

A1055

# Agreement

for the sale and purchase of  
the business and assets of  
Lipfriend Dawson

Dated

13 July

2005

LIPFRIEND DAWSON LIMITED (1)  
COLLIERS CRE plc (2)  
MESSRS S.A. LIPFRIEND, G.D. DAWSON & M.T.  
DAVIES (3)

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Final 13 July 2005



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## PARTIES

- (1) LIPRIEND DAWSON LIMITED (No 2855094) whose registered office is at 16 Queen Square Bristol BS1 4NT ("the Vendor");
- (2) COLLERS CRE plc (No 4195561) whose registered office is at 9 Marylebone Lane London W1U 1HL ("the Purchaser"); and
- (3) STEPHEN ANDREW LIPFRIEND of 39 Durdham Park Redland Bristol BS6 6XF, CHRISTOPHER GUY DAWSON of Fishers Lodge Tunbridge Road Chew Magna Bristol BS40 8SX and MARK TIMOTHY DAVIES of Greenhay Farm Coombe Wotton Under Edge Gloucestershire GL12 7ND ("the Directors").]

## INTRODUCTION

- (A) The Vendor was incorporated in England on 20 September 1993 under the Companies Act 1985 and is registered under number 2855094 as a private limited company.
- (B) The Vendor carries on the Business and has agreed to sell the Assets to the Purchaser which shall take over the Business as a going concern upon the terms and subject to the conditions of this Agreement.
- (C) The Directors are officers and shareholders of the Vendor and also employees of the Vendor in connection with the Business who will following Completion remain officers and shareholders thereof but cease to be employees of the Vendor in connection with the Business.

## INTERPRETATION

In this Agreement (including the Introduction and Schedules), except where a different interpretation is clear from or necessary in the context, the following words and expressions shall have the following respective meanings:

the Accounts	the balance sheet as at the Accounts Date and the profit and loss account and cash flow statements of the Vendor for the accounting period ended on the Accounts Date (including all reports and the notes thereto) in the agreed form
the Accounts Date	28 February 2005
the Assets	all the records, assets and rights of the Vendor used in the conduct of the Business including without limitation the benefit of the Client Contracts, the Client List, Client Instructions, the Employees, the Office Equipment and Vehicles, the Goodwill, the Intellectual Property owned by the Vendor and used in the Business, the Records, the Work-in-progress and the Vendor's Rights
the Bank Guarantee	a guarantee to the Vendor from Barclays Bank PLC that the Purchaser will pay the Consideration due under Clauses 3.1(b), 3.1(c) and 3.1(d) of this Agreement (but subject to the provisions of Schedule 5 and Clause 11.11)

the Business	the business of commercial property consultancy, estate agency, property management and surveying carried on by the Vendor as at the Completion Date under the name Lipfriend Dawson
Business Day	a day other than a Saturday or a Sunday on which the clearing banks are open for business in the City of London
Business Name	Lipfriend Dawson
Business Web Site	any internet web site owned, operated or hosted by the Vendor through which the Vendor conducts the Business being only the website <a href="http://www.lipfrienddawson.co.uk">www.lipfrienddawson.co.uk</a>
Completion	completion of the sale and purchase of the Assets and take-over of the Business in accordance with clause 4
Completion Date	the date of this Agreement
Confidential Information	any information or data not at present in the public domain relating to the Business including without limitation marketing and sales research, surveys and reports, advertising and promotional information, financial information, customer/client lists and customer/client contact information, product data and information concerning the supply and pricing of products, raw materials or services
Consideration Shares	ordinary shares of £0.50 each (or such other amount as shall be equal from time to time to the nominal value of the ordinary shares of the Purchaser) in the capital of the Purchaser
the Client Contracts	the contracts and instructions between clients of the Business and the Vendor for the supply of services to such clients
Client Instructions	instructions from Clients received by the Business including without limitation instructions to acquire, dispose, value, manage or advise in respect of commercial real property
the Client List	the list of all the clients of the Business
Compromise Agreement	an Agreement in the Agreed Form to be entered into on Completion by the Vendor and each of the Directors terminating the latter's employment with Vendor
the Debts	the book and other debts owing to the Vendor in connection with the Business as at Completion
Determined Claims	means from time to time all claims under this Agreement which: <ul style="list-style-type: none"> <li>(a) have been settled by written agreement between the Vendor and the Purchaser, or are the subject of an acknowledgement by the Vendor that they</li> </ul>

	accept liability and quantum in respect of that relevant claim or are withdrawn by the Purchaser; or
	(b) are the subject of an order as to both liability and quantum made by a court of competent jurisdiction where either no right of appeal lies or the parties are debarred (whether by the passage of time or otherwise) from exercising such a right; or
	(c) are the subject of an order made by a court of competent jurisdiction for damages to be assessed and an order by such a court assessing the quantum of those damages where either no right of appeal lies against either order or the parties are debarred (by the passage of time or otherwise) from exercising such rights
the Disclosure Letter	the letter in the agreed form from the Vendor to the Purchaser disclosing various matters relating to the Warranties
the Employees	the employees of the Vendor engaged in the Business not being the Excluded Employees as listed in Part I of Schedule 1, whose contracts of employment are to be taken over by the Purchaser
Excluded Employees	all those listed in Part II of Schedule 1 and all other persons who are not the Employees
the Goodwill	the goodwill of the Vendor in relation to the Business together with the exclusive right (so far as the Vendor can grant it) for the Purchaser to represent itself as carrying on the Business under the name Lipfriend Dawson in succession to, and to the exclusion of, the Vendor
the Guarantor	the Directors jointly and severally but so that the maximum liability of any individual Director shall not exceed £333,334 (£1,000,000 in aggregate)
Intellectual Property	copyrights, trade marks, service marks, trade names, rights in logos and get-up, inventions, trade secrets, registered designs, design rights, patents, letters patent, utility models, semi-conductor topographies, all rights of whatsoever nature in computer software and data, all rights in plant varieties, all rights of privacy and all intangible rights and privileges of a nature similar to any of the foregoing, in every case in any part of the world and whether or not registered; and including all granted registrations and all applications for registration in respect of any of the same
Key Employee	any employee who is or was during the Period employed: <ul style="list-style-type: none"> <li>(a) at management grade; or</li> <li>(b) in a senior capacity; or</li> </ul>

	(c) in a capacity in which he has access to or is in possession of confidential information
the Liabilities	any liabilities or obligations of any nature of the Vendor in relation to the Business or attaching to the Business or Assets incurred or arising in respect of any action, omission, matter or transactions occurring on or prior to Completion including without limitation all taxation and liabilities in tort or for breach of statutory duty or for breach of contract or otherwise and all liabilities to clients, employees or suppliers of the Business
the Office Equipment and Vehicles	all the items owned by the Vendor or used in the Business, as listed in Schedule 2
the Property	16 Queen Square Bristol (comprising first floor suite, basement storage and three parking places) the terms of occupation of which by the Purchaser are set out in Schedule 6
Professional Negligence Claims	any claims from Clients or former clients of the Business in respect of acts of alleged professional negligence committed by the Vendor arising out of the carrying on of the Business which have not at the date of Completion been notified by the Client or former client to the Vendor
the Purchaser's Solicitors	Michael Conn Goldsobel, 24 Queen Anne Street London W1G 9AX ref: Howard Goldsobel
the Records	the books, records, ledgers, accounts, financial information, files, stationery, Client files, sales and promotional literature and generally all other documents of any description relating to the Business or Assets
Restricted Territory	shall mean anywhere within a radius of 50 miles of Bristol City Centre
Restricted Period	shall mean three years from Completion
the Service Agreements	the Agreements (including the side letter permitting outside interests) in the Agreed Form to be entered into between the Purchaser and each Director on Completion
the Transfer Regulations	the Transfer of Undertakings (Protection of Employment) Regulations 1981, as amended
the Vendor's Rights	all rights and claims of the Vendor or attaching to the Business or Assets against third parties in relation to the Business or Assets (whether or not they have accrued and become enforceable at Completion under any express or implied contracts, arrangements or terms, warranties, conditions, guarantees or indemnities subsisting in favour of the Vendor or attaching to the Business or Assets
the Vendor's Solicitors	Metcalfes, 46-48 Queens Square, Bristol BS1 4 LY attention Tony Forster

the Warranties

the warranties, representations and undertakings set out in clause 11 and Schedule 7 (reference to a "Warranty" being to any of the statements in Schedule 7)

the Work-in-progress

the work-in-progress relating to the Business or Assets

- (2) References to taxation include all forms of taxation, duties or levies, past, present and future and all penalties, charges, costs, and interest relating to such duties or levies and any penalties chargeable for non-compliance with any statutory provisions or regulations in connection therewith.
- (3) All references to statutory provisions or enactments shall include references to any amendment, modification or re-enactment of any such provision or enactment (whether before or after the date of this Agreement), to any previous enactment which has been replaced or amended and to any regulation or order made under such provision or enactment.
- (4) References to documents "in the agreed form" are to documents in terms agreed between the parties and signed (for the purpose of identification only) by the Vendor's Solicitors and the Purchaser's Solicitors.
- (5) The term "holding company" shall have the meaning attributed to it in section 736 and 736A of the Companies Act 1985 (as amended) and a company or other entity shall be a "subsidiary" for the purposes of this Agreement if it falls within any of the meanings attributed to a "subsidiary" in such sections or the meaning attributed to the term "subsidiary undertaking" in section 258 of such Act, and the terms "subsidiaries" and "holding companies" are to be construed accordingly.
- (6) Section 839 ICTA is to apply to determine whether a person is connected with another for the purposes of this Agreement.
- (7) For the purposes of this Agreement a party shall be considered to be interested in any company if it owns any shares or other securities in that company or if a majority of voting shares in that company and that party (if a company) are in the same hands.
- (8) References to the parties, Introduction, clauses and Schedules are references respectively to the parties, Introduction, clauses and Schedules to and of this Agreement.
- (9) The clause headings and captions used in this Agreement are for ease of reference only and shall not affect construction.
- (10) References to those of the parties who are individuals include references to their respective legal personal representative(s).
- (11) Reference to documents or documentation includes any disk, tape or other medium whether electronic, magnetic or otherwise, used for storage or processing of data.
- (12) Reference to an agreement or contract includes arrangements in the nature of agreements or contracts whether or not having all the legal characteristics of a contract.

