

DATED:

24 December 2021

Electric Guitar Plc

and

The Directors of the Company

and

Axis Capital Markets Limited

PLACING AGREEMENT



Fisher Meredith

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Ref: NPA. A2133.2

THIS AGREEMENT is made the

24 December 2021

BETWEEN

- (1) **ELECTRIC GUITAR PLC** a company incorporated and registered in England and Wales with company number 13288812 whose registered office is at The Anchorage, 4th Floor, 34 Bridge Street, Reading, Berkshire, England, RG1 2LU (the “**Company**”);
- (2) The persons whose names and addresses are set out in Schedule 1 Part 1 (the “**Directors**”); and
- (3) **AXIS CAPITAL MARKETS LIMITED** a limited liability partnership incorporated and registered in England & Wales with company number 08133033 whose registered office is at St Clements House, 27 Clements Lane, London, England, EC4N 7AE (the “**Broker**”).

BACKGROUND

- (A) The Company was incorporated in England and Wales on 24 March 2021 as a private company limited by shares under the name “Electric Guitar Limited”.
- (B) On 24 June 2021 the Company re-registered as a public company limited by shares under the name of “Electric Guitar Plc”.
- (C) As at the date of this agreement, the Company has an issued share capital of £89,313.88 divided into 17,862,776 Ordinary Shares, and the Directors are authorised, for the purposes of the Companies Act, to allot the Placing Shares.
- (D) The Broker has agreed to act as the Company’s broker in relation to Admission and the Placing and on an on-going basis following Admission subject to the terms and conditions of the Broker Agreement.

AGREED TERMS

1. INTERPRETATION

- 1.1 The definitions and rules of interpretation in this clause apply in this agreement.

Accountants Report: the report on the Company prepared by the Reporting Accountant and produced in Part VI of the Prospectus.

Admission: admission of the entire issued and to be issued share capital of the Company to the Official List by way of a standard listing under Chapter 14 of the Listing Rules published by the FCA as amended from time to time and to trading on the Main Market.

Agency: any court or governmental, regulatory or supranational agency or body, any taxation authority or any stock exchange authority or any court, agency, body or other institution having jurisdiction over the Company.

Applicable Rules: FSMA, the Disclosure and Transparency Rules, the Listing Rules and the Prospectus Rules.

Applications: means at the applicable time, the applications by (or on behalf of) the Company for approval of the Prospectus and, subsequently, Admission, in the form prescribed by the FCA or the Exchange, as applicable.

Articles of Association: the articles of association adopted or to be adopted by the Company in the agreed form.

Board: the board of directors of the Company from time to time or a duly authorised committee of it.

Broker Agreement: the agreement dated 14 April 2021 entered into between the Company and the Broker.

Business Day: a day (other than a Saturday, Sunday or public holiday) when banks in the City of London are open for business.

Checklists: the checklists showing that the Prospectus complies with the applicable annexes of the Prospectus Directive, Listing Rules, and the Exchange's Admission and Disclosure Standards.

Companies Act: the Companies Act 2006.

Conditions: the conditions set out in clause 2 of this agreement.

CREST: the system enabling title to securities to be evidenced and transferred in dematerialised form and operated by Euroclear UK & Ireland.

CREST Regulations: the Uncertificated Securities Regulations 2001 (*SI 2001/3755*).

CREST Rules: those rules made by Euroclear UK & Ireland with respect to the provision of CREST.

Disclosure and Transparency Rules: the Disclosure and Transparency Rules, as set out in the FCA Handbook.

Encumbrances: any mortgage, charge (fixed or floating), pledge, lien, hypothecation, guarantee, trust, right of set-off or other third party right or interest (legal or equitable) including any assignment by way of security, reservation of title or other security interest of any kind, howsoever created or arising, or any other agreement or arrangement (including a sale and repurchase agreement) having similar effect.

Euroclear UK & Ireland: Euroclear UK & Ireland Limited.

Exchange: the London Stock Exchange.

Exchange Documents: those documents set out in Part 3 of Schedule 2.

Executive Director: John Regan.

FCA: Financial Services Authority.

FCA Documents: those documents set out in Part 2 of Schedule 2.

FCA Handbook: the handbook of rules and guidance of the FCA.

First Acquisition: the completion of the Company's first asset or share acquisition.

FSMA: Financial Services and Markets Act 2000.

Indemnified Persons: the Broker, its partners, directors, officers, employees and agents.

Listing Rules: the listing rules of the FCA applicable to companies applying for their securities to be admitted to the Official List.

Locked-in Persons: those persons whose names and addresses are set out in Part 2 of Schedule 1.

Lock-in Agreements: the deeds of that name in the agreed form entered into and to be effective as of Admission between (1) the Company, (2) the Broker and (3) each of the Locked-in Persons.

Long Stop Date: 31 January 2022.

Main Market: the regulated market of the Exchange for listed securities.

Non-Executive Directors: the Directors other than the Executive Director.

Official List: the Official List of the UK Listing Authority.

Ordinary Shares: ordinary shares of £0.01 each in the Company from time to time.

Placee: a person who agrees conditionally to subscribe for Placing Shares under the Placing pursuant to a Placing Letter.

Placing: the conditional placing with institutional and other investors of the Placing Shares by the Broker pursuant to this agreement.

Placing Documents: the Prospectus, any Supplementary Prospectus and the Pre-Admission Announcement, and any other announcement to be made by the Company via a regulatory information service in connection with the Placing.

Placing Letters: the letters in the agreed form to be issued by the Broker to prospective Placees confirming their acceptance of the offer to subscribe for the Placing Shares and the accompanying letter of confirmation to be completed by Placees.

Placing Price: the price of £0.03 per Placing Share.

Placing Shares: the 40,000,000 new Ordinary Shares to be allotted and issued pursuant to the Placing.

Pre-Admission Announcement: the pre-admission announcement that is required by the Broker to be made by the Company pursuant to the Exchange's Admission and Disclosure Standards.

Prospectus: the prospectus (comprising the summary, registration document and securities note) to be published by the Company in accordance with the Prospectus Rules in connection with Admission and the Placing.

Prospectus Directive: Directive 2003/71/EC.

Prospectus Rules: the prospectus rules of the FCA, as set out in the FCA Handbook.

Registrars: Share Registrars Ltd of 27/28 Eastcastle Street, London W1W 8DH.

Registrars' Agreement: the agreement dated 8 June 2021 entered into between the Registrars and the Company and which will come into effect on Admission.

Reporting Accountants: Anstey Bond LLP of 1 Charterhouse Mews, Barbican, London, EC1M 6BB.

Resolutions: the resolutions in the agreed form (and set out in a notice of general meeting dated 16 September 2021) passed by the shareholders of the Company at the general meeting of the Company held on 20 September 2021.

Share Dealing Code: the share dealing code adopted by the Company.

Subsidiaries: means a "subsidiary" as defined in section 1159 of the Companies Act 2006 and any other company which is a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company. Unless the context otherwise requires, the application of the definition of Subsidiary to any company at any time will apply to the company as it is at that time.

Supplementary Prospectus: any supplementary prospectus published by the Company in accordance with the Prospectus Rules which is supplementary to the Prospectus (or any previously published Prospectus which is so supplementary).

tax or taxation: means

- (a) within the United Kingdom, corporation tax, income tax (including income tax required to be deducted or withheld from or accounted for in respect of any payment), capital gains tax, inheritance tax, national insurance contributions, stamp duty reserve tax, stamp duty, stamp duty land tax, value added tax, duties

of customs and excise and any other taxes, levies, duties, charges, imposts or withholdings corresponding to, similar to, replaced by or replacing any of them, together with all penalties, charges and interest relating to any of them or to any failure to file any return required for the purposes of any of them; and

- (b) outside of the United Kingdom, all taxes, levies, duties, imposts, charges and withholdings of any nature whatsoever, including (without limitation) taxes on gross or net income, profits or gains and taxes on receipts, sales, use, occupation, franchise, value added and personal property, together with all penalties, charges and interest relating to any of them,

regardless of whether any such taxes, levies, duties, imposts, charges, withholdings, penalties and interest are chargeable directly or primarily against or attributable directly or primarily to the Company or any other person, firm or company and of whether any amount in respect of any of them is recoverable from any other person.

