure that DBC Fund III shall, each enter into the Shareholders' Agreement and each of them shall deliver a copy of it, duly executed by it, to the other; and
- (m) the Seller and NewCo 1 shall, and NewCo 1 shall procure that DBAY Advisors Limited shall, deliver an executed copy of the Fee Letter.

7.3 Without prejudice to any other right or remedy available to NewCo 1, NewCo 2 or the Seller, if the provisions of Clause 7.2 are not complied with in any respect on the Completion Date by (i) the Seller, then NewCo 1 or NewCo 2, may in each of their absolute discretion by written notice to the Seller, or (ii) NewCo 1 or NewCo 2, then the Seller may in its absolute discretion by written notice to NewCo 1 and NewCo 2:

- (a) defer Completion for a period of not more than 10 Business Days to such other date as it may specify, and this Clause 7 (except for this Clause 7.3(a)) will apply to Completion as so deferred);
- (b) waive all or any of the requirements of NewCo 1, NewCo 2 or the Seller (as the case may be) referred to in Clause 7.2 and proceed to Completion so far as practicable; or
- (c) terminate this Agreement, in which case the provisions of Clause 9.4 will apply.

## 8. WARRANTIES

8.1 The Seller warrants to NewCo 1 and NewCo 2 that as at the date of this agreement (subject to the receipt of the Shareholder Approval and satisfaction of the FCA Condition) and as at Completion:

- (a) it has obtained all necessary corporate and other consents and approvals required in relation to the performance of this Agreement and has the legal right and full power and authority to enter into and perform this Agreement, and any other documents to be executed by it pursuant to, or in connection with, this Agreement. The documents referred to in this Clause 8.1 will, when executed, constitute valid and binding obligations of the Seller in accordance with their respective terms;

- (b) it is the sole legal and beneficial owner of the Sale Shares, free from all Encumbrances and with all rights attaching to them;
- (c) the Company has been duly registered, has a certificate of incorporation and is validly existing under the laws of England and Wales;
- (d) the Sale Shares constitute the whole of the issued and allotted share capital of the Company;
- (e) all of the Sale Shares are validly allotted and issued and fully paid or properly credited as fully paid;
- (f) other than the Existing Security, there is no Encumbrance on, over or affecting any shares, debentures or other securities of the Company and no person has the right (exercisable now or in the future and whether contingent or not) to call for the issue or allotment of any share or loan capital of the Company; and
- (g) the performance of its obligations under this Agreement will not result in any:
  - (i) breach of any provision of its constitutional documents;
  - (ii) breach of any contract or other agreement to which it is a party or by which it is bound; or
  - (iii) violation or breach of any Regulatory Requirement,

(together, the "**Clause 8.1 Warranties**").

8.2 The Seller warrants to NewCo 1 and NewCo 2 as at Completion that at Completion it directly holds no material assets necessary for the operation of the Group following Completion other than the Retained Cash and the Sale Shares (such warranty together with the Clause 8.1 Warranties, the "**Seller Warranties**").

8.3 Each of NewCo 1 and NewCo 2 warrants to the Seller, in respect of itself only, that as at the date of this Agreement and as at Completion:

- (a) it has obtained all necessary corporate and other consents and approvals required in relation to the performance of this Agreement and has the legal right and full power and authority to enter into and perform this Agreement, and any other documents to be executed by it pursuant to, or in connection with, this Agreement. The documents referred to in this Clause 8.3 will, when executed, constitute valid and binding obligations of NewCo 1 or NewCo 2, as applicable, in accordance with their respective terms;
- (b) it has no assets, liabilities or obligations of any kind whatsoever, other than, in the case of NewCo 1, its ownership of the entire issued share capital of NewCo 2, or fees and expenses properly incurred (i) in respect of the incorporation and administration of each of NewCo 1 and NewCo 2 or (ii) in respect of the Transaction; and
- (c) the performance of its obligations under this Agreement will not result in any:
  - (i) breach of any provision of its constitutional documents;
  - (ii) breach of any contract or other agreement to which it is a party or by which it is bound;

- (iii) violation or breach of any Regulatory Requirement;
- (d) it has been duly registered, has a certificate of incorporation and is validly existing under the laws of the Isle of Man; and
- (e) there is no Encumbrance on, over or affecting any shares, debentures or other securities of NewCo 1 or NewCo 2, as applicable, and no person has the right (exercisable now or in the future and whether contingent or not) to call for the issue or allotment of any share or loan capital of NewCo 1 or NewCo 2, as applicable,

(together, the "**Clause 8.3 Warranties**").