## OPERATIVE PROVISIONS

### **1 Sale and purchase of the Assets and transfer of the Business**

- 1.1 For the consideration specified in clause 2, the Vendor shall sell as legal and beneficial owner and with full title guarantee and the Purchaser shall purchase the Assets free from all options, liens, charges, encumbrances and all other adverse rights and interests, with effect from Completion. In the case of any of the Assets which are capable of transfer by delivery, title to that Asset shall pass to the Purchaser by delivery.

- 1.2 The Purchaser shall take over the Business as a going concern upon Completion.
- 1.3 There shall be excluded from the sale and purchase under this Agreement:
- (a) the Liabilities,;
  - (b) cash in hand or at bank;
  - (c) the Debtors;
  - (d) all properties owned by the Vendor; and
  - (e) all websites with the exception of [www.lipfrienddawson.co.uk](http://www.lipfrienddawson.co.uk)
- 1.4 The Liabilities shall be for the sole account of the Vendor which undertakes to discharge the Liabilities on the date on which they respectively fall due to be paid. The Vendor shall indemnify and keep indemnified the Purchaser in respect of all and any claims, damages, costs, charges, expenses and other liabilities (howsoever arising) which the Purchaser may directly or indirectly suffer in connection with each and any of the Liabilities and the performance by the Vendor of its obligations under this clause 1.4.
- 1.5 All remuneration of the Employees
- (a) for the period ending on Completion shall be borne by the Vendor;
  - (b) for the period after Completion shall be borne by the Purchaser; and
  - (c) if the Vendor has made any advance payments, these shall be apportioned to the Vendor before and on Completion
- 1.6 Payment of all amounts owing by or to the Vendor to or by the Purchaser under this clause shall be made at Completion by adjustment to the amount due under clause 3.1 in cash not later than 7 days after agreement of the amount due. In the event of any dispute, either party shall be entitled to refer the matter for determination in his opinion by an independent chartered accountant, acting as an expert and not as an arbitrator and appointed (in default of agreement) by the President for the time being of the Institute of Chartered Accountants in England and Wales. The opinion of such independent chartered accountant shall be final and binding on the parties and the costs of his appointment shall be borne by the parties in such proportion as he shall direct. Any sums payable in accordance with such determination shall be settled within 7 days thereafter]
- 1.7 If the Vendor has received, prior to Completion, any deposit or pre-payment under a Contract in respect of goods or services which shall not have been supplied or provided by the Vendor at Completion, the Vendor shall account to the Purchaser for such deposit or payment at Completion.

## **2 Consideration payable by the Purchaser**

- 2.1 The total consideration payable by the Purchaser to the Vendor for the Assets shall be ONE MILLION TWO HUNDRED THOUSAND POUNDS (£1,200,000) and the payment of any apportioned amounts pursuant to clause 1.5-7 which shall be apportioned among the Assets as follows:

<b>Asset</b>	<b>Price £</b>
the Contracts	1.00
the Office Equipment	14,998
the Goodwill, the Business Name and Customer/Client List	1,169,999

the Intellectual Property	1.00
the Records	1.00
the Work-in-progress	1.00
the Vehicles	14,997
the Vendor's Rights	1.00
all other assets	1.00
further apportionments pursuant to clauses 1.5-7	as valued pursuant thereto

2.2 All sums payable by the Purchaser under this Agreement are exclusive of value added tax which shall (where applicable) be payable in addition to such sums on the presentation by the Vendor of the relevant value added tax invoice. The parties consider that the sale and purchase of the Assets and take-over of the Business falls within the provisions of paragraph 5 of the Value Added Tax (Special Provisions) Order 1995 since the sale and purchase is of a business as a going concern and the Purchaser intends to use the Assets to carry on the same kind of business. Should H M Customs and Excise dispute that conclusion and the parties not appeal successfully against it then, subject to clause 2.3:

- (a) the Vendor shall render a VAT invoice or invoices to the Purchaser; and
- (b) the Purchaser shall pay to the Vendor the amount of the VAT invoiced not later than the date on which the Vendor shall be called upon to account for that VAT.

2.3 The Vendor shall use its best endeavours to satisfy H M Customs and Excise that the sale and purchase does fall within the provisions of paragraph 5 of the Value Added Tax (Special Provisions) Order 1995 and the Purchaser undertakes to provide all reasonable assistance and information to the Vendor and to execute all such documents as may be reasonably necessary for that purpose.

### 3 Timing of payment of the Consideration

3.1 The total consideration for the Assets subject to adjustment in accordance with clause 1.6 and Schedule 5, and shall (subject to the provisions of this clause 3 and clause 11.11) be paid and satisfied by:

- (a) on Completion:
  - (i) the payment of £400,000 (FOUR HUNDRED THOUSAND POUNDS) in cash to the Vendors Solicitors for the Vendor; and
  - (ii) the issue to the Vendors and allotment, free of any lien, option, charge or other encumbrance whatsoever and credited as fully paid, of Consideration Sharers equal in value to £400,000 (FOUR HUNDRED THOUSAND POUNDS), calculated by reference to the average closing middle market quotation for the ordinary shares in the capital of the Purchaser (as derived from the Alternative Investment Market section of the Daily Official List) on the five Business Days ending on the Business Day preceding the day of Completion

- (b) subject always to the provisions of Schedule 5 (and Clause 11.11), on the first anniversary of Completion the sum of £134,000 (ONE HUNDRED AND THIRTY FOUR THOUSAND POUNDS) to the Vendors Solicitors for the Vendor;
- (c) subject always to the provisions of Schedule 5 (and Clause 11.11), on the second anniversary of Completion the sum of £133,000 (ONE HUNDRED AND THIRTY THREE THOUSAND POUNDS) to the Vendors Solicitors for the Vendor;
- (d) subject always to the provisions of Schedule 5 (and Clause 11.11), on the third anniversary of Completion the sum of £133,000 (ONE HUNDRED AND THIRTY THREE THOUSAND POUNDS) to the Vendors Solicitors for the Vendor.

- 3.2 The Consideration Shares shall rank pari passu in all respects with the ordinary shares of £0.50 each in the capital of the Purchaser in issue as at the date on which such Consideration Shares are issued to the Vendors in accordance with this clause 3.
- 3.3 The Purchaser shall, prior to their issue and provided that at the time of such issue the ordinary shares of the Purchaser are admitted to the Alternative Investment Market, apply to the Stock Exchange for the Consideration Shares to be issued in accordance with clauses 3.1(ii) to be admitted to dealing on the Alternative Investment Market and the Purchaser hereby confirms that it has the requisite authority to allot such Consideration Shares pursuant to Section 80 of the Companies Act 1985.
- 3.4 Any payment made by the Vendor in respect of a breach of any Warranties shall be and shall be deemed first to be a reduction in the price paid for the Shares under this Agreement to the extent legally possible.
- 3.5 In the event of the Purchaser failing to make any payments under this clause interest shall accrue on all such unpaid amounts at the rate of 3% above Barclays Bank plc (or other similar clearing bank) base rate.

#### **4 Completion**

- 4.1 Completion of the sale and purchase of the Assets and take over of the Business shall take place at the offices of the Purchaser's Solicitors on the Completion Date or at such other time and place as the Vendor and the Purchaser may agree.
- 4.2 Immediately prior to Completion the Vendor shall deliver or cause to be delivered or make fully available (if the Purchaser agrees) to the Purchaser:
  - (a) not applicable;
  - (b) if and when required an assignment of the Goodwill in the agreed form;
  - (c) all Assets capable of transfer by delivery or by physical transfer;
  - (d) the originals or certified copies of the Compromise Agreements;
  - (e) the Service Agreements executed by the Directors;
  - (f) any available consents in the agreed form necessary to transfer the benefit of the Contracts and consents of all third parties/novations;
  - (g) duly executed conveyances, transfers and assignments together with the relevant documents of title and all necessary consents and licences, as the Purchaser may require to vest in it the full benefit of the Assets and to take over the Business as a going concern;

- (h) the Records and all subsisting and past contracts and licences under which the Business is and has been carried on and all customer data and files, books, accounts, records, payroll and fee records and other documents holding or referring to any of the foregoing information;
- (i) the Client List, all details of suppliers, products and services and such other information relating to the Business as the Purchaser may have reasonably requested by notice given to the Vendor prior to Completion;
- (k) a letter from the Vendor's bankers and chargees or certificate from the Vendor dated the date of Completion confirming that none of the floating charges granted by the Vendor over the Assets has crystallised;
- (l) a schedule of apportionments of outgoings, pre-payments and receivables as at Completion] pursuant to clauses 1.5-7 and
- (m) if required notices signed by the Vendor in the agreed form of the assignment to the Purchaser of the benefit of the Client Contracts, Business Contracts and any Vendor's Rights being transferred at Completion.