Tax Claim: a claim under the Warranties that relates to matters of tax and taxation.

Transaction: the Placing and Admission.

UK Corporate Governance Code: the UK Corporate Governance Code published by the Financial Reporting Council in July 2018 and as updated from time to time.

UK Listing Authority: the FCA acting in its capacity as the competent authority for the purposes of Part VII of FSMA.

VAT: United Kingdom value added tax.

Verification Notes: the verification notes produced in connection with the Prospectus including the copies of the documents and the other information cited in response to the questions contained in the notes.

Warrant: has the meaning in clause 9.4 of this agreement.

Warranties: the warranties set out in Schedule 3.

Warrantors: the Company and the Directors.

Warrant Price: the price of £0.045 per Warrant.

Working Capital Report: the report on the cash flow and working capital projections of the Company in the agreed form prepared by the Company and tabled at, and approved by, the Board.

- 1.2 Clause, schedule and paragraph headings shall not affect the interpretation of this agreement.
- 1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's legal and personal representatives, successors and permitted assigns.
- 1.4 The schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement and any reference to this agreement includes the schedules.
- 1.5 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.6 Words in the singular shall include the plural and vice versa.
- 1.7 A reference to one gender shall include a reference to the other genders.
- 1.8 A reference to a particular law is a reference to it as it is in force from time to time taking account of any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts and subordinate legislation for the time being in force made under it.

- 1.9 A reference to **writing** or **written** includes faxes but not e-mail.
- 1.10 Any obligation in this agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.
- 1.11 Where the words **include(s)**, **including** or **in particular** are used in this agreement, they are deemed to have the words “without limitation” following them.
- 1.12 A reference to a document is a reference to that document as varied or novated (in each case, other than in breach of the provisions of this agreement) at any time.
- 1.13 References to clauses and schedules are to the clauses and schedules of this agreement; references to paragraphs are to paragraphs of the relevant schedule.
- 1.14 Where any statement is qualified by the expression **so far as the Warrantors are aware** or **to the Warrantors’ knowledge** or any similar expression, that statement shall be deemed to include an additional statement that it has been made after due and careful enquiry of the Reporting Accountants, the solicitors to the Company and the directors, officers and employees of the Company.
- 1.15 Unless otherwise expressly provided, the obligations and liabilities of the Warrantors or the Directors and the Company which are undertaken by two or more persons under this agreement are joint and several.
- 1.16 References to an uncertificated share or to a share being in uncertificated form shall mean a share which is or is to be recorded in the Operator register of members (as defined in the CREST Regulations), and any reference to a certificated share shall mean any share of the Company other than an uncertificated share.
- 1.17 References to **material** shall mean material in the context of the Placing and Admission as a whole.
- 1.18 Any reference to a time of the day is to London time.

2. CONDITIONS

- 2.1 The obligations of the Broker under this agreement are conditional upon:
- 2.1.1 the FCA Documents, together with payment for the fees payable to the FCA in connection with Admission, being delivered to the FCA on such date as agreed between the Company and the Broker;
- 2.1.2 the Exchange Documents, together with payment for the fee payable to the Exchange in connection with Admission, being delivered to the Exchange on such date as agreed between the Company and the Broker, and the Prospectus and the Pre-Admission Announcement being published and made available in accordance with the Listing Rules and the Prospectus Rules;
- 2.1.3 the Company and each of the Directors having fully performed their respective obligations under this agreement to the extent that such obligations fall to be performed prior to Admission;
- 2.1.4 none of the Warranties being untrue or inaccurate or misleading in any material respect at any time between the execution of this agreement and Admission and no fact or circumstance having arisen which would render any of the Warranties untrue or inaccurate or misleading in any material respect if it was repeated as at any time up to Admission by reference to such facts or circumstances;
- 2.1.5 the obligations of the Broker not being terminated before Admission in accordance with clause 13;
- 2.1.6 a meeting of the Board taking place and approving, amongst other things, the resolutions set out at paragraph 8 of Part 1 of Schedule 2, the Transaction and the allotment of the Placing Shares;

- 2.1.7 the delivery by the Company to the Broker of those documents listed in Part 1 of Schedule 2 no later than 11.00 am on the Business Day immediately following the day with the date of which the Prospectus is dated (or such other time as may be stated in Part 1 of Schedule 2 or otherwise agreed between the Company and the Broker);
- 2.1.8 Admission taking place no later than 8.00 am on 10 January 2022 or such later time as may be agreed between the Company and the Broker, not being later than 4.00 pm on the Long Stop Date (the “**Admission Condition**”);
- 2.1.9 any Supplementary Prospectus which may be required by the Prospectus Rules, the Listing Rules or otherwise under this agreement prior to Admission having been approved by the Broker and published and made available in accordance with the Prospectus Rules and the Listing Rules;
- 2.1.10 the delivery by the Company and the Directors to the Broker of a duly executed warranty certificate in the form of Schedule 4 no later than 4.00 pm on the Business Day prior to the date on which Admission occurs.
- 2.2 The Conditions (other than those in clauses 2.1.1, 2.1.2, 2.1.5, 2.1.8, and 2.1.9) may be waived in whole or in part by the Broker in its absolute discretion by notice in writing to the Company. The Company and the Broker may agree in writing to extend the time for satisfaction of any or all of the Conditions, provided that the time for satisfaction of the Admission Condition shall not be extended beyond the Long Stop Date.
- 2.3 The Company and each of the Directors severally undertake to the Broker to use all reasonable endeavours to fulfil or procure the fulfilment of the Conditions by the times and dates specified in clause 2.1 and the Broker agrees to provide reasonable assistance in connection with its role as a broker to the Company.
- 2.4 If any of the Conditions are not fulfilled (or waived) on or before the time and/or date specified for their fulfilment (or such later time as the Broker and the Company may agree being not later than 4pm on the Long Stop Date) or if any such Condition becomes incapable of being fulfilled and the Broker notifies the Company that they will not waive such Condition, this agreement shall, upon notice being given by the Broker to the Company, terminate and clause 13.3 shall apply.

3. **APPOINTMENT**

- 3.1 The Company irrevocably appoints the Broker, for the purposes of Admission and the Placing, as its agent to procure subscribers at the Placing Price for the Placing Shares on the terms and subject to the conditions of this agreement and the Placing Documents. The Broker accepts such appointment on the terms and subject to the conditions of this agreement and the Placing Documents.
- 3.2 The Company confers on the Broker all powers, authorities and discretions on behalf of the Company which are necessary for, or reasonably incidental to (including the power to appoint sub-agents or to delegate the exercise of any of its powers), the Transaction and the Company agrees to ratify and confirm everything which the Broker shall lawfully and properly do in the exercise of such appointment, powers authorities and discretions. The Company hereby irrevocably confirms that the foregoing appointment confers on the Broker all powers, authorities and discretions on behalf of the Company which are necessary for, or incidental to, the carrying out of the Transaction lawfully and properly by it as agents for the Company.
- 3.3 The Company confirms to the Broker that it has appointed the Registrars to act in connection with the Placing on the terms of the Registrars’ Agreement. The Company authorises the Broker to give to the Registrars any instructions consistent with this agreement and the Placing Documents which the Broker considers necessary for, or incidental to, the Placing or for otherwise giving effect to this agreement.
- 3.4 The Company and the Directors agree with, and acknowledge to, the Broker that neither the Broker nor any of its professional advisers shall be responsible to the Company or to the Directors for verifying the accuracy and/or fairness of any information contained in the Placing Documents or any other documents or otherwise published by the Company in connection with Transaction.

4. PLACING

- 4.1 Subject to Admission and the terms and conditions of this agreement, the Broker agrees, as agent for the Company, to use its reasonable endeavours to place the Placing Shares at the Placing Price with the subscribers selected by it (having consulted with the Company) on the terms of the Placing Letters.
- 4.2 The Broker shall not be under any obligation to subscribe for, underwrite or purchase any of the Placing Shares which are not subscribed for pursuant to the Placing or otherwise, and to the extent that a subscriber does not fulfil its commitments, the Broker shall not have any obligation to subscribe for or purchase such Placing Shares or otherwise to make any payment to the Company in respect of them, but shall use its reasonable endeavours to procure a subscriber for such Placing Shares.