8.4 NewCo 1 warrants to the Seller, that as at Completion all of the Consideration Shares shall upon being issued to the Seller be credited as being fully paid, free from any Encumbrances and, from the date of allotment and issue, ranking pari passu in all respects with the existing shares in issue and with the rights set out in the Articles (together with the Clause 8.3 Warranties, the "**NewCo Warranties**").

8.5 Each of NewCo 1 and NewCo 2 acknowledge and agree that:

- (a) the Seller Warranties are the only warranties or other assurances of any kind given by or on behalf of the Seller in connection with the Transaction;
- (b) it is an informed and sophisticated person and has engaged professional advisers experienced in the evaluation and acquisition of companies and assets such as those comprised in the Group; and
- (c) it has been provided with, and has evaluated, such documents and information as the Seller has made available to it in the virtual data room maintained by MerrillCorp and entitled Project Quatro, made available at <https://global.datasiteone.merrillcorp.com/global> to make an informed and rational decision with respect to the execution, delivery and performance of this Agreement and the documents referred to in it and the completion of the Transaction.

8.6 The Seller acknowledges and agrees that the NewCo Warranties are the only warranties or other assurances of any kind given by or on behalf of NewCo 1 and NewCo 2 in connection with the Transaction.

8.7 Each of NewCo 1 and NewCo 2 acknowledge and agree that, save in respect of cases of fraud or wilful misconduct, it has no rights or claim against any director, officer, employee, agent or professional adviser of the Group (including any person on which or whom it may have relied before agreeing to the terms of this Agreement or any of the documents referred to in it) and to the extent that any such rights or claim exist, each of NewCo 1 and NewCo 2 (on behalf of themselves and their Affiliates) irrevocably and unconditionally (on behalf of themselves and their Affiliates), save in respect of cases of fraud or wilful misconduct, waive such rights or claim and release the Group and any such other persons from any liability whatsoever in respect of such rights or claim.

8.8 The Seller's maximum liability under this Agreement is limited to £1,000,000.

## 9. **TERMINATION**

9.1 Subject to Clause 9.4 and without prejudice to any other right or remedy available to it, each of NewCo 1 and NewCo 2 may terminate this Agreement by written notice to the Seller received at any time before Completion:

- (a) if a Material Adverse Change occurs;
  - (b) pursuant to Clause 7.3;
  - (c) if there is a breach of any Seller Warranty given by the Seller pursuant to Clause 8 or any Seller Warranty becomes untrue, inaccurate or misleading at any time;
  - (d) if there is a breach of any covenants by the Seller or a member of the Seller's Group under the Interim PIK Facility or any debt facility entered into prior to Completion between the Seller and NewCo 1 or NewCo 2 (or any of their Affiliates or related funds); or
  - (e) if there is a material breach by the Seller of its obligations under this Agreement.
- 9.2 Subject to Clause 9.4 and without prejudice to any other right or remedy available to it, the Seller may terminate this Agreement, by written notice to NewCo 1 and NewCo 2 received at any time before Completion:
- (a) pursuant to Clause 7.3;
  - (b) if there is a breach of any NewCo Warranty given by NewCo 1 and NewCo 2 pursuant to Clause 8 or any NewCo Warranty becomes untrue, inaccurate or misleading at any time;
  - (c) if there is a material breach by NewCo 1 and NewCo 2 of its obligations under this Agreement or the Interim PIK Facility; or
  - (d) at any time before the satisfaction of the Shareholder Approval Condition if there has been an announcement, pursuant to Rule 2.7 of the Takeover Code, of a firm intention to make an offer for the entire issued and to be issued share capital of the Seller.
- 9.3 This Agreement will automatically terminate in the event the Shareholder Approval Condition is not satisfied at the general meeting of the Seller.
- 9.4 If this Agreement is terminated in accordance with Clause 4.7, Clause 9.1, Clause 9.2 or Clause 9.3, neither Party will have any claim against the other under this Agreement save that:
- (a) any provision of this Agreement that expressly or by implication is intended to survive termination (including Clauses 1, 10, 11 and 12) will remain in full force and effect; and
  - (b) termination of this Agreement will be without prejudice to any rights, remedies, obligations or liabilities which have accrued up to the date of termination or may so accrue in respect of any act or omission occurring on or prior to termination under any provision of this Agreement.
- 9.5 The Seller undertakes to notify NewCo 1 and NewCo 2 promptly in writing if it or any other member of the Group becomes aware prior to Completion:
- (a) that a Seller Warranty given by the Seller pursuant to Clause 8 has been breached or any Seller Warranty is untrue, inaccurate or misleading at any time;
  - (b) of any circumstance, event, fact, matter or omission which may cause a Seller Warranty to become untrue, inaccurate or misleading; or