4.3 Subject to the Vendor having complied with the terms of clause 4.2, the Purchaser shall pay deliver or satisfy as therein provided the Consideration due under and in accordance with clause 3.2 and deliver to the Vendors Solicitors the Service Agreements executed by the Purchaser and within 28 days of Completion deliver the Bank Guarantee.

4.4 Upon and after Completion the Vendor shall (subject to and in accordance with the terms of this Agreement) do such things and execute all necessary deeds and documents within its power effectively to vest unencumbered title to the Assets in the Purchaser; until then the Vendor shall hold the legal estate in any Asset which shall not have so vested in trust absolutely for the Purchaser and shall account to the Purchaser forthwith upon receipt of any monies received relating to any of the Assets.

## **5 Use of and change of corporate name**

5.1 The Vendor grants to the Purchaser the exclusive and perpetual right (so far as the Vendor is able to grant the same) to use the name Business Name.

5.2 The Vendor and the Directors shall procure that following Completion:

- (a) neither it nor any of its holding companies or subsidiaries or any entity connected or interested with the Vendor or the Directors shall use the name Business Name or any name which is likely to be confused with it; and
- (b) the Vendor shall within seven days after Completion change their corporate names so as to exclude the Business Name or any name likely to be confused with it.

## **6 Benefits and obligations under Contracts**

6.1 If any Contract requires novation or the consent of the other contracting party is necessary for any transfer of the benefit of the Contract and such consent shall not have been obtained by or upon Completion the Vendor shall take such action as the Purchaser shall reasonably request to obtain such novation or consent and until novation or such consent is obtained shall hold the benefit of the Contract in trust absolutely for the Purchaser, pay any monies received into a separate bank account, record it separately from other payments received on the account of the Vendor and

forthwith pay it to the Purchaser. Subject thereto the Purchaser shall perform with effect from Completion on behalf of the Vendor at the expense of the Purchaser all the obligations of the Vendor under the Contract.

- 6.2 Any fee, charge or financial penalty levied by a third party in respect of the granting of any consent or the termination of any existing Contract in order to permit the assumption of the burden by the Purchaser or to agree to any novation shall be paid by equally by the Vendor and the Purchaser.

## **7 Further obligations after Completion**

- 7.1 After Completion, the Vendor shall at its own expense:

- (a) continue to give to the Purchaser such information and assistance as the Purchaser may *reasonably require in connection with the Business*;
- (b) execute such further assurances and afford such assistance as the Purchaser may reasonably require to vest in the Purchaser (or its nominee) the full and unfettered benefit of the Business and the Assets;
- (c) pass on to the Purchaser within five Business Days of receipt by them any enquiry relating to the Business or for the supply of goods and services under or in connection with the Business and arrange or concur in an arrangement for post addressed to the Business to be forwarded to the Purchaser;
- (d) retain all accounting, VAT, payroll records and historical Client files relating to the Business and/or the Employees for a period of not less than 6 years; and
- (e) give the Purchaser and its agents, advisers and representatives promptly on request full access to all records retained by the Vendor not transferred pursuant to this Agreement relating to the Business and any other facilities and information regarding the Business which the Purchaser may reasonably request.

- 7.2 The Vendor undertakes to the Purchaser that the Vendor shall not take or threaten (or permit any third party to take or threaten) legal proceedings in respect of the Debts from any current Client of the Business without the prior written consent of the Purchaser, not to be unreasonably withheld.

- 7.3 The Vendor shall permit the Puchaser occupation of the Property on the terms set out in the Schedule 6.

## **8 Employees**

- 8.1 The Vendor and the Purchaser acknowledge that:

- (a) the transfer of the Business pursuant to this Agreement constitutes a relevant transfer of the whole of the undertaking of the Business for the purposes of the Transfer Regulations; and
- (b) the Employees will become employees of the Purchaser on Completion and the Vendor will use all reasonable efforts to assist in the transfer of the Employees to the employment of the Purchaser and the continued service of all the Employees under the Business following Completion.

- 8.2 The Vendor shall be liable for, and shall indemnify and keep indemnified the Purchaser in respect of any claims, proceedings, demands, awards, losses, damages, costs, liabilities, interest or

expenses ("Liabilities") which may be suffered or incurred by the Purchaser in connection with the employment or dismissal of any person who is an Excluded Employee or not an Employee.

8.3 The Vendor shall procure the performance and discharge of all contractual, statutory and other obligations in respect of all of the Employees up to and including the Completion Date and the Vendor shall indemnify the Purchaser against any Liabilities arising from any act or omission of the Vendor or failure by the Vendor to discharge any obligation relating to any of the Employees on or prior to the Completion Date.

8.4 The Purchaser shall procure the performance and discharge of all contractual and statutory and other obligations in respect of all of the Employees after the Completion Date and the Purchaser shall indemnify the Vendor against any Liabilities arising from any act or omission of the Purchaser or the failure of the Purchaser to discharge any obligation relating to any of the Employees after the Completion Date including, but not limited to, the following:

8.5.1 any claim made at any time against the Vendors by or on behalf of an Employee arising from any substantial change to the Employee's terms and conditions and/or working relationship to the detriment of the Employee where such change has been proposed by or is casually linked to the Purchaser or any of its agents or employees and which is to take effect after the Transfer Date;

8.5.2 any claim made by or on behalf of any Employee which relates to his employment by the Purchaser on or after the Transfer Date;

8.5.3 the employment or termination of employment of any Employee on or after the Transfer Date; or

8.5.4 any change in the working conditions of any Employee on or after the Transfer Date.

8.5 The Vendor agrees to indemnify the Purchaser against any Liabilities it may incur if any Employee or his or her employee representative brings a claim arising from a failure by the Vendor to carry out its duty to inform and consult under Regulation 10 of the Transfer Regulations. The Purchaser agrees to provide the Vendor with full details of any "measures" (as defined by Regulation 10(4) of the Transfer Regulations) it intends to take in relation to the Employees at least [14] days before the Completion Date and to indemnify the Vendor against any Liabilities it may incur as a result of any failure by the Purchaser to provide this information to the Vendor.

8.6 The Vendor or the Purchaser ("the Notifying Party") shall within 14 days notify the other party ("the Indemnifying Party") in writing of any Liabilities in respect of which the Indemnifying Party may be entitled to claim from the Notifying Party, any the Notifying Party shall not settle any Liabilities without the prior written authority of the Indemnifying Party (which shall not be unreasonably withheld or delayed) and, if the Indemnifying Party shall so request in writing, the Notifying Party shall entrust the Indemnifying Party with the care and conduct of contesting any such claim.

## **9 Restrictions on sale of the Consideration Shares**

9.1 The Vendor undertakes to and agrees with the Purchaser that, except with the prior written consent of the Purchaser, not, at any time within the three years from Completion directly or indirectly dispose of or grant any option over or enter into any agreement or arrangement to dispose of or grant any option over all or any of the Consideration Shares which it holds or owns pursuant to such allotment.

9.2 The restrictions contained in this clause 9 shall not prohibit any such person from:

- (a) disposing of or agreeing or irrevocably undertaking to sell or dispose of the Consideration Shares (conditionally or otherwise) to any offeror contingent upon a general offer being made to all shareholders of the Purchaser (or to all such shareholders other than the offeror and/or persons associated or acting in concert with the offeror in respect of such offer) for all the ordinary shares in the capital of the Purchaser which is recommended by the Purchaser's Directors, or pursuant to acceptance of such an offer; or
- (b) disposing of or agreeing to dispose of the Consideration Shares to a person who is a Connected Person (including for this purpose any former employee of the Vendor) provided that such person has first agreed by deed, in terms reasonably satisfactory to the Purchaser, to be bound by the same restrictions as above; or
- (c) disposing of or agreeing to dispose of the Consideration Shares pursuant to an intervening Court order.

9.3 Notwithstanding the above the restrictions the Vendor may dispose of up to 5 per cent of the Consideration Shares to former employees of the Vendor (other than the Directors or persons connected with them) on terms that such shares may be sold six months after Completion.

## **10 Professional Indemnity Insurance and Professional Negligence Claims**

10.1 Subject as provided in clauses 10.2 and 10.3 below the Purchaser shall with effect from Completion assume all liability for and indemnify the Vendor and the former employees of the Vendor against Professional Negligence Claims and as successor to the Business maintain continuing insurance cover in respect thereof in compliance with the rules of conduct and bye-laws laid down from time to time by the Royal Institution of Chartered Surveyors.

10.2 Forthwith on Completion the Vendor shall:

- (i) pay and discharge any outstanding premium to 21 February 2006 on its Royal & Sun Alliance professional indemnity policy S9-RKK637196 and procure that the interest of the Purchaser is noted therein as successor to the Business; and
- (ii) make a one-off payment to the Purchaser of £10,000.

10.3 The Vendor and the Directors undertaking to give all reasonable assistance to the Purchaser (including the provision free-of-charge of relevant Client files and records) in the conduct defence or settlement of any Professional Negligence Claim

## **11 Warranties**

11.1 The Vendor acknowledges that the Purchaser has been induced to enter into this Agreement and purchase the Business and Assets on the basis of the Warranties and the other terms of this Agreement and hereby warrants, represents and undertakes to the Purchaser that each of the Warranties in Schedule 7 is correct and not misleading at the date of this Agreement and undertakes to the Purchaser that each such Warranty will continue to be correct and not misleading throughout the period from the date of this Agreement up to and including Completion subject only to the matters fairly disclosed in the Disclosure Letter, provided that such matters will be treated as qualifying or limiting any of the Warranties only to the extent that the matters disclosed relate specifically to the subject-matter of the particular Warranty, are complete and accurate and do not omit any fact the inclusion of which would make any matter disclosed inaccurate or misleading.