5. DOCUMENTS TO BE DELIVERED

The Company and the Directors shall ensure that the documents listed in Part 1 of Schedule 2 are delivered to the Broker as soon as reasonably practicable, but in any event no later than 11.00 am on the Business Day immediately following the day with the date of which the Prospectus is dated, or as otherwise specified in Part 1 of Schedule 2 or agreed between the Company and the Broker. The Broker may, in its absolute discretion, waive the requirement that the Company delivers to it any such document or may extend the time for delivery of any such document.

6. APPLICATIONS FOR ADMISSION

- 6.1 The Company confirms that it has authorised the Broker to make the Applications on its behalf and the Company undertakes to pay all fees payable to the FCA or Exchange as may be necessary to obtain Admission and it will provide such support as is reasonably required by the Broker and it will provide all information and documentation required by the Broker in relation to the Applications, as soon as reasonably practicable.
- 6.2 The Broker confirms that:
- 6.2.1 the Prospectus has been approved by the FCA (and such approval has not been removed), and an electronic copy of the Prospectus has been delivered to the FCA and pursuant to its submission via the FCA electronic submission portal that the Prospectus will be uploaded to the national storage mechanism as maintained by the FCA in accordance with the publication requirements set out under PRR 3.2.1R and 3.2.1A R respectively;
- 6.2.2 application has been or will be made (insofar as necessary) to Euroclear UK & Ireland to admit the existing Ordinary Shares and the Placing Shares as participating securities within CREST;
- 6.2.3 it shall take all reasonable steps to ensure that Admission becomes effective no later than 8.00 am on 10 January 2022 and that the existing Ordinary Shares and the Placing Shares are admitted as participating securities to CREST upon Admission; and
- 6.2.4 following Admission, share certificates will be duly issued to the holders of those Placing Shares which are to be held in certificated form, and the Broker's CREST account duly credited in respect of those Ordinary Shares which are to be held in uncertificated form, and in each case that the appropriate entries are made in the Company's or the Registrars' registers (as the case may be).
- 6.3 The Company and each of the Directors shall supply all such information, give all such undertakings, execute all such deeds and documents and (in the case of the Company only) pay all such fees as may be required by the FCA and/or the Exchange in connection with the Applications and the admission of the existing Ordinary Shares and Placing Shares as participating securities within CREST.
- 6.4 The Company and each of the Directors shall give all such reasonable assistance and provide all such reasonable information as the Broker may reasonably require in connection with the Transaction and will do (or procure to be done) all such reasonable things and execute (or procure to be executed) all such documents as may be necessary or desirable in the reasonable opinion of the Broker to be done or executed by the Company, the Directors or the Company's officers, employees or agents in connection therewith.
- 6.5 The Company shall:

- 6.5.1 ensure that (i) the Prospectus contains all information with regard to the Company which the Company reasonably considers necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company and its Ordinary Shares and the rights attaching to the Ordinary Shares and any other matter contained in it, that (ii) all information required pursuant to (i) above is presented in a form which is comprehensible and easy to analyse, and prepared having regard to the particular nature of the Company and the Ordinary Shares, that (iii) all statements of fact contained in the Prospectus are true and accurate and not misleading and each expression of opinion, intention or expectation of the Company and/or the Directors contained in the Prospectus is made on reasonable grounds and is truly and honestly held by the Directors and has been made after due and careful consideration and enquiry, and that (iv) the Prospectus includes a summary which briefly and in non-technical language, conveys the essential characteristics of, and risks associated with, the Company and the Ordinary Shares;
- 6.5.2 make available for inspection the documents (if any) stated in the Prospectus as being available for inspection at the place and times stated in the Prospectus; and
- 6.5.3 make available, free of charge, sufficient copies of the Prospectus (and any Supplementary Prospectus) in accordance with the requirements of the Prospectus Rules or the Listing Rules.
- 6.6 The Broker shall give to the Company all such assistance as the Company may reasonably require in connection with the Applications and the admittance of the Ordinary Shares as participating securities within CREST.

7. PLACEES AND SETTLEMENT

- 7.1 The Broker (after consultation with the Company) shall have absolute discretion to determine all matters in respect of the Placing (other than the Placing Price and number of Placing Shares to be issued) including:
 - 7.1.1 the institutional and other investors who are to receive the Placing Documents;
 - 7.1.2 the identity of the Placees;
 - 7.1.3 the number (if any) of Placing Shares which each Placee will acquire;
 - 7.1.4 the latest time at which Placing Letters may be despatched and acceptances of the offers in them may be made; and
 - 7.1.5 the validity of acceptances received in respect of any of the Placing Shares.

The Broker shall, as soon as reasonably practicable after the date of this agreement, despatch the Placing Documents to such institutional and other investors as may be determined in accordance with this clause 7.1.

- 7.2 By no later than 4.00 pm on the day three Business Days prior to the expected date of Admission, the Broker shall deliver to the Company a list of the names of the persons who have agreed to take the Placing Shares on the terms and conditions of the Placing Documents. The list shall identify each Placee's allocation of Placing Shares, shall indicate in relation to each such Placee whether the Placing Shares to be taken by it will be taken in uncertificated or certificated form and, in relation to those Placing Shares to be taken in uncertificated form, shall include the CREST participation ID, member account ID and account name to which such Placing Shares are to be credited.
- 7.3 The Company and the Directors agree that the Placing Shares shall be allotted:
 - 7.3.1 conditionally on Admission becoming effective by no later than the time and date referred to in clause 2.1.8 (or such later time and/or date as the Company and the Broker may agree in writing, not being later than 4.00 pm on the Long Stop Date); and
 - 7.3.2 subject to the Articles of Association and on and subject to the terms and conditions set out in the Placing Documents, credited as fully paid free from any Encumbrance and on terms that they will rank pari passu in all respects with the existing Ordinary Shares.
- 7.4 The Company and the Directors shall use all reasonable endeavours to procure:

- 7.4.1 in respect of those Placees who have elected to receive Placing Shares in uncertificated form, that the Registrar has made arrangements so that the Placing Shares are credited to CREST account of the Broker (acting as agent of the Placees) not later than 7.30 am on the date on which Admission becomes effective;
- 7.4.2 the subsequent crediting by transfer from the Broker of such number of the Placing Shares as are to be received by any Placees in uncertificated form to the CREST accounts of those Placees notified in accordance with clause 7.2; and
- 7.4.3 in respect of those Placees who have subscribed for Placing Shares in certificated form (subject to payment by the relevant Placee), that share certificates in respect of such Placing Shares are delivered to the persons (or nominees of such persons) by whom such Placing Shares have been taken (as notified in accordance with clause 7.2) before close of business on the fifth Business Day after the day on which Admission becomes effective.
- 7.5 Subject to Admission occurring, the Broker shall pay the Company the subscription proceeds in respect of the Placing Shares to the extent that such proceeds are actually received by the Broker, as soon as reasonably practicable following receipt of those funds and in any event no later than the third Business Day following receipt of those funds, subject to the deduction of the commissions, fees and expenses plus VAT detailed in clause 9. However, the Broker shall not have any obligation to make any such payment to the Company unless and until it has been put in funds by the Placee concerned.
- 7.6 Any payment made pursuant to clause 7.5 shall be made in British pounds sterling by transferring the net amount to such account of the Company that it shall have notified to the Broker in writing.
- 7.7 Payment of such monies (less any permitted deductions) to the account mentioned in clause 7.6 shall constitute a complete discharge by the Broker of its obligations to the Company under clause 7.5.