- (c) of any breach, circumstance, event, fact, matter or omission which may give rise to a right of termination under Clause 9.1, including if a Material Adverse Change has occurred.

9.6 Any notification under Clause 9.5 will contain sufficient detail of the relevant breach, circumstance, event, fact, matter or omission and its consequences to enable NewCo 1 and NewCo 2 to make an accurate assessment of its impact.

## 10. CONFIDENTIALITY AND ANNOUNCEMENTS

10.1 Each Party undertakes that it will, and will procure that each other member of the Seller's Group or the Buyer's Group (as applicable) will, keep confidential at all times after the date of this Agreement, and not directly or indirectly reveal, disclose (other than to the Lending Banks or other providers of finance) or use for its own or any other purposes, any information received or obtained as a result of entering into or performing, or supplied by or on behalf of the relevant Party in the negotiations leading to, this Agreement and which relates to:

- (a) the negotiations relating to this Agreement;
- (b) the subject matter or provisions of this Agreement; or
- (c) the other Party.

10.2 The prohibition in Clause 10.1 does not apply:

- (a) if the information was in the public domain before it was received by the relevant Party or, after it was received by the relevant Party, entered the public domain otherwise than as a result of (a) a breach by the relevant Party of this Clause 10 or (b) a breach of a confidentiality obligation by the discloser;
- (b) to the extent that the disclosure of any information referred to in Clause 10.1 is required by any Regulatory Requirement or Tax Authority, provided that it will be disclosed only after consultation with the other Party (unless such consultation is prohibited by the relevant Regulatory Requirement or Tax Authority); or
- (c) to the extent any the disclosure of this Agreement or any document referred to herein is required to be made on a website of the Seller in accordance with the Takeover Code.

10.3 No Party will make any press release or other public disclosure or announcement in connection with the transactions contemplated by this Agreement except:

- (a) an announcement in the agreed form or in any other form agreed by NewCo 1 and the Seller; or
- (b) any disclosure or announcement required by any Regulatory Requirement, provided that where such an announcement is required, the Party concerned shall promptly notify the other Party and shall make all reasonable attempts to agree the contents of the announcement with the other Party before making it.

## 11. NOTICES

11.1 Any notice or other communication from one Party ("**Sender**") to another Party ("**Recipient**") under this Agreement must be in writing (which, for the avoidance of doubt, shall include electronic mail), signed on behalf of the Sender, and be addressed to the Recipient using the details below (and each Party will promptly notify the other in writing of any change to its details for service):

**NewCo 1:**

*For the attention of:* [REDACTED]

*Address:* 4th floor, 64 Athol Street,  
Douglas, Isle of Man, IM1 1JD

*Email:* [REDACTED]

*Copy to:* [REDACTED]

**NewCo 2:**

*For the attention of:* [REDACTED]