- 11.2 The Vendor hereby confirms and agrees that each of the Warranties is a separate and independent warranty, representation and undertaking and that none of the Warranties shall be limited by reference to any of the other Warranties.
- 11.3 The Vendor acknowledges that the Purchaser in entering into this Agreement is relying on the Warranties and the Vendor will indemnify and hold harmless the Purchaser against any depletion, diminution or shortfall in assets and against all other loss, damage, claims, costs and expenses (including without limitation legal expenses) which may occur as a result of any breach of the Warranties. This indemnity is in addition and without prejudice to any other remedies which the Purchaser may have for any breach of any of the Warranties.
- 11.4 No proceedings shall be commenced in respect of any claim for breach of the Warranties, except in the case of fraud or wilful non-disclosure when the limitations in this clause 11.4 shall not apply, unless:
- (a) notice giving reasonable details of the claim: shall have been delivered to the Vendor by the Purchaser not later than 2 years after Completion; and
  - (b) the liability of the Vendor in respect of that claim exceeds £750; and
  - (c) the amount of the claim when aggregated with all other claims exceeds £10,000 in which event the whole of such claims (and not merely the excess) may be claimed under legal proceedings.
- 11.5 The total amount of the liability of the Vendor for damages for breach of the Warranties shall, except in the case of fraud or wilful non-disclosure, be limited to ONE MILLION POUNDS (£1,000,000) together with the proper and reasonable costs of recovery of any damages for breach of Warranty incurred by or on behalf of the Purchaser.
- 11.6 The Purchaser may assign the benefit of the Warranties and of the indemnity given in clause 11.3 in whole or in part and without restriction within its Group.
- 11.7 The rights and remedies of the Purchaser in relation to the Warranties shall not be affected by Completion, any act or omission by or on behalf of the Purchaser or any other event or matter whatsoever other than the Purchaser's express written waiver or release.
- 11.8 References in Schedule 7 to any Warranty being qualified by the expression "so far as the Vendor is aware" or any similar expression shall only qualify that Warranty if directors of the Vendor have made due and careful enquiry to ascertain whether the Warranty concerned is correct and not misleading.
- 11.9 The Vendor Protections set out in Schedule 8 shall be deemed incorporated herein.
- 11.10 No claim may be made in respect of any Warranty Statement save the Warranty Statements contained in paragraph 11 of Schedule 7 to the extent that the claim relates to or is in connection with any matter concerning the pollution or protection of the Environment.
- 11.11 The Purchaser shall be entitled, without prejudice to any other rights or remedies available to it, to at its election set off against the Consideration due to the Vendor pursuant to Clause 3.1(a), 3.1.(b) and 3.1(c) any amounts due to it from the Vendor in respect of any Determined Claims and the Vendor hereby releases the Guarantor to the extent that the Purchaser elects for the set-off hereunder.

## **12 Non-disclosure of information and restrictions**

12.1 The Vendor and the Guarantor shall not and shall use their respective reasonable endeavours to procure that the directors and employees of the Vendor and the Guarantor shall:

- (a) not disclose or divulge any Confidential Information to any person or enable or permit any person to become aware of any Confidential Information;
- (b) make use of any Confidential Information in order to comply with the provisions of this Agreement; or
- (c) keep in conditions of security and not disclose or make copies of any documents (including any device or medium, whether electronic or otherwise used for storing or interpreting data) containing or referring to Confidential Information.

12.2 To ensure that the Purchaser receives the full value of the Business and the full benefit of the goodwill of the Business each of the Vendor and the Directors hereby undertakes and covenants with the Purchaser that none of them, none of their respective holding companies or subsidiaries, nor any company or undertaking connected with the Vendor or a Director or in which the Vendor or a Director are interested shall directly or indirectly (whether as principal, agent, shareholder, partner, director, employee or otherwise):

- (a) within the Restricted Territory carry on or be concerned or engaged or interested directly or indirectly (whether as principal, shareholder, partner, employee, agent or otherwise) in any trade or business which competes with any trade or business carried on by the Business in which he has been engaged or involved, at any time during the Restricted Period provided that nothing in this clause 12.2 (a) shall prevent the Vendor or a Director from holding for investment purposes only any units of an authorised unit trust and/or not more than three per cent (3%) of any class of the issued share or loan capital of any company quoted on a recognised investment exchange (as defined in FISMA) or being interested or involved in the website portal [bristoloffices.com](http://bristoloffices.com), [bristolindustrial.com](http://bristolindustrial.com) and such other domain names owned by the Vendor; or
- (b) either on its own behalf or for themselves or on behalf of any person, firm or company directly or indirectly have any dealings with or endeavour to entice away from the Business or solicit or interfere with any person, firm or company who at any time during the Period shall have been doing business with the Business and who has been a regular customer, client, supplier, distributor or agent of the Business with whom he shall have been engaged or involved at any time during the Restricted Period; or
- (c) either on its own behalf or for themselves or on behalf of any person, firm or company directly or indirectly employ or engage or induce or seek to induce to leave the service of the Purchaser any person who is or was a Key Employee with whom he has had dealings during the Restricted Period whether or not such person would commit any breach of his contract of employment by reason of so leaving the service of the Purchaser; or
- (d) interfere or attempt to interfere with the supply or continued supply of goods or services to the Purchaser; or
- (e) shall not at any time carry on or be employed, engaged, concerned, interested or in any way assist in any business which uses the name "Lipfriend Dawson" or any name which is likely to be confused with such name or might imply any ongoing connection with the Company.

- 12.3 Each of the restrictions contained in each paragraph of clause 12.2 is a separate and distinct restriction and is to be construed separately from the other restrictions. Each of the Vendor and the Directors hereby acknowledges that such restrictions are reasonable when taken together as well as individually, that the duration, extent and application of each restriction are no greater than is necessary for the protection of the goodwill of the Business and that the purchase price paid by the Purchaser for the Assets takes into account and provides adequate compensation for the restraints and restrictions imposed. Should any restriction be found to be void or unenforceable without the deletion of some part of it or the reduction in area or duration specified, that restriction shall apply with such modification as may be necessary to make it valid.
- 12.4 The parties agree that the benefit of the covenants and undertakings given in this clause shall be assignable in whole or in part by the Purchaser to, and become enforceable by, any company which is a subsidiary or holding company of the Purchaser which from time to time is the owner of the Business or any material part thereof.
- 12.5 After Completion, the Vendor shall not without the Purchaser's express agreement and save as expressly contemplated by this Agreement hold itself out as being interested in or in any way connected with the Business or permit any person to hold out the Vendor as being so interested.
- 12.6 The Purchaser accepts and agrees that the Guarantors or any one or more of them are directors and/or shareholders in Courtgate Properties Limited and/or Clipper Properties Limited (the Vendor) and that as such this clause shall be subject to the right of the Guarantor to so continue their involvement in such Companies and for such Companies to continue their business or property development and to own, lease, sell or deal with property assets.
- 13 Guarantee**
- 13.1 In consideration of the Purchaser entering into this Agreement, the Guarantor hereby unconditionally and irrevocably guarantees to the Purchaser the due and punctual performance by the Vendor of its obligations under this Agreement and the payment of each and any liability of the Vendor arising under this Agreement.
- 13.2 The Guarantor shall indemnify and hold harmless the Purchaser in respect of all costs, damages, charges, losses and expenses suffered or incurred by the Purchaser (howsoever arising) either directly or indirectly as a result of the failure by the Vendor to perform each of its obligations under this Agreement duly and punctually or to pay any liability of the Vendor under this Agreement.
- 13.3 The guarantee and indemnity in clauses 13.1 and 13.2 shall continue and remain in full force and effect until all the obligations of the Vendor and its liabilities arising under this Agreement shall have been duly performed, paid and discharged to the satisfaction of the Purchaser.
- 13.4 The guarantee and indemnity in clauses 13.1 and 13.2 shall not be affected in any way by any time or indulgence granted to the Vendor or any variation of this Agreement or any compromise or release of any obligation or liability under this Agreement or by any legal limitation, disability or other circumstances relating to the Vendor or Guarantor or any irregularity unenforceability or invalidity of any obligations of the Vendor or Guarantor, nor by the liquidation or dissolution of the Vendor nor by the appointment of a receiver or administrator or administrative receiver nor by any circumstances affecting the obligations of the Vendor to meet its liabilities under this Agreement: upon the occurrence of any of the aforesaid events, the Guarantor shall automatically become liable for the obligations and liabilities of the Vendor under this Agreement as if the Guarantor were a primary obligor to the Purchaser.

- 13.5 The Purchaser shall be entitled by giving notice to the Guarantor to assign to any person in whole or in part the benefit of the guarantee and indemnity under clauses 13.1 and 13.2 and other benefits of this clause 13.

#### **14 General provisions**

##### **14.1 Time of the Essence**

Except as otherwise expressly provided in this Agreement, time is of the essence of this Agreement as regards any time, date or period specified in this Agreement or subsequently substituted as a time, date or period by agreement in writing between the parties.

##### **14.2 Confidentiality**

- 14.2.1 Each party shall keep confidential the existence and terms of this Agreement and all information received or obtained as a result of negotiating, preparing, executing, performing or implementing it which relates to the other party or any agent or sub-contractor acting on its behalf. Neither party shall use such information for any purpose other than to perform its obligations under this Agreement.