8. SUPPLEMENTARY PROSPECTUS

- 8.1 The Company and each Director undertakes to notify the Broker immediately on becoming aware at any time after the publication of the Prospectus but before Admission has become effective of any matter which:
 - 8.1.1 indicates that a material mistake, inaccuracy or new factor relating to the information contained in the Prospectus has or may have arisen or occurred or may arise or occur such that a Supplementary Prospectus is or may be required by the Applicable Rules or is otherwise required to make the statements in the Prospectus not inaccurate, untrue or misleading in any material respect; or
 - 8.1.2 is or might be material in the context of any assumption or other matter relevant to any forecast or statement about the prospects of the Company in the Prospectus; or
 - 8.1.3 indicates that a significant change or new matter in respect of the Company has or might have occurred before Admission.
- 8.2 If the Broker is notified or otherwise becomes aware of any matter within clause 8.1:
 - 8.2.1 the Company shall discuss such matter with the Broker;
 - 8.2.2 the Company and each Director shall take all reasonable steps promptly to provide the Broker with any further information which it reasonably requests in relation to the relevant matter; and
 - 8.2.3 the Broker may (acting reasonably) require the Company at the Company's own expense to:
 - (a) prepare a Supplementary Prospectus in such terms as the Broker may reasonably require and publish it in such manner as the Broker may reasonably require;
 - (b) make an announcement in such terms and in such a manner as the Broker may reasonably require;
 - (c) despatch a written notice or some other form of communication in such terms and in such manner and to such persons as the Broker may reasonably require; and/or

- (d) take such other additional or alternative steps as the Broker may reasonably require in order to give effect to this clause 8.2.

8.3 If a Supplementary Prospectus is published, the Warranties shall be deemed to have been made and given in relation to the Prospectus as amended and supplemented by the Supplementary Prospectus, as well as in relation to the Prospectus.

9. FEES, COMMISSIONS AND EXPENSES

9.1 In consideration of the Broker's services under this agreement, the Company shall pay all pre-approved costs, charges and expenses of, or incidental to, the Applications, the Admission, the Placing and the transactions and arrangements so connected. In particular, such costs, charges and expenses shall (subject to such costs being pre-approved by the Company in accordance with the provisions of the Broker Agreement) include all accountancy, legal and other professional expenses incurred by the Company and the Broker and all reasonable out of pocket costs and expenses incurred by the Broker of printing, circulating, publishing and advertising the Placing Documents and other documents connected with the Transaction provided that the expenses of the Broker's legal fees shall be limited to an amount equal to £5,000 (excluding VAT). The Company shall as soon as reasonably practicable following production by the Broker of a written request for the same, pay or reimburse the Broker the amount of any expenses which are to be paid by the Company and which the Broker may have paid. The Company shall pay all costs, charges and expenses referred to in this clause 9.1 whether or not Admission occurs.

9.2 Notwithstanding the Company's obligation to pay all costs, charges and expenses pursuant to clause 9.1, the Broker may deduct an amount equal to the costs, charges and expenses payable by the Company, and an amount equal to any payment(s) to be made by the Company pursuant to clause 9.3 and the first instalment of the fees pursuant to clause 9.8 from any payment to be made by it to the Company under clause 7.5 and pay such costs, charges and expenses to the persons entitled thereto and retain such commissions and fees.

9.3 In consideration of the Broker's services under this agreement, the Company shall pay the Broker upon Admission in cash:

9.3.1 a broking commission of 6% of the aggregate value, at the Placing Price, of the Placing Shares which are placed with investors by the Broker (excluding any Placing Shares subscribed by persons introduced by the Company or the Directors); and

9.3.2 a placing agent fee of 1% of the aggregate value, at the Placing Price, of all the Placing Shares (including, for the avoidance of doubt, any Placing Shares subscribed by persons introduced by the Company or the Directors).

9.4 In consideration of the Broker's services under this agreement, the Company shall grant warrants to the Broker ("**Warrants**") upon Admission over such number of shares in the Company as is equal to 1% of the issued share capital of the Company at Admission. The Warrants will be exercisable at the Warrant Price for a period of 3 years following the completion of the First Acquisition.

9.5 Where a sum is payable to the Broker by the Company in accordance with this agreement, the Company shall in addition pay to the Broker in respect of VAT:

9.5.1 where the payment (or any part of it) constitutes the consideration (or any part thereof) for any supply of services to the Company, such amount as equals any VAT properly chargeable in respect of such supply;

9.5.2 (except where the payment falls within clause 9.5.3) such amount as equals any VAT charged to or incurred by the Broker in respect of such cost, charge or expense which gives rise to the payment and which the Broker certifies is not recoverable by the Broker by repayment or credit (such certificate to be conclusive in the absence of manifest error); and

9.5.3 where the payment is in respect of costs or expenses incurred by the Broker as agent for the Company such amount as equals the amount included in the costs and expenses in respect of VAT. Where a sum in respect of VAT is paid pursuant to clause 9.5.1 and clause 9.5.2, the Broker shall as soon as reasonably practicable provide the Company with an appropriate and valid tax invoice in respect of the supply to which the payment relates, naming the Company as the recipient of the supply.

- 9.6 Notwithstanding that the Broker is acting as agent for the Company in connection with the Placing, it may retain any commissions, fees or other amounts payable to it and any other benefits whatsoever for its own account.
- 9.7 All sums payable to the Broker shall be paid free and clear of all deductions or withholdings unless the deduction or withholding is required by law, in which event the relevant person shall pay such additional amount as shall be required to ensure that the net amount received by the Broker (after such payment) will equal the full amount which would have been received by it had no such deduction or withholding been made.
- 9.8 The Company agrees to appoint the Broker as the Company's financial adviser and broker with effect from the date of Admission and to pay an annual fee of £40,000 per annum (excluding VAT) for acting as such, to be paid quarterly in advance.

10. WARRANTIES

- 10.1 The Company, John Regan and John Hutchinson jointly and severally warrant, represent, and undertake to the Broker in the terms of the paragraphs set out in Schedule 3.
- 10.2 Luke McKeever warrants, represents and undertakes, only in so far as he is aware, to the Broker in the terms of the paragraphs set out in Schedule 3.
- 10.3 Immediately before Admission, each of:
- 10.3.1 the Company, John Regan and John Hutchinson shall be deemed to warrant and represent jointly and severally again to the Broker in the terms of the paragraphs set out in Schedule 3; and
- 10.3.2 Luke McKeever shall be deemed to warrant and represent severally again only in so far as he is aware to the Broker in the terms of the paragraphs set out in Schedule 3,
- in each case with reference to the facts and circumstances then subsisting (save that a reference to any fact, matter, event or circumstance existing, occurring or having occurred at or before the date of this agreement shall also be construed as a reference to its existing, occurring or having occurred at or before Admission).
- 10.4 The Warrantors shall procure (so far as they are able) that they shall not (except only as may be necessary to give effect to this agreement) voluntarily do, allow or procure any act or omission which would or would be likely to constitute a breach of or render inaccurate or misleading any of the Warranties upon their being deemed to be repeated under clause 10.3.
- 10.5 The Company and the Directors further severally warrant to the Broker that:
- 10.5.1 the Company has informed and will inform the Broker in writing of all discussions which it or its agents other than the Broker have had with the Exchange in relation to the application for Admission;
- 10.5.2 the solicitors to the Company have explained to each of the Directors the nature of their responsibilities and obligations as directors of a company whose shares are to be admitted to trading on the Main Market; and
- 10.5.3 the information that has been provided in documents submitted to the Broker and the Exchange is and will be true and accurate and not misleading as at the time it was provided and as at immediately prior to Admission.
- 10.6 Each Director severally warrants and represents to the Broker separately and in relation to himself only that:
- 10.6.1 the information regarding him set out in the Prospectus, including his business history, qualifications and experience, is true and accurate in all respects and not misleading in any respect;
- 10.6.2 there is no information not fairly disclosed in the Prospectus regarding him the non-disclosure of which is likely to make any statement in the Prospectus regarding him misleading, untrue or inaccurate in any respect;

- 10.6.3 there is no information of which he is aware concerning his present or past interests or activities which might reasonably be considered material in the context of the Transaction and which has not been specifically disclosed in writing to the Broker or in the Prospectus; and
- 10.6.4 his interests (if any) in the share capital of the Company and in agreements or arrangements with the Company are fairly and accurately described in the Prospectus.
- 10.7 The Warrantors undertake to the Broker to disclose to it in writing, immediately upon any of them becoming aware of the same at any time prior to Admission, full details of any fact, matter, event or circumstance which:
- 10.7.1 constitutes a breach of any of the Warranties given upon the execution of this Agreement;
- 10.7.2 will or would be likely to constitute a breach of any of the Warranties when deemed repeated; and
- 10.7.3 will or would be likely to constitute a material new factor, mistake or inaccuracy for the purposes of the Applicable Rules.