*Address:* 4th floor, 64 Athol Street,  
Douglas, Isle of Man, IM1 1JD

*Email:* [REDACTED]

*Copy to:* [REDACTED]

**Seller: Eddie Stobart Logistics Plc**

*For the attention of:* [REDACTED]

*Address:* Stretton Green Distribution Park, Langford Way,  
Appleton, Warrington, WA4 4TQ, UK

*Copy to:* [REDACTED]

- 11.2 Subject to Clause 11.3, any notice will be deemed to have been received:
- (a) if delivered personally, at the time and date of delivery shown on the delivery receipt kept by the Sender;
  - (b) if sent within the United Kingdom, 48 hours from the time of posting (such time as evidenced by proof of postage kept by the Sender) or, if earlier, on receipt by the Recipient (where the Sender can evidence such receipt);
  - (c) if sent outside the United Kingdom, at 9 am on the sixth Business Day from the date of posting (such date as evidenced by proof of postage kept by the Sender); and
  - (d) if sent by electronic mail with confirmation of receipt or successful transmission, on the day it is sent.
- 11.3 If the deemed time of receipt would occur outside the hours of 9.00 am to 5.30 pm on a Business Day, the notice will be deemed received at 9.00 am on the next Business Day.
- 11.4 This Clause 11 does not apply to the service of proceedings or other documents in any judicial proceeding.
- 11.5 Reference in this Clause 11 to times of the day are to those times in the location of receipt.

12. **GENERAL**

- 12.1 Each Party shall bear their own costs and expenses with respect to the negotiation and preparation of this Agreement and the transactions contemplated hereby. NewCo 2 shall be responsible for the payment of any stamp duty (if any) arising in connection with the transfer of the Sale Shares in accordance with this Agreement.
- 12.2 A variation of this Agreement is valid only if it is in writing and signed by or on behalf of each Party.
- 12.3 From Completion, the Seller will, from time to time on being required to do so by either of NewCo 1 or NewCo 2, promptly and at the expense of the requesting party do or procure the doing of all such acts and execute or procure the execution of all such documents in a form satisfactory to NewCo 1 or NewCo 2, as applicable, as such party may reasonably consider necessary for giving full effect to this Agreement and securing to such party the full benefit of the rights, powers and remedies conferred upon it in this Agreement.
- 12.4 This Agreement and any non-contractual or other obligations arising out of or in connection with it are governed by English law.
- 12.5 The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or relating to any non-contractual or other obligation arising out of or in connection with this Agreement) or the consequences of its nullity.
- 12.6 This Agreement and each document referred to in it constitutes the entire Agreement and supersedes any previous agreements between the Parties relating to the subject matter of this Agreement.
- 12.7 This Agreement may be executed in any number of counterparts, each of which is an original and all of which together evidence the same agreement.

**THIS AGREEMENT** has been entered into by the Parties on the date stated at the beginning:

**REDACTED**

**SIGNED** by: )  
for and on behalf of )  
**EDDIE STOBART LOGISTICS PLC** )

\_\_\_\_\_  
Name:  
Title:

**SIGNED** by: )  
for and on behalf of )  
**MARCELOS LIMITED** )

\_\_\_\_\_  
Name:  
Title:

**SIGNED** by: )  
for and on behalf of )  
**ALPHA CASSIOPEIAE LIMITED** )

\_\_\_\_\_  
Name:  
Title:

**THIS AGREEMENT** has been entered into by the Parties on the date stated at the beginning:

**SIGNED** by: )  
for and on behalf of )  
**EDDIE STOBART LOGISTICS PLC** )

\_\_\_\_\_  
Name:  
Title:

**SIGNED** by: )  
for and on behalf of )  
**MARCELOS LIMITED** )

\_\_\_\_\_  
Name:  
Title:

**REDACTED**

**SIGNED** by: )  
for and on behalf of )  
**ALPHA CASSIOPEIAE LIMITED** )

\_\_\_\_\_  
Name:  
Title:

**REDACTED**

**SCHEDULE 4**  
**PRE-COMPLETION COVENANTS**

For the purposes of Clause 5.3, the actions are:

1. Acquire (by merger, consolidation, acquisition of shares, stock or assets or otherwise) any company, partnership or other business organisation or division.
2. Enter into any transaction unless on arm's length terms.
3. Enter into any long term, (excluding for the avoidance of doubt customer contracts which do not exceed 3 years in duration with a value of less than £3,000,000 per annum) unusual or onerous transaction.
4. Incur any capital expenditure in excess of £500,000.00 on any individual item or £1,000,000.00 in the aggregate.
5. Acquire or dispose of, or agree to acquire or dispose of, any asset (i) at less than book or market value, (ii) that is material to the Business and/or (iii) has a value in excess of £500,000.00.
6. Reorganise, change or discontinue any material part of the Business or dispose of or agree to dispose of or grant any option or right of pre-emption in respect of the shares in any Group Company.
7. Enter into, materially modify (excluding immaterial modification to contracts which are effected in accordance with the change mechanisms contained in such contracts), terminate or assign any material contract or agreement (being either an agreement with a revenue or capital value in excess of £1,000,000.00 in aggregate or a series of agreements with any one customer with an aggregate revenue or capital value in excess of £1,000,000.00) or make any bid, tender, proposal or offer which may lead to any such material contract or agreement.
8. Enter into any leasing, hire purchase or other agreement or arrangement for payment on deferred terms with a contract value in excess of £1,000,000.00 in aggregate, or enter into a series of any such agreements or arrangements with any one supplier for payment on deferred terms with an aggregate contract value in excess of £1,000,000.00.
9. Borrow any money or incur any indebtedness from a financial institution (except by way of bank overdraft in the ordinary and proper course of its business and within limits subsisting immediately before the date of this Agreement, or credit with commercial suppliers from a financial institution.
10. Changing its accounting reference date, or changing its residence for Tax purposes.
11. In relation to employees and other appointments:
  - (a) appoint or employ, or make an offer of appointment or employment to, any new officers, employees, workers or consultants who earn in excess of £125,000.00 on a full time equivalent basis;
  - (b) other than as required by Law, make any material alteration to the terms and conditions of employment (including benefits) of any of its Employees or Workers. For the avoidance of doubt, any increase in salary or the grant of any bonus shall be a material alteration for the purposes of this sub-paragraph;

- (c) dismiss any of its officers, Employees or Workers who earn in excess of £125,000.00 on a full time equivalent basis, or directly or indirectly induce or endeavour to induce any such officers, Employees or Workers to terminate their employment (other than for gross misconduct); or
  - (d) grant or pay any bonus to Employees or Directors which in the aggregate exceed £275,000.
- 12. Pass any resolution of the shareholders of any Group Company (other than with respect to directing subsidiary entities to take action approved by the board of directors of the Seller) or any class of its shareholders of any Group Company.
- 13. Declare, make or pay any dividend, bonus or other distribution of capital or income.
- 14. Create or grant any Encumbrance over its assets, undertaking or share capital.
- 15. Enter into, or increase or extend its liability under, any guarantee, indemnity or surety.
- 16. Institute, settle or agree to settle any legal proceedings relating to the Business, except for debt collection in the ordinary and proper course of its business not exceeding £125,000.00, and save in respect of (i) legal proceedings disclosed to NewCo 1 prior to the date hereof; and (ii) legal proceedings relating to motor claims, insurance claims, and employee liability/public liability in the ordinary course (other than claims involving death or personal injury and a liability in excess of £250,000); and (iii) legal proceedings in relation to which the Company is required to comply with instructions or recommendations of its insurers.
- 17. Grant, modify or agree to terminate any Intellectual Property Rights or otherwise allow any of its Intellectual Property Rights to lapse.
- 18. Enter into or materially modify any agreement with any trade union or other body representing its employees or relating to any works council.
- 19. Acquire or dispose of, or agree to acquire or dispose of, any freehold or leasehold property.
- 20. Make any change to the composition of the board of directors of the Company, save as contemplated by Clause 5.4.