- 14.2.2 Notwithstanding the other provisions of this clause 14.2, either party may, after consultation with the other party whenever practicable, disclose confidential information, if and to the extent:

- (a) required by law; or
- (b) required by any securities exchange on which either party's securities are listed or traded; or
- (c) required by any regulatory or governmental or other authority with relevant powers to which either party is subject or submits (whether or not the authority has the force of law); or
- (d) required to vest the full benefit of this Agreement in that party or to enforce any of the rights of that party in this Agreement; or
- (e) required by its professional advisers, officers, employees, consultants, sub-contractors or agents to provide their services (and subject always to similar duties of confidentiality); or
- (f) that information is in or has come into the public domain through no fault of that party; or
- (g) the other party has given prior written consent to the disclosure; or
- (h) it is necessary to obtain any relevant tax clearances from any appropriate tax authority.

- 14.2.3 The provisions of this clause 14.2 shall supersede and extinguish any other agreement between the parties relating to the subject matter of this clause 14.2.

##### **14.3 Announcements**

- 14.3.1 The parties may, from time to time, authorise the issue of a press release or announcement by the Purchaser on Completion in the agreed form.

- 14.3.2 Except in accordance with clause 14.2.1 or clause 14.2.3, the parties shall not make any public announcement or issue a press release or respond to any enquiry from the press or other media concerning or relating to this Agreement or its subject matter or any ancillary matter.

- 14.3.3 Notwithstanding clause 14.2.2, any party may, after consultation with the other party whenever practicable, make or permit to be made an announcement concerning or relating to this Agreement or its subject matter or any ancillary matter if and to the extent required by:

- (a) law; or
- (b) any securities exchange on which either party's securities are listed or traded; or
- (c) any regulatory or governmental or other authority with relevant powers to which either party is subject or submits, whether or not the requirement has the force of law.

#### 14.4 Costs and Expenses

- 14.4.1 Except as otherwise stated in this Agreement, each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution, performance and implementation of this Agreement and each document referred to in it and other agreements forming part of the transaction, save that this clause shall not prejudice the right of either party to seek to recover its costs in any litigation or dispute resolution procedure which may arise out of this Agreement.
- 14.4.2 If the Purchaser exercises any right conferred by this Agreement to rescind this Agreement, the Vendor shall indemnify and keep the Purchaser indemnified on demand against all losses suffered or costs incurred by it in investigating the affairs of the Business or the Assets, and in the negotiation, preparation, execution, performance and implementation of this Agreement, each document referred to in it and other agreements forming part of the transaction.
- 14.4.3 Without prejudice to any right or remedy available to the Purchaser pursuant to clause 11 or otherwise, the Vendor [and Guarantor] shall be liable on an indemnity basis for all costs, claims and expenses incurred by the Purchaser in connection with any claim arising out of any warranty, representation, undertaking or indemnity contained in this Agreement (or any breach thereof) or any of the agreements in the agreed form.

#### 14.5 Waiver

- 14.5.1 A waiver of any right, power, privilege or remedy provided by this Agreement must be in writing and may be given subject to any conditions thought fit by the grantor. For the avoidance of doubt, any omission to exercise, or delay in exercising, any right, power, privilege or remedy provided by this Agreement shall not constitute a waiver of that or any other right, power, privilege or remedy.
- 14.5.2 A waiver of any right, power, privilege or remedy provided by this Agreement shall not constitute a waiver of any other breach or default by the other party and shall not constitute a continuing waiver of the right, power, privilege or remedy waived or a waiver of any other right, power, privilege or remedy.
- 14.5.3 Any single or partial exercise of any right, power, privilege or remedy arising under this Agreement shall not preclude or impair any other or further exercise of that or any other right, power, privilege or remedy.

#### 14.6 Variation

Any variation of this Agreement or of any of the documents referred to in it is valid only if it is in writing and signed by or on behalf of each party.

#### 14.7 Entire Agreement

- 14.7.1 This Agreement and the documents referred to or incorporated in it constitute the entire agreement between the parties relating to the subject matter of this Agreement and supersede and extinguish any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing, between the parties in relation to the subject matter of this Agreement.
- 14.7.2 Each of the parties acknowledges and agrees that it has not entered into this Agreement in reliance on any statement or representation of any person (whether a party to this Agreement or not) other than as expressly incorporated in this Agreement.

14.7.3 Nothing in this Agreement or in any other document referred to herein shall be read or construed as excluding any liability or remedy as a result of fraud.

#### 14.8 Assignment and Transfer

14.8.1 This Agreement is personal to the parties and except as provided in clause 14.8.2, neither party may:

- (a) assign any of its rights under this Agreement; or
- (b) transfer any of its obligations under this Agreement; or
- (c) sub-contract or delegate any of its obligations under this Agreement; or
- (d) charge or deal in any other manner with this Agreement or any of its rights or obligations.

Any purported assignment, transfer, sub-contracting, delegation, charging or dealing in contravention of this clause shall be ineffective.

14.8.2 Notwithstanding clause 14.8.1, the Purchaser shall be entitled to assign its rights (in whole or in part) under this Agreement within its Group.

#### 14.9 Notices

14.9.1 Any communication to be given in connection with this Agreement shall be in writing in English except where expressly provided otherwise and shall either be delivered by hand or sent by first class pre-paid post or fax or email. Delivery by courier shall be regarded as delivery by hand.

14.9.2 Such communication shall be sent to the address of the relevant party referred to in this Agreement or the fax number [or email address] set out below or to such other address or fax number [or email address] as may previously have been communicated to the other party in accordance with this clause 14.9.2 and clause 14.9.5. Each communication shall be marked for the attention of the person specified below.

Party	Fax number	email address	For the attention of
Vendor			
The Purchaser	0207 487 1620	ttidy@collierscre.co.uk	Tom Tidy
Guarantor			

14.9.3 A communication shall be deemed to have been served:

- (a) if delivered by hand at the address referred to in clause 14.9.2, at the time of delivery;
- (b) if sent by first class pre-paid post to the address referred to in clause 14.9.2, at the expiration of two clear days after the time of posting; and
- (c) if sent by facsimile to the number referred to in clause 14.9.2 [or sent by email to the email address specified in that clause], at the time of completion of transmission by the sender.

If a communication would otherwise be deemed to have been delivered outside normal business hours (being 9:30 a.m. to 5:30 p.m. on a Business Day) [in the time zone of the territory of the recipient] under the preceding provisions of this clause 11.11.3, it shall be deemed to have been received at the next opening of such business hours [in the territory of the recipient].

- 14.9.4 In proving service of the communication, it shall be sufficient to show that delivery by hand was made or that the envelope containing the communication was properly addressed and posted as a first class pre-paid letter or that the fax was despatched and a confirmatory transmission report received [or that the email was transmitted to the correct email address], whether or not opened or read by the recipient.
- 14.9.5 A party may notify the other parties to this Agreement of a change to its name, specified person, address or fax number or email address for the purposes of clause 14.9.2 provided that such notification shall only be effective on:
- (a) the date specified in the notification as the date on which the change is to take place; or
  - (b) if no date is specified or the date specified is less than five clear Business Days after the date on which notice is deemed to have been served, the date falling five clear Business Days after notice of any such change is deemed to have been given.
- 14.9.6 For the avoidance of doubt, the parties agree that the provisions of clauses 14.9.1, 14.9.2, 14.9.3, 14.9.4 and 14.9.5 shall not apply in relation to the service of any claim form, application notice, order, judgement or other document relating to or in connection with any proceeding, suit or action arising out of or in connection with this Agreement.
- 14.10 Counterparts
- This Agreement may be executed in any number of counterparts, each of which shall constitute an original, and all the counterparts shall together constitute one and the same agreement.
- 14.11 Governing Law
- This Agreement is governed by and is to be construed in accordance with English law.
- 14.12 Rights of Third Parties
- Except as otherwise expressly stated, this Agreement does not confer any rights on any person or party (other than the parties to this Agreement) pursuant to the Contracts (Rights of Third Parties) Act 1999.
- 14.13 Jurisdiction
- The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement in respect of any claim brought against the Purchaser and shall have non-exclusive jurisdiction in respect of claims brought by the Purchaser.
- 14.14 Service of Process
- In the event that any legal action in respect of this Agreement is commenced, the process by which it is commenced may be served on the defendant or, if specified in this Agreement, any other person on its behalf at the place at which and in the manner in which notices may be given to that party.

EXECUTED AS A DEED by all Parties

SCHEDULE 1

Part I

**Employees**

See Excel workbook Schedule1pt1BPA.xls

Part II

**Excluded Employees**

**Name**

Wendy Bond

Mary Dawson

**SCHEDULE 2**  
**Office Equipment & Vehicles**

**Vehicles**

Rover 75 TD Estate - 53 registration

Mini One 02 - registration

**IT equipment**

7 HP Brio pc's and screens

1 Dell server and screen plus router/firewall

3 EC pc's and screens

**Printers**

1 Nashuatec colour laser

1 HP 1200 colour inkjet

1 HP laserjet black & white laser

**Office equipment**

*Samsung telephone system and voice mail*

Nashuatec black and white photocopier

Nashuatec fax machine

3 Leica laser measuring devices

3 digital cameras (Kodak, Casio and Fuji)

Various dictaphones transcription units etc

**Furniture**

13 1600mm office desks plus pedestal units

12 blue office chairs

Reception furniture (3 seater sofa plus 2 chairs glass table)

9, 2m high lateral filing cabinets

14 Office screens

SCHEDULE 3  
**Intellectual Property**  
None

## SCHEDULE 4

### **Contracts**

All Property Management Contracts including Duty of Care Agreements

## SCHEDULE 5

### **Provisions relating to the claw back of the Consideration**

- 1 The provisions of this Schedule 5 shall apply to any Consideration payable by the Purchaser to the Vendor under clauses 3.1(b), 3.1(c) and 3.1(d). In this Schedule "Agreed Proportion" means one-third for any Director to which the under mentioned provisions apply.
- 2 If a Director:
  - (a) terminates, or gives notice to terminate, his employment with the Purchaser or any of its Affiliates other than:
    - (i) as a result of long-term sickness or disability or death; or
    - (ii) in circumstances constituting constructive dismissal or unfair dismissal; or
  - (b) becomes a Bad Leaver (as defined in paragraph 4 below);