The Company and the Directors shall take all reasonable steps as soon as reasonably practicable to provide the Broker with any further information which it reasonably requests if it is notified or otherwise becomes aware of anything such as is referred to in this clause 10.7. The Company agrees that the Broker may (without prejudice to its right to terminate this agreement pursuant to clause 13) require the Company, at its own expense, to make, or cause to be made, an announcement and/or despatch a communication to potential subscribers for Placing Shares (such persons being notified to the Company by the Broker), which announcement or communication is to be approved by the Broker (such approval not to be unreasonably withheld) after consultation with the Company but before it is made and the Broker agrees to provide such reasonable assistance as may be required in making such announcement.

- 10.8 In the event that the Broker makes a claim against the Company for breach of any of the Warranties or under the indemnities in clause 11, the Company shall not have or pursue any claim or third party action to join in, claim against, seek a contribution from or otherwise claim or seek damages or compensation from any of the Directors and the Company confirms to the Broker that (save for any directors' and officers' insurance) the Company has not entered into any agreement or arrangement concerning the liability of the Company or the Directors for any breach of the Warranties.
- 10.9 Each of the Directors severally agrees to waive any rights of contribution or indemnity from, or other claim against, the Company (or any of its officers or employees) in respect of any liability that he may incur arising out of or in connection with this agreement. None of the Directors will, in connection with any such liability, seek to receive (whether directly or by set-off, lien, counterclaim or otherwise) or accept from the Company (or any of its officers or employees) any monies or other property, nor exercise any rights, in respect of any sum which may be or has become due to him on any account from any such person, nor claim, prove for or accept any payment in any composition by, or any winding up or bankruptcy of, any such person. However, nothing in this clause shall prevent (i) any person from claiming under or receiving any payment in respect of any directors' and officers' insurance or (ii) any of the Directors from entering into a contribution agreement (or similar) in respect of their potential liabilities under this agreement.
- 10.10 None of the investigations made by or on behalf of the Broker or their advisers in relation to the Company or the Directors shall in any way affect or be deemed to be a waiver of any warranties, undertakings or indemnities given by the Warrantors in this agreement.
- 10.11 The Warranties in Schedule 3 shall be qualified to the extent of any facts or information fairly disclosed in the Prospectus.
- 10.12 Each of the Warranties shall continue in full force and effect notwithstanding the completion of all matters and arrangements referred to in or contemplated by this agreement. Each of the Warranties is separate and, unless otherwise specifically provided, is not limited by reference to any other Warranty or any other provision in this agreement.

11. INDEMNITY

- 11.1 The Company agrees to indemnify and keep the Indemnified Persons indemnified on an after-tax basis against all liabilities, demands, claims, actions, proceedings or judgments brought against all or any of them in any jurisdiction (whether or not successful, compromised, settled or reversed) and against all losses, costs, charges, expenses (including reasonable legal fees and expenses) and taxes which any Indemnified Person may suffer or incur (including, without limitation, all such losses, liabilities, costs, charges and expenses as such Indemnified Person properly suffers or properly incurs in investigating, responding to, preparing for, disputing, defending or settling any actions, claims or demands or potential actions, claims or demands or in establishing any claim on its part or enforcing its rights under this clause 11) as a result of, or arising directly or indirectly out of, or in connection with the Transaction, or any part of it, including:
- 11.1.1 the issue or despatch of the Placing Documents (or any of them) and any other documents relating to the Placing or any part of it;
 - 11.1.2 the allotment and issue of the Placing Shares (or any of them) and the rescission of any contract to subscribe for any Placing Shares;
 - 11.1.3 any breach or alleged breach by the Company, or any of the Directors, of any of the Warranties or of any of the other provisions of this agreement;
 - 11.1.4 any Prospectus, the Pre-Admission Announcement or any other document or presentation relating to the Transaction or any part of it not containing, or being alleged not to contain, all information required to be stated in it, whether required by statute or not, or any statement in any such document being, or being alleged to be, defamatory or untrue, incorrect or misleading (whether by omission or otherwise);
 - 11.1.5 any Prospectus or any other document or presentation relating to the Transaction or any part of it not complying, or being alleged not to comply with, all the requirements of the FSMA or containing, or being alleged to contain, any misrepresentation or false statement;
 - 11.1.6 any breach, or alleged breach, of the laws or regulations of any part of the United Kingdom or elsewhere resulting from the issue or distribution of the Placing Documents or any other document or presentation relating to the Transaction or any part of it or the entering into of this agreement;
 - 11.1.7 the approval or issue of any invitation or inducement to engage in investment activity (pursuant to section 21 of the FSMA) relating to the Placing Shares;
 - 11.1.8 the performance by the Broker of its obligations under this agreement, or otherwise in connection with the application for Admission or the Transaction, or the preparation of any of the Placing Documents; and
 - 11.1.9 any failure, or alleged failure, to comply with the Applicable Rules (where relevant) or any other statutory or regulatory requirement in relation to the Admission and/or the Placing.
- 11.2 The indemnities contained in clause 11.1:
- 11.2.1 shall not extend to any actions, liabilities, demands, losses, claims, costs, charges and expenses to the extent that they arise out of a breach by the Broker or any Indemnified Person of their obligations under this agreement or the Broker Agreement or the fraud, negligence or wilful default of the Broker or any Indemnified Person or material breach of applicable law the Broker;
 - 11.2.2 shall not apply to the extent prohibited by the Conduct of Business Rules in the FCA Handbook of Rules and Guidance or by FSMA or by any other regulatory system to which any Indemnified Person is subject; and
 - 11.2.3 shall not apply to any taxes relating to or chargeable in respect of fees, commission and expenses payable to the Broker under clause 9 for the services rendered by them under this agreement.

- 11.3 No claim may be made against any Indemnified Person by any Warrantor to recover any damages, losses, liabilities, costs, charges or expenses which any of them may suffer or incur by reason of, or arising out of, the placing by any Indemnified Person of the Placing Shares, the performance by any Indemnified Person of its obligations under this agreement, the issue of the Placing Shares, the despatch of the Placing Documents or the fact that the Placing Documents are untrue, inaccurate or misleading in any material respect unless and then only to the extent that such damages, losses, liabilities, costs, charges or expenses arise from:
- 11.3.1 the material breach by any Indemnified Person of this agreement or the Broker Agreement;
- 11.3.2 the fraud, negligence or wilful default of any Indemnified Person; and/or
- 11.3.3 a breach by any Indemnified Person of the FSMA or any statutory instruments enacted under it or the Conduct of Business Rules in the FCA Handbook of Rules and Guidance or any material breach of applicable law by the Broker.
- 11.4 Any Indemnified Person may, without prejudice to its rights under this agreement, dispute, settle or otherwise act in connection with any liability as it reasonably sees fit, provided that the relevant Indemnified Person will notify the Company as soon as reasonably practicable of any claim and provide the Company with copies of material correspondence and documentation in respect of any claim, including details of any proposed settlement. The Indemnified Person will allow the Company to make any requests in relation to the claim or any proposed settlement and will have due regard to such requests made. The Company and each of the Directors shall co-operate with the Broker (on its own behalf and on behalf of each Indemnified Person) and give, and so far as it is able, procure the giving of, all such necessary information and render all such assistance to the Broker as it may reasonably request in connection with any claim or investigation and not take any action which might reasonably be expected to prejudice the position of the Broker or any Indemnified Person in relation to any such claim or investigation without the consent (not to be unreasonably withheld or delayed) of the Broker in writing.
- 11.5 This clause 11 is intended to benefit each Indemnified Person, and shall be enforceable by each Indemnified Person by virtue of the Contracts (Rights of Third Parties) Act 1999.

12. LIMITATIONS ON LIABILITY

- 12.1 The aggregate liability of each of the Directors under the Warranties or otherwise in relation to this agreement and/or the Transaction shall be limited to the amounts set out opposite their respective names in Schedule 1 Part 1.
- 12.2 There shall be no limit on the amount of the Company's liability under the Warranties or the indemnity in clause 11 or otherwise in relation to this agreement and/or the Transaction.
- 12.3 Other than for Tax Claims, no claim shall be made by the Broker against any Director or the Company under the Warranties unless it is notified in writing (specifying in reasonable detail the basis of such claim and the amount involved with reasonable evidence of the matters which are relied upon) to the relevant Director(s) or the Company before the date which is six calendar months after the date on which the Company publishes its annual accounts for the year ending on 31 March 2022. Any Tax Claim against the Company or Directors must be notified in writing (as aforesaid) to the Company within seven years from the date of Admission.
- 12.4 Nothing in this agreement applies to exclude or limit the liability for any claim under the Warranties or the indemnities in clause 11 or otherwise that arises, or is delayed, as a result of dishonesty, fraud, wilful default or wilful concealment by the Directors, their agents or advisers.

13. TERMINATION

- 13.1 If before Admission:
- 13.1.1 the Company or the Directors or any of them are in breach of any provision of this agreement;
- 13.1.2 the Warranties or any of them are not true and accurate in any material respect or are misleading in any material respect or would not be true and accurate in any material respect or would be misleading in any material respect if they were repeated at any time before Admission;

- 13.1.3 any event, fact, circumstance or matter has occurred or arisen which does or might, in the reasonable opinion of the Broker, require a Supplementary Prospectus to be published by or on behalf of the Company;
- 13.1.4 any statement contained in the Prospectus or any Supplementary Prospectus is or has become, or has been discovered to be, untrue, incorrect or misleading in any material respect, or any event, fact, circumstance or matter has arisen or occurred which would, if such Prospectus or Supplementary Prospectus (as the case may be) were to be issued at that time, constitute a material omission from it or would otherwise render it untrue, incorrect or misleading in any material respect;
- 13.1.5 the Exchange, the FCA or any other Agency in any jurisdiction launches or threatens to launch an investigation into the affairs of the Company;
- 13.1.6 in the reasonable opinion of the Broker there occurs a material adverse change in or an event having a serious adverse effect on the financial or commodities markets, or the operations, properties, condition (financial or other), trading position or prospects or results of operations or general affairs of the Company, or the state of the financial markets in the UK or elsewhere is such that in the opinion of the Broker (acting in good faith) the Placing Shares cannot be placed successfully;
- 13.1.7 in the reasonable opinion of the Broker, there has been:
- (i) a material event, action, state, condition or major financial occurrence of national or international consequence;
 - (ii) a material change in law or regulation, which has a direct and material effect on the business or operations of the Company;
 - (iii) a material change in national or international financial, political, economic or stock market conditions (primary or secondary);
 - (iv) an incident of terrorism, outbreak (including pandemic or epidemic) or escalation of hostilities, war, declaration of martial law or any other calamity or crisis;
 - (v) if any inquiry, investigation or other proceeding (whether formal or informal) is commenced, threatened or announced or any order or ruling is issued by any officer of any stock exchange, market or regulatory authority in the United Kingdom or elsewhere or under or pursuant to any statute of the United Kingdom or elsewhere or there is any change of law or the interpretation of administration thereof by a stock exchange, market or regulatory authority, which in the reasonable opinion of the Broker, operates to prevent or materially restrict the trading of Ordinary Shares or the distribution of the Placing Shares; or
 - (vi) any material change in currency exchange rates or exchange controls or a disruption of settlement systems or a material disruption or general moratorium in commercial banking;
- as would, in the reasonable opinion of the Broker (acting in good faith) be likely to prejudice the success of the Transaction, then the Broker may by written notice to the Company terminate this agreement.
- 13.2 A notice of termination may be served in accordance with clause 19, or may be given orally (including by telephone) to any Director. If a notice of termination is given orally, the Broker (as the case may be) shall as soon as reasonably practicable deliver or send a notice in writing to the other parties in accordance with clause 19 confirming that the notice of termination was given, and specifying the time and date of the termination.
- 13.3 If this agreement is terminated pursuant to clause 13.1 or clause 2.4, the obligations of the Broker shall cease and no party shall have any claim against any other party to this agreement in respect of any act, matter or thing arising out of or in connection with this agreement for costs, damages, compensation or otherwise except that:
- 13.3.1 such termination shall be without prejudice to any accrued rights or obligations of any party under this agreement;

- 13.3.2 the Company shall pay to the Broker the costs, fees, charges and expenses in accordance with clause 9.1 as notified in the notice of termination;
- 13.3.3 the provisions of this clause 13.3 and clauses 1, 2.4, 10, 11, 12 and 16 to 25 (inclusive) shall remain in full force and effect notwithstanding such termination; and
- 13.3.4 each of the Company and the Broker shall as soon as reasonably practicable following such termination procure that any monies received by it from subscribers in connection with the Placing shall be repaid to them (at such subscribers' own risk).
- 13.4 Save in the event of fraud, this agreement shall not be capable of termination or rescission following Admission, and following Admission the only remedies available to an Indemnified Person for breach of Warranty or under the indemnity in clause 11 shall be an action in damages.

14. CONTINUING OBLIGATIONS

- 14.1 Each of the Directors undertakes to the Broker that (for so long as he shall continue to be a Director of the Company) he will:
 - 14.1.1 comply with the provisions of the Share Dealing Code;
 - 14.1.2 use his reasonable endeavours to procure (insofar as he is able) that the Company complies and acts in accordance with the FSMA, the Bribery Act 2010, the Applicable Rules, the requirements of Part V of the Criminal Justice Act 1993 and the Companies Act; and
 - 14.1.3 use his reasonable endeavours to procure (insofar as he is able) that the Company complies with the CREST Rules.
- 14.2 The Company undertakes that it shall use its reasonable endeavours to comply at all times with the UK Corporate Governance Code (in accordance with and to the extent stated in the Prospectus).
- 14.3 The Company and the Directors severally undertake to inform the Broker as soon as practicable upon becoming aware of any breach by the Company and/or any Director of the Applicable Rules.
- 14.4 The Company undertakes to the Broker to comply with all obligations imposed on companies whose shares are traded on the Main Market and each Director severally undertakes that for so long as he is a director of the Company he will do everything reasonably within his power as such to procure that the Company complies with such obligations.
- 14.5 The Company and each of the Directors severally undertake and agree that it will (at the Company's expense) execute and/or provide all such documents and do all such other acts and things as the Broker may reasonably request to enable the provisions of this agreement to be carried out and given full force and effect.
- 14.6 The Company covenants to use the net proceeds of the subscription of the Placing Shares in the manner stated in Part I of the Prospectus under the heading "Use of Proceeds".
- 14.7 Each of the Directors covenants with the Company and the Broker to comply with the obligations imposed upon or otherwise relating to the Directors in the Broker's Agreement.

15. DIRECTORS' COVENANTS

- 15.1 The Directors and the Company acknowledge that the Broker is entering into this agreement in reliance upon the execution and observance by each of the Directors of the service agreements and letters of appointment referred to in the Prospectus and accordingly the Company undertakes to the Broker that it will not before the earlier to occur of (i) the Company carrying out a reverse takeover (as defined in the Listing Rules) and (ii) the first anniversary of the date on which Admission occurs, without the prior written consent of the Broker (such consent not to be unreasonably withheld or delayed):

15.1.1 make any material amendment to any of such letters of appointment (other than normal and reasonable increases in benefits and remuneration or additional remuneration payable to a Director under any bonus or incentive scheme adopted by the Company); or

15.1.2 waive or release any Director from any provision of the relevant letter of appointment and it will do all such acts and things to enforce or preserve the rights of the Company under such letter of appointment (including without limitation the institution of legal proceedings) as shall be necessary to ensure compliance by the relevant Director.

15.2 Each of the Directors severally covenants with and undertakes to the Broker and, as a separate covenant, with and to the Company that, except as otherwise agreed (such agreement not to be unreasonably withheld or delayed) in writing by the Broker he will, unless prevented through illness or injury, at least until the first anniversary of Admission, observe the terms of his appointment as a director and the provisions of his letter of appointment and will not terminate the same.