(any such Director being referred to as a "Departing Director") prior to the third anniversary of Completion, the Vendor shall irrevocably cease to be entitled to receive any amount of his Agreed Proportion of the Consideration as shall fall due for payment pursuant to clauses 3.1(b) and/or 3.1(c) and/or 3.1(d) on, or at any time after, the date of termination or (if earlier) the date of notice of termination of employment (such date being referred to as "the Termination Date"), provided that for the avoidance of doubt the Vendor shall be entitled to retain or, as the case may be, to be paid, any Consideration which has already been paid or which is due for payment prior to the Termination Date.
- 3 Any Consideration to which the Vendor shall have ceased to be entitled to receive in accordance with paragraph 2 of this Schedule 5 shall, so far as possible, be deemed to be a reduction in the overall Consideration paid for the Assets.
- 4 For the purposes of this Schedule, a "Bad Leaver" means any Departing Director whose employment has been terminated in circumstances in which he has:
  - (a) committed any material breach or material non-observance of any of his duties or any of his express or implied obligations arising from his employment with the Purchaser or any of its Affiliates; or
  - (b) been grossly negligent in either carrying out, or in failing or refusing to carry out, any of his duties arising from his employment with the Purchase or any of its Affiliates; or
  - (c) committed any act of fraud or dishonesty (whether or not connected with his employment with the Purchaser or any of its Affiliates) or committed any act of gross misconduct in the course of his employment; or
  - (d) been convicted of a criminal offence (excluding an offence under road traffic legislation in respect of which he is not sentenced to a term of imprisonment, whether immediate or suspended).

## SCHEDULE 6

### Occupation of the Property by the Purchaser

1. The Purchaser shall be entitled to occupy the Property as licensee of the Vendor for the purpose of its business (including the Business) from and after Completion for a maximum period of three calendar months and fourteen days subject as provided in paragraph 3 hereof. The Purchaser shall keep the Property in reasonable condition for so long as it shall be entitled to occupation and shall also be responsible for occupiers legal liability.
2. For so long as this licence shall continue (but not for more than 3 calendar months and fourteen days from date of Completion) the Purchaser shall reimburse the Vendor from time to time all its costs actually incurred and payable by the Vendor to the landlord of the Property for the relevant period in respect of rent and service charge payable under its lease or licences of the Property, or the statutory extension thereof, plus applicable rates and utility services (if borne by the Vendor) and other costs reasonably attributable to occupation of the Property but with the exception of repairs and any dilapidations liability of the Vendor under the lease of the Property (whether directly claimed from the Vendor or indirectly through the service charge). The Purchaser shall also pay to the Vendor any applicable VAT thereon.
3. As and from 14 days after Completion:
  - (a) the Vendor may terminate this licence and the Purchaser shall give vacant possession on 24 hours written notice from the Vendor; and
  - (b) the Vendor shall use all reasonable endeavours to accelerate the extinguishment its rights under the Landlord and Tenant Act 1954 (as amended) and thereby minimise the occupational costs to be reimbursed by the Purchaser to the Vendor.
4. The maximum reimbursement liability of the Purchaser to the Vendor under paragraph 2 of this Schedule 6 shall be £17,500 plus VAT (if applicable).
5. The Vendor and Purchaser shall cooperate with each in good faith so as to minimise the ongoing liability of the other in respect of the Property.

## SCHEDULE 7

### The Warranties

#### 1 Information

- 1.1 The information contained or referred to in the Introduction and in each of the Schedules is true, complete and accurate and not misleading.
- 1.2 All information contained in the Disclosure Letter and any other information concerning or relating to the Business or Assets given by or on behalf of the Vendor to the Purchaser or to any of the representatives, officials or professional advisers of the Purchaser prior to the making of this Agreement was when given and remains true, complete and accurate and not misleading.
- 1.3 The Vendor is not aware of any fact or matter in relation to the Business or Assets which has not been disclosed in writing to the Purchaser the disclosure of which might reasonably affect the willingness of the Purchaser to purchase the Assets or take over the Business at the price or the terms upon which the purchase and take over is made pursuant to this Agreement.

#### 2 Capacity

- 2.1 The Vendor has full power and capacity to enter into and perform this Agreement. This Agreement constitutes binding obligations on the Vendor.
- 2.2 The Vendor is entitled to pass on to the Purchaser the right to carry on the Business and trade the Assets as a going concern in succession to the Vendor on the terms of this Agreement without the consent of any third party.
- 2.3 The Vendor is not restricted from selling any of the Assets or from performing any of the Vendor's obligations under this Agreement.
- 2.4 No administrative receiver, receiver, liquidator, administrator or similar official has been appointed of the whole or any part of the assets or undertaking of the Vendor, and there are no circumstances likely to give rise to the appointment of any such administrative receiver, receiver, liquidator, administrator or similar official.

#### 3 The Accounts

- 3.1 The Accounts have been prepared in accordance with the law, on a consistent basis and in accordance with accounting principles, standards and practices generally accepted at the date hereof in the United Kingdom, are accurate in all material respects and give a true and fair view of the state of affairs of the Business at the date to which they were made up and of the profits or losses for the period concerned and contain full provision for or notes of all assets, actual, contingent, future or disputed liabilities, capital commitments (actual or contingent) and all bad and doubtful debts.
- 3.2 The records, ledgers and other books of account of the Business have been duly entered and maintained and contain true, full and accurate records of all matters required to be dealt with therein.
- 3.3 Work-in-progress was treated in the Accounts in accordance with SSAP 9.
- 3.4 The profits (or losses) shown in the Accounts have not to a material extent been affected (except as disclosed therein) by any extraordinary or exceptional event or circumstance or by any other factor rendering such profits unusually high or low.

- 3.5 The fee projections for the Business annexed to the Disclosure Letter have been prepared on a reasonable and prudent basis provided that the Purchaser acknowledges that the Vendor is not giving any guarantee in respect of such fee projections nor does the Vendor warrant that all of the transactions to which such fee projection relate will come to fruition.

#### **4 Operation of the Business**

##### **4.1 Since the Accounts Date:**

- (a) the Business has been carried on by the Vendor in the ordinary course and so as to maintain the same as a going concern;
- (b) no unusual or long-term commitments or contracts of an onerous nature or contracts otherwise than on an arm's length and full value basis or contracts between the Vendor and any officer or shareholder or person connected to any of the aforesaid have been entered into in connection with the Business save for all management and other contractual relationships with Courtgate Properties Limited and/or Clipper Properties Limited in respect of properties annually each of them;
- (c) the Vendor has not paid any dividends or management charges;
- (d) *the Business has not been materially and adversely affected by any abnormal factor not affecting similar businesses to a like extent and so far as the Vendor is aware no circumstances have arisen that are likely to give rise to any such factors;*
- (e) no contractual or business relationship with any client, customer, supplier or contractor of the Business has been terminated or damaged;
- (f) no change has been made in the emoluments or terms of employment of any of the employees of the Vendor; and

##### **4.2 The Business has at all times been conducted in compliance with:**

- (a) all applicable laws, statutes, directives, statutory instruments, statutory duties, by-laws, regulations, rules, orders or decrees of each country or state in respect of whose laws the Business is subject; and
- (b) all voluntary codes of conduct of all professional bodies and trade associations of which the Vendor is a member.

##### **4.3 The Vendor has not violated any order, decree or judgment of any court or governmental agency of any country or state having jurisdiction in respect of the Vendor or the Business.**

##### **4.4 All licences, approvals or consents (including planning consents) involved or that should be involved in the carrying on of the Business, have been obtained and complied with and there is no contemplated revocation of any such licence or consent and all such licences or consents are transferable to the Purchaser without consent or payment.**

##### **4.5 Neither the Vendor nor the Business has committed or is liable for any criminal, illegal, unlawful, ultra vires, unauthorised, tortious or negligent act.**

##### **4.6 The Business does not trade under any name, other than Lipfriend Dawson and no person, firm or company other than the Vendor has any rights in relation to the name "Lipfriend Dawson" or has requested or required the Vendor to refrain from using such name or attempted to prevent such use by the Vendor.**

##### **4.7 The Vendor has not entered into any bonds in relation to the Business nor given any guarantees, indemnities, suretyship or other arrangement under which the Vendor or Business is or may become liable for any obligation of any other person.**

- 4.8 All the accounts, books, ledgers and financial and other records of whatsoever kind of the Vendor relating to the Business have been properly kept and are in the possession of the Vendor or directly under its control and record all transactions relating to the Business.
- 4.9 The Vendor's advertising for or in connection with any part of the Business:
- (a) makes no inaccurate or misleading claims for the performance and quality of its products or services;
  - (b) which make any false or misleading statements with regard to the products or services or any other person; or
  - (c) has not been the subject to any complaint from any regulatory body, customer or other person that such advertising is misleading or deceptive or likely to cause confusion.
- 4.10 There is no power of attorney, agency or authority outstanding or effective which has been granted to any person to enter into any contract or commitment or to do anything on behalf of the Vendor or in respect of the Business.
- 4.11 All transactions entered into by the Vendor as proprietor of the Business:
- (a) have been in connection with and for the purposes and benefits of the Business; and
  - (b) have been on arm's length terms and for full market consideration (with the exception of transactions conducted in relation to Clipper Properties limited and/or Courtgate Limited and with the exception of property transactions undertaken on behalf of the Vendor in respect of all the property assets of the Vendor being assets which are not subject of this transaction.
- 4.12 The Vendor has not in relation to the Business received any process, notice or communication (formal or informal) by or on behalf of the Office of Fair Trading, Monopolies and Mergers Commission, the European Commission or any other authority in any country which has jurisdiction in anti-trust, monopoly, competition or consumer protection matters in relation to any aspect of the Business or any contract to which the Vendor is or is alleged to be a party or in which the Vendor is concerned in connection with the Business.
- 4.13 No person is entitled to receive any finder's fee, brokerage or other commission in connection with the sale and purchase of the Assets and Business.
- 4.14 No consent, approval, authorisation or order of any court or government or local agency or body or any other policy is required by the Vendor for the execution or implementation of this Agreement and the agreements in the agreed form and compliance with the terms of this Agreement and each of the agreements in the agreed form and the making or implementation of this Agreement or the documents in the agreed form does not and will not:
- (a) cause any contract to which the Vendor is a party in relation to the Business to become subject to avoidance, termination or material alteration or be otherwise adversely affected; or
  - (b) cause any licence or consent to be withdrawn or grant or loan to be repayable;
  - (c) cause the creation, imposition, crystallisation or enforcement of any lien, encumbrance or charge over any of the Assets; or
  - (d) conflict with, result in the breach of or constitute a default under any obligation by which the Vendor or Business may be bound or any provision of the Memorandum or Articles of Association of the Vendor;
  - (e) relieve any person from any material obligation to the Vendor or the Business;

- (f) result in any present or future indebtedness of the Vendor or Business becoming due, or capable of being declared due, and payable prior to its stated maturity;
- (g) so far as the Vendor is aware, cause any material supplier of the Company to cease or reduce or be entitled to cease or reduce its supplies to the Business;
- (h) so far as the Vendor is aware, cause any material customer of the Company to, or be entitled to, cease dealing with or reduce the level of business done with the Business; and
- (i) so far as the Vendor is aware, cause any senior employee of the Company to leave (other than as may be provided for in this Agreement).

## **5 The Assets**

- 5.1 All the Assets are the absolute legal and beneficial property of the Vendor and none of the Assets or any interest in any of the Assets is subject to any assignment, mortgage, charge, pledge, lien, hypothecation, option or encumbrance whatever or to any factoring arrangement, hire purchase, conditional sale or credit sale or lease agreement or retention of title arrangement or any other contract whereby title to any goods or any rights in the proceeds of sale of any goods is or may be reserved to the seller of the goods or to any third party [except liens arising in the normal course of trading].
- 5.2 The Assets set out in the Schedule [3] comprise all the assets used by the Vendor in the Business and its take over as a going concern by the Purchaser.
- 5.3 All documents which are necessary to establish the Vendor's absolute legal and beneficial title to each of the Assets are in its possession or under its control and capable of delivery to the Purchaser at Completion.
- 5.4 As far as the Vendor is aware all the Fixtures and Fittings, the Plant and the Vehicles are in good working order and good condition and have been properly and regularly maintained since being acquired by the Purchaser. None of the Assets have been acquired or otherwise dealt with except in the ordinary course of carrying on the Business.
- 5.5 The Schedules set out all fixtures and fittings, plant and equipment included in the sale of the Assets and owned by the Vendor.
- 5.6 The register of the Assets in the agreed form comprises a complete and accurate record of all plant, machinery, vehicles and equipment owned, used or possessed in the Business (and such register or registers accurately reflect whether such plant, machinery, vehicles or equipment are owned or used or possessed in the Business).

## **6 Contracts**

- 6.1 So far as the Vendors are aware the terms of all leases, hire purchase agreements, leasing agreements, tenancies, licences, concessions, contracts or covenants of whatsoever nature in relation to the Business or Assets or binding on the Vendor have been duly complied with by all the parties thereto.
- 6.2 The Vendor is not party to any contract in connection with the Business which is none of the Contracts are:
  - (a) a long term contract (that is a contract which is not terminable by three months' notice or less without payment of compensation or damages); or

- (b) an onerous contract (that is a contract under which the Vendor is required to supply goods or services at prices significantly below those ruling at the date of this Agreement or to supply goods or services at fixed prices where such supply or delivery is liable to take place more than three months from order or to pay for goods and services at prices significantly above those ruling at the date hereof); or
- (c) a contract which in effect comprises a commitment to obtain or supply goods or services exclusively from or to any person or class or categories of persons;
- (d) an unusual contract having regard to the usual practice of the Vendor prior to the date of this Agreement and of other persons carrying on similar businesses; or
- (e) save with regard to such contracts in respect of Clipper Properties limited and/or Courtgate Limited a contract with any person connected with the Vendor or with any director or shareholder of the Vendor or any person connected with any of the foregoing; or
- (f) dependent on any guarantee, indemnity or security of any description whatever of any third party; or
- (g) a contract which is likely to result in a loss upon completion of performance or fulfilment of the obligations being assumed by the Purchaser thereunder.

6.3 The Vendor has supplied the Purchaser with true, complete and up-to-date copies of all relevant documents in connection with all the Contracts and all agency agreements, distributorship, management and sub-contracting contracts relating to the Business in existence at the date hereof or which were terminated or expired within 12 months prior to Completion and there has been and will at Completion be no amendment or addition thereto, whether express or implied, not contained in such documents, and the Vendors are not intentionally holding any such agreement back.

6.4 *No person is in breach of any obligations under any of the Contracts or any other agreements or arrangements relating to the Business and the Vendor has done all such things and acts as may be required thereunder, has complied with all the terms and obligations thereof and preserved all rights thereunder and can readily fulfil or perform all of its obligations thereunder on time without undue or unusual expenditure of money, effort or personnel.*

6.5 There are no contracts to which the Vendor is a party or in which has been concerned in connection with the Business which infringe or which have been or which are required to be registered or notified under the Restrictive Trade Practices Acts, Resale Prices Act, the Competition Act 1980, the Competition Act 1998 or The Treaty of Rome.

6.6 There are no contracts in force restricting the freedom of the Vendor to provide and take goods and services by such means and from and to such persons in relation to the Business as the Vendor may from time to time think fit.

6.7 So far as the Vendor is aware the copy of the standard terms and conditions used in the Business annexed to the Disclosure Letter are properly incorporated into all Client Instructions conducted by the Business

## **7 Litigation**

7.1 Neither the Vendor nor the Business is and no person for whose acts and defaults it may be *vicariously liable is at present engaged whether as claimant, defendant or otherwise in any legal action, proceeding or arbitration in relation to the Business which is either in progress, or is threatened or is pending (other than as claimant in the collection of debts arising in the ordinary course of the business carried on by it none of which exceeds £1,000 and which do not exceed £5,000 in aggregate) or is being prosecuted for any criminal offence and no written notice of any*

claim in damages or for an injunction has been received by the Vendor and no governmental, taxation, regulatory, professional trade or consumer or other official investigation or inquiry concerning the Business is in progress or pending.

7.2 There is no circumstances known to the Vendor which are likely to lead to any such claim or legal action, proceeding or arbitration, prosecution, investigation or enquiry.

7.3 No distress, execution or other process has been levied in respect of the Business nor is there any judgment or court order outstanding against the Vendor.

7.4 No act, transaction or omission has occurred as a result of which the Vendor or Business are or may be held liable to refund in whole or in part any investment grant (or other grant or loan received from any governmental department or agency or any local or other authority by virtue of any statute) or any such grant or loan for which application has been made by them will or may not be paid or will or may be reduced.

## **8 Employees**

8.1 The Employees are all the employees employed in the Business as at Completion and there are no other persons who will become the responsibility (in whole or in part) of the Purchaser or to whom the Purchaser will become liable pursuant to the Transfer Regulations or otherwise as a result of the entering into of this Agreement or Completion.

8.2 There is listed in Schedule 1 Part I the details of the names, remuneration, bonuses, commissions and other information as are called for to be given in relation to the Employees under the headings appearing in that Schedule.

8.3 None of the employees working for the Vendor under the Business:

- (a) has been dismissed or made redundant by the Vendor within the period of 12 months prior to the date of this Agreement; or
- (b) has given or received notice of termination of employment or has purported to alter any of his terms of employment.

8.4 The Vendor has supplied to the Purchaser in respect of each of the Employees:

- (a) a copy of any written service agreement;
- (b) name, address, age and sex;
- (c) all information required by law to be included in the particulars of employment (including the date on which his employment with the Vendor commenced or is deemed to have commenced) and particulars of all emoluments, benefits or commissions provided or made available to him; and
- (d) so far as the Vendor is aware, particulars of trade union membership or offices held.

8.5 The Vendor has at all times complied with all relevant legislation, orders, regulations, codes of practice or conduct, collective agreements, awards or contracts relating to employees of the Vendor employed in the Business or former employees employed in the Business (including, without limitation, pursuant to the Employment Rights Act 1996, all health and safety at work provisions and sex or race discrimination regulations) and the Vendor is not involved in any industrial or trade dispute or any dispute or negotiations of material importance with any trade union, body of employees or material numbers of employees.

8.6 The Vendor has not borrowed any money from any of the Employees and has not made any loans or granted any options or special rights to any of the Employees which have not been repaid in full or which are still exercisable.