16. ANNOUNCEMENTS

16.1 Except as otherwise expressly required under this agreement, by law, the Applicable Rules, the FCA (or any other competent body to which the Company is subject) or the Exchange, neither the Company, nor any Director shall make or despatch:

16.1.1 any public announcement or communication concerning the Company; and/or

16.1.2 any public announcement or communication in connection with the Transaction which is or may be material to the Transaction or the issue or sale of the Ordinary Shares, without the prior written consent (such consent not to be unreasonably withheld or delayed) of the Broker (as the case may be).

16.2 The Company and the Directors undertake to the Broker that they will at all times when the Broker is still the Company's broker, as soon as reasonably practicable consult with the Broker (as the case may be) in advance concerning any public announcement or document which the Company or any of its Subsidiaries from time to time proposes to make or publish if such announcement or document relates to the financial or trading position, affairs or prospects of the Company or any of its Subsidiaries from time to time, the dividend policy of the Company or to any acquisition, disposal, reorganisation, takeover or other significant matter affecting the Company or any of its Subsidiaries from time to time and obtain the prior written consent of the Broker (as the case may be) (such consent not to be unreasonably withheld or delayed) before making such an announcement or publishing such a document.

16.3 The Company undertakes to the Broker to make all such announcements concerning the Company and/or the Transaction as shall be necessary to comply with the Applicable Rules and the Broker reserves the right (following consultation with the Company) to make any such announcement if the Company fails (in the reasonable opinion of the Broker) to fulfil its obligations under this clause 16.3 as soon as reasonably practicable.

17. ASSIGNMENT

Except as provided otherwise in this agreement, no party may assign, or grant any Encumbrance or security interest over, any of its rights under this agreement or any document referred to in it.

18. VARIATION AND WAIVER

18.1 Any variation of this agreement shall be in writing and signed by or on behalf of the parties.

18.2 Any waiver of any right under this agreement is only effective if it is in writing and it applies only to the party to whom the waiver is addressed and to the circumstances for which it is given, and shall not prevent the party who has given the waiver from subsequently relying on the provision it has waived.

18.3 A party that waives a right in relation to one party, or takes or fails to take any action against that party, does not affect its rights in relation to any other party.

- 18.4 No failure to exercise or delay in exercising any right or remedy provided under this agreement or by law constitutes a waiver of such right or remedy or shall prevent any future exercise in whole or in part thereof.
- 18.5 No single or partial exercise of any right or remedy under this agreement shall preclude or restrict the further exercise of any such right or remedy.
- 18.6 Unless specifically provided otherwise, rights arising under this agreement are cumulative and do not exclude rights provided by law, and the indemnity in clause 11 and the Warranties shall be in addition to, and shall not be construed to limit, affect or prejudice, any other right or remedy available to any Indemnified Person.

19. NOTICE

- 19.1 A notice given under this agreement:
- 19.1.1 shall be in writing in the English language (or be accompanied by a properly prepared translation into English);
- 19.1.2 shall be sent for the attention of the person, and to the address specified in clause 19 (or such other address, fax number or person as each party may notify to the others in accordance with the provisions of clause 19); and
- 19.1.3 shall be:
- (a) delivered personally; or
 - (b) sent by e-mail; or
 - (c) sent by pre-paid first-class post or recorded delivery; or
 - (d) (if the notice is to be served by post outside the country from which it is sent) sent by international courier.
- 19.2 Any notice to be given to or by all the Directors under this agreement is deemed to have been properly given if it is given to or by the Directors' representative named in clause 19.3.3(a). Any notice required to be given to or by some only of the Directors shall be given to or by the Directors concerned (and in the case of a notice to the Directors) at their address as set out in Schedule 1.
- 19.3 The addresses for service of notice are:
- 19.3.1 Broker
- (a) Postal Address: 27 Clements Lane, London, EC4N 7AE,
 - (b) for the attention of: Kamran Hussain and Nicholas Wright,
 - (c) E-mail Address: kh@axcap247.com and nw@axcap247.com.
- 19.3.2 Company
- (a) Postal Address: its registered office from time to time
 - (b) for the attention of: John Regan
 - (c) E-mail Address: john@electricguitarplc.com
- 19.3.3 Directors' representative
- (a) Postal Address: the Company's registered office from time to time
 - (b) for the attention of: John Hutchinson
 - (c) E-mail Address: johnhutchinson@electricguitarplc.com
- 19.4 A notice is deemed to have been received:
- 19.4.1 if delivered personally, at the time of delivery; or
- 19.4.2 in the case of e-mail, at the time of transmission; or

- 19.4.3 in the case of pre-paid first-class post or recorded delivery, one Business Days from the date of posting; or
- 19.4.4 in the case of international courier, three Business Days from the date of posting; or
- 19.4.5 if deemed receipt under the previous paragraphs of clause 19.3.3(a) falls outside the business hours (meaning 9.00 am to 5.30 pm Monday to Friday (London time) on a day that is not a public holiday in the place of receipt), it shall be deferred until business hours resumes.

20. COUNTERPARTS

This agreement may be signed in any number of counterparts and by the parties on separate counterparts, each of which is an original, but all of which constitute one and the same instrument. Delivery of an executed counterpart signature page of this agreement by e-mail (PDF) or telecopy shall be as effective as delivery of a manually executed counterpart of this agreement. In relation to each counterpart, upon confirmation by or on behalf of the signatory that the signatory authorises the attachment of such counterpart signature page to the final text of this agreement, such counterpart signature page shall take effect together with such final text as a complete authoritative counterpart.

21. SURVIVAL OF THE AGREEMENT AND ENTIRE AGREEMENT

This agreement (other than obligations that have already been fully performed) remains in full force after the date of this agreement. This agreement and the documents referred to in it contain the entire and only agreement between the parties in relation to the arrangements contemplated by this agreement and supersedes all previous agreements, understandings or arrangements, whether written or oral, between the parties or any of them in relation to these arrangements (other than the Broker Agreement), which shall cease to have any further force or effect.

22. SUCCESSORS

The rights and obligations of the parties under this agreement shall continue for the benefit of, and shall be binding on, their respective successors and assigns.

23. THIRD PARTY RIGHTS

Except as expressly provided in this agreement, a person who is not a party to this agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any term of this agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act. This agreement may be amended, rescinded or terminated without the consent of any person upon whom rights are conferred by such Act.

24. TIME IS OF THE ESSENCE

Any time, date or period specified in this agreement may be extended by written agreement in accordance with clause 18 but, as regards any time, date or period originally fixed or so extended, time shall be of the essence.

25. GOVERNING LAW AND JURISDICTION

- 25.1 This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes and claims) shall be governed by and construed in accordance with the law of England and Wales.
- 25.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes and claims).

This agreement has been executed and delivered as a deed, and takes effect on the date stated at the beginning of it.

SCHEDULE 1**Part 1 – Directors**

Name and Address	Maximum Liability
John Christopher Hutchinson of Flat 9, 198 St John's Street, London EC1V 4JY	£13,333
John Patrick Regan of Sreakley Down, Shortfield Common Road, Frensham, Surrey, GU10 3EQ	£23,333
Luke McKeever of Hacquartstraat 2, 1071SH, Amsterdam, The Netherlands	£13,333

Part 2 – Locked-in Persons

Name	Address
John Regan	Sreakley Down, Shortfield Common Road, Frensham, Surrey, GU10 3EQ
Stephen Kent	13 James Weld Close. Southampton SO15 2SW
Brian Arthur Basham	Nashes Farmhouse, Catsfield Road, Crowhurst, Battle, East Sussex, TN33 9BU
John Hutchinson	Flat 9, 198 St John's Street, London EC1V 4JY
Luke McKeever	Hacquartstraat 2, 1071SH, Amsterdam, The Netherlands
Jason Batten	104 Marlow Bottom, Bucks, SL7 3PH
David Gordon Maclean	Huntroyde East, Simonstone, Burnley, BB12 7QL
Christopher Ringham	Les Varendes Cottage, Les Varendes, Castel, Guernsey GY5 7RG
Andrew Duckworth	Whins House, Sabden, Clitheroe BB7 9HP
Axis Capital Markets Limited	St Clements House, 27 Clements Lane, London, England, EC4N 7AE
Alexander David Securities Limited	49 Queen Victoria Street, London EC4N 4SA