- 8.7 The Vendor has not entered into any recognition agreement with any trade union relating to the Business, nor has it performed any act which might be construed as any such recognition; the Vendor does not in connection with the Business have a collective bargaining agreement with any trade union and has not been involved in any dispute with any trade union and no trade union has at any time been involved with the Business.
- 8.8 Save for accrued remuneration in respect of the month during which Completion takes place there are no outstanding arrears of salary, wages, holiday pay or other remuneration due to any of the Employees.
- 8.9 The Vendor is not subject to any contractual or other obligation or arrangement, and is not negotiating and has not proposed and no proposal is pending to make any increase in the rates of remuneration of or benefits provided to, or to make any bonus, incentive or other similar payments to, any of [the Employees].
- 8.10 There are no schemes or agreements in operation under which any of the Employees is entitled to a bonus, commission, option, profit related remuneration or share issue or transfer arrangements or remuneration of any other kind payable or calculated by reference in whole or in part to the turnover, profits, sales or other financial performance of the Business, the Vendor or any company connected with the Vendor.
- 8.11 No assurances or undertakings (whether legally binding or not) have been given to any of the Employees as to the continuance or introduction or increase or improvement of any retirement, death, sickness or disability scheme.
- 8.12 All contracts of service or consultancy or for services with directors or employees or consultants or independent contractors providing the services of individual personnel of the Vendor can be terminated by three months' notice or less without giving rise to any claim for damages or compensation (other than a statutory redundancy payment or statutory compensation for unfair dismissal, if applicable).
- 8.13 Except where any provision or allowance is made in the Accounts:
- (a) no liability (actual, contingent disputed or future) has been incurred in the 12 months prior to or on Completion by the Vendor for breach of any contract of employment or service or consultancy, for redundancy payments (including protective awards), for compensation for wrongful dismissal or unfair dismissal or loss of office or for failure to comply with any order for the reinstatement or re-engagement of any officer or employee; and
  - (b) no payment has been made or promised by the Vendor in connection with the termination, suspension or variation of any contract of service or consultancy or for services of any present or former officer or employee.
- 8.14 In the 12 months prior to Completion, the Vendor has not given notice of any redundancies to the Secretary of State for Employment or started consultations with any trade union or unions under the provisions of the Employment Rights Act 1996 and the Vendor has not failed to comply with any such obligations under such Act.

## **9 Taxation**

- 9.1 All income tax deductible and payable under the PAYE system has so far as required been deducted from all payments made by the Vendor in connection with the Business and all amounts due to be paid to the Inland Revenue in respect thereof have been paid.
- 9.2 All deductions and payments required to be made by the Vendor in respect of National Insurance contributions (including employer's contributions) have been made.

- 9.3 All payments required to be made by the Vendor by way of statutory sick pay pursuant to section 1 of the Social Security and Housing Benefits Act 1982 and the regulations made thereunder have been duly made, no such payment or decision not to make a payment of statutory sick pay is under dispute or is likely to be disputed either by an employee (or person acting on his behalf) or by the Secretary of State for Social Services and no recovery of statutory sick pay paid has been denied whether by reason of section 9(8) of the said Act or otherwise.
- 9.4 Proper records have been maintained by the Vendor in respect of all PAYE and National Insurance deductions and payments and the Vendor has complied with all regulations applicable to the same.
- 9.5 The Vendor is duly registered for Value Added Tax and all proper records have been kept and all proper returns and payments made as required by law for the enactments relating to Value Added Tax in connection with the Business.
- 9.6 The Vendor is not aware of any investigation by the Inland Revenue or Department of Social Security in connection with its PAYE and National Insurance deductions in relation to the Business.
- 9.7 The Vendor has duly made all returns, given all notices and supplied all other information required to be supplied to the Inland Revenue or to any other governmental authority in relation to or otherwise affecting the Business and all such returns, notices and information were and remain complete and accurate in all material respect and were made on the proper basis.

## **10 The Property**

The Vendor is legally entitled to possession and occupation of the Property to conduct the Business

## **11 Environmental Matters**

In relation to the Business of the Company, the Vendor is conducting its Business in all material respects in accordance with the Health & Safety at Work Act etc 1974 and Regulations made thereunder

## **12 Pensions**

- 12.1 The details supplied to the Purchaser or on behalf of the Purchaser in respect of the pension entitlements of the Employees are complete, up to date and accurate in all material respects and that the like details will on request be supplied to the appropriate authority and the Purchaser's actuaries.
- 12.2 With the exception of the stakeholder pension scheme duly disclosed there are no agreements or arrangements (whether legally enforceable or not) for the payment of any pensions, allowances, lump sums or other like benefits of retirement or on death or during periods of sickness or disablement for the benefit of any Employee or for the benefit of the dependants of any such person.
- 12.3 Any contributions due from the Vendor under the stakeholder pension scheme in respect of those of the Employees who are members of it have been paid in full.

## **13 Intellectual Property**

- 13.1 So far as the Vendor is aware there is no Intellectual Property used by the Business.

## **14 Insurances**

- 14.1 All the Assets or other assets previously used in the Business which are of an insurable nature have been at all material times and are at the date of this Agreement insured to their full

replacement value against fire and other risks normally insured against by companies carrying on similar businesses or owning property of a similar nature and the Vendor, Business and Assets have at all times been and are adequately covered against accident, employer's liability, third party products liability, professional negligence insurance and other risks normally insured against by such companies for the full replacement value of such assets and in respect of the Business for such amounts as would in the circumstances be prudent for such similar businesses; and in respect of all such insurances:

- (a) all premiums have been duly paid to date;
- (b) all the policies are in full force and effect and are not voidable on account of any act, omission or non-disclosure on the part of the insured party;
- (c) particulars are contained in the Disclosure Letter;
- (d) there are no circumstances which would or might give rise to any claim and no insurance claim is outstanding; and
- (e) all policies are held in the name of the Vendor.

14.2 There are no claims outstanding and none is capable of arising against the Vendor or in respect of the Business, by an employee, agent or a third party, in respect of any accident or injury occurring.

## SCHEDULE 8

### The Vendor Protections

The provisions of this Schedule shall operate to further limit the liability of the Vendor under or in connection with any claim for breach of the Warranties ("a Claim") under Clause 11 and Schedule 7.

1. If the Vendor pays to or for the benefit of the Purchaser an amount in respect of any Claim and the Purchaser or any other company in the Purchaser's Group subsequently receives from any other person any payment in respect of the matter giving rise to the Claim, the Purchaser shall thereupon pay to the Vendor an amount equal to the lower of the amount paid by the Vendor and the payment received, after having taken into account any reasonable cost or expense incurred by the Purchaser in respect thereof.
2. The Purchaser shall not be entitled to recover damages or otherwise obtain reimbursement or restitution more than once in respect of the same loss.
3. The Vendor shall have no liability to the extent of:
  - 3.1 any matter or thing done or omitted to be done prior to Completion at the written request of, or with the express written approval of, the Purchaser;
  - 3.2 a claim which would not have arisen but for some voluntary act or omission (which the Purchaser knew or ought reasonably to have known would give rise to such a claim) undertaken by the Purchaser or any of its officers, employees or agents on or after Completion;
  - 3.3 a Claim which arises as a consequence of a change in any law, rule or regulation, decision of a Court or other competent body or administration practice of any government, governmental department, agency or regulatory body taking effect after the date of this agreement;
  - 3.4 a Claim which arises as a result of a change of accounting or taxation policy or practice by the Purchaser introduced on or after Completion;
  - 3.5 a Claim which is based on a liability which is contingent only, unless and until that contingent liability becomes an actual liability.
4. If grounds for any Claim against the Vendor arise in relation to the agreement as a result of or in connection with a claim by, or alleged liability to, a third party ("a third party claim") the third party claim shall not be compromised or settled without the consent of the Vendor (such consent not to be unreasonably withheld or delayed). If requested in writing by the Vendor within one month of being notified and subject to the Purchaser being indemnified to its reasonable satisfaction by the Vendor against all reasonable costs and liabilities which may be incurred by the Purchaser as a result, the Purchaser shall:
  - 4.1 take all such action as the Vendor may reasonably request to avoid, dispute, resist, appeal or compromise the third party claim; and
  - 4.2 make available and procure that the Purchaser's Group shall make available to the Vendor on request all information in its possession and reasonable assistance which is relevant for that purpose. The Vendor shall not use or

disclose any such information for any other purpose and hold any such information as confidential information;

5. Where the Purchaser is entitled to recover any amount from a third party in respect of any matter giving rise to a Claim, it shall take steps at the reasonable expense of the Vendor (including the commencement and prosecution of proceedings at the reasonable request of the Vendor) to enforce such recovery subject to the Vendor indemnifying the Purchaser in advance.
6. The provisions of this Schedule are without prejudice to the obligations of the Purchaser to avoid or mitigate any loss or liability which might give rise to a Claim.
7. Any amounts payable by the Vendor in respect of a Claim shall constitute a reduction of the Consideration received by the Vendor under this agreement.

## ATTESTATIONS

Executed as Deed by

Signed by **STEPHEN LIPFRIEND**

in the presence of:

Name of Witness

Occupation

Address

) ) ) ) ) ) )

*S. Lipfriend*  
*Heul* H. S. B. Forster Solicitor  
 46-48 Queen Square  
 Bristol

Signed by **CHRISTOPHER DAWSON**

in the presence of:

Name of Witness

Occupation

Address

) ) ) ) )

*Heul*  
 as above

Signed by **MARK DAVIES**

in the presence of:

Name of Witness

Occupation

Address

) ) ) ) )

*D. Davies*  
*Heul*  
 as above

Signed

for and on behalf of

**LIPFRIEND DAWSON LIMITED**

acting by

Director

) ) ) ) )

Director/Secretary

)

*C. Dawson*  
*Heul*  
 as above

Signed

for and on behalf of

**COLLIERS CRE PLC**

acting by

Director

) ) ) ) )

Director/Secretary

)

*M. Davies*  
*Heul*  
 as above