Schedule 2

Documents to be delivered

Part 1 - Documents to be delivered to the Broker

1. A copy of the articles of association of the Company and all resolutions amending them.
2. The certificate of incorporation of the Company and any certificates on change of name and the certificate of re-registration of the Company.
3. Two copies of the Prospectus signed by or on behalf of the Directors.
4. Copies of the Checklists duly completed showing that the Prospectus complies with the Prospectus Rules and the Listing Rules.
5. A copy of the Pre-Admission Announcement. (To be delivered on the Business Day prior to the date on which the same is published.)
6. A signed copy of each of:
 - 6.1 The Working Capital Report.
 - 6.2 The letters from the Reporting Accountants confirming:
 - 6.2.1 their consent to their report and name appearing in the Prospectus in the form and content in which they appear;
 - 6.2.2 comfort on the pro forma statement of net assets;
 - 6.2.3 comfort on no significant change in the financial or trading position of the Company;
 - 6.2.4 comfort on the financial reporting procedures of the Company; and
 - 6.2.5 comfort on the accuracy of the UK taxation statements in the Prospectus.
7. The Verification Notes signed by each Director or his appointed attorney.
8. A signed copy of the resolutions of the board of Directors (or a duly established and authorised committee of the board of Directors):
 - 8.1 approving and authorising the execution of this agreement (to be delivered on the execution of this agreement.)
 - 8.2 approving and authorising all other required steps in connection with the Transaction; and
 - 8.3 conditionally allotting the Placing Shares and authorising the delivery of the form of certificate in Schedule 4.
9. A copy of the Resolutions.
10. Copies of the memoranda prepared by the Company's solicitors explaining the nature of the responsibilities and obligations of a director of a company whose shares or securities are traded on the Main Market.
11. A copy of the Registrars' Agreement.
12. A copy of any power of attorney executed by a Director in connection with the Transaction.

13. A copy of the statements signed by each Director and addressed to the Broker and the Company accepting responsibility for the information contained in the Prospectus.
14. A signed comfort letter, in the agreed form, addressed to the Reporting Accountants from the Company confirming that the working capital available to the Company is sufficient for the Company's present requirements.
15. A signed copy of each Director's service agreement or letter of appointment.
16. CREST application form in respect of the Ordinary Shares.
17. Letter from the Company addressed to Euroclear UK & Ireland confirming that all outstanding conditions (other than Admission) for entry of Ordinary Shares into CREST have been fulfilled.
18. A copy of each of the Lock-in Agreements duly executed by each of the parties thereto except the Broker.
19. A copy of the Company's Share Dealing Code (and, if applicable, employees' share dealing code).
20. A copy of each of the duly completed Director's questionnaires.
21. The form of definitive share certificate (if any) for the Ordinary Shares.

Part 2 - Documents to be delivered to the FCA

Documents

1. Prospectus with margin annotations
2. Checklists
3. Form A
4. Issuer's Contact Details Form
5. Publication Form
6. Written request to authorise omission of information (if applicable)
7. Cross reference List (if applicable)
8. Non-applicability letter (if applicable)
9. Letter re eligibility
10. Application for Admission
11. Confirmation re number of shares to be allotted/
admitted
12. Shareholder statement
13. Pricing Statement
14. Fee accompany Form A
15. Fee accompany Application

Part 3 - Documents to be delivered to the Exchange

Documents

1. Form 1
2. Prospectus
3. Announcement relating to admission
4. Confirmation re number of shares to be admitted/allotted
5. Statement of number of shares which were issued
6. Fees

SCHEDULE 3

Warranties

1. Placing Documents and other information.

- 1.1 The Prospectus contains all particulars and information required by, and complies in all respects with, the applicable provisions of the Listing Rules, the Prospectus Rules, FSMA, the Companies Act and all other relevant and applicable laws and regulations in the United Kingdom.
- 1.2 All statements of fact contained in the Prospectus are true and accurate in all material respects and not misleading and each expression of opinion, intention or expectation of the Company and/or the Directors contained in the Prospectus is made on reasonable grounds and is truly and honestly held by the Directors and has been made after due and careful consideration and enquiry.
- 1.3 The Prospectus contains all information with regard to the Company which the Company reasonably considered necessary to enable investors to form a full understanding of the assets and liabilities, financial position, profits and losses and prospects of the Company and its Ordinary Shares and the rights attaching to the Ordinary Shares and any other matter contained in the Prospectus.
- 1.4 There is no fact or information which is not disclosed in the Prospectus with regard to the Company, the omission of which makes any statement of fact or any estimate, expression of opinion, intention or expectation of the Company and/or the Directors contained in the Placing Documents untrue, inaccurate or misleading in any material respect or which is material for disclosure in the Prospectus.
- 1.5 The statement relating to working capital in the Prospectus represents the true and honest opinion of the Directors arrived at after due and careful enquiry.
- 1.6 The section headed “The Placing”, and “Use of Proceeds”, contained in the Prospectus, accurately represent the true and honest belief of the Directors arrived at after due and careful enquiry.
- 1.7 All relevant details concerning the Directors, including their respective business histories, qualifications and experience and their respective interest (if any) in the share capital of the Company and in contracts and arrangements with the Company are fairly and accurately described in the Prospectus.
- 1.8 If any Supplementary Prospectus is published, the Prospectus, together with the Supplementary Prospectus, will contain all such information which the Company reasonably considers necessary to enable investors to form a full understanding of the assets and liabilities, financial position, profits and losses and prospects of the Company and of the rights attaching to the Ordinary Shares and any other matter contained in the Prospectus.

2. Financial information and working capital

- 2.1 The Working Capital Report has been approved by each Director and has been prepared after due and careful enquiry on the bases and assumptions stated in it which each Director believes to be fair and reasonable. There are no other assumptions which ought reasonably to have been taken into account and there are no facts known or which could on reasonable enquiry have been known to the Company or the Directors which have not been taken into account in the preparation of the Working Capital Report.
- 2.2 All information requested from the Company by the Reporting Accountants or by the Broker for the purpose of reviewing the working capital requirements of the Company was when supplied true and accurate in all material respects.
- 2.3 All material information requested from the Company by the Reporting accountants for the purposes of the Accountants’ Report has been supplied to them and the statements of fact in such report are true and accurate in all material respects and are not misleading in any material respect and no material fact or matter has been omitted which would cause any of the information therein to be false or misleading.

2.4 The Accountants' Report is true and accurate in all material respects and is not misleading and gives a true and fair view of the profits and losses and cash flows for each of the financial periods covered by the report and of the state of affairs of the Company as at the end of the financial period.

2.5 The financial information set out in Part VI of the Prospectus gives a true and fair view of the assets and liabilities and the state of affairs of the Company as at the relevant balance sheet date.

3. Incorporation

3.1 The Company has been duly incorporated and has all requisite power and authority to carry on its business as described in the Prospectus.

3.2 Neither the Company nor any of its officers has committed or is liable for any criminal, illegal, unlawful or unauthorised act or breach of any obligation or duty (whether imposed pursuant to statute, contract, its articles of association or otherwise) which is reasonably likely to lead to any material future liability or punishment of the Company, and no claim that any such officer or company has committed any such act or breach, or is liable, remains outstanding.

3.3 All returns, particulars, resolutions and other documents required by law to be filed with or delivered to Companies House or any other governmental or regulatory authority have been properly and correctly made up and duly filed or delivered by or on behalf of the Company.

4. Shares

4.1 Save as disclosed in the Prospectus, no right has been granted to any person to require the Company to issue any share capital.

4.2 All the Ordinary Shares are fully paid up and no Ordinary Shares have been issued at a discount to its nominal value.

5. Verification

5.1 All material information requested by the Company's solicitors from the Company for the purposes of the Verification Notes has been approved by each of the Directors and so far as each of the Warrantors is aware, is true and accurate in all material respects and not misleading in any material respect.

5.2 All replies to the Verification Notes attributed to the Directors and any supporting documents prepared by or on behalf of the Directors or the Company have been given or prepared in good faith and with due care and attention.

5.3 All replies in the Verification Notes not given by the Directors and any supporting documents not prepared by or on behalf of the Directors or the Company have been given or prepared by persons having appropriate knowledge and responsibility to enable them properly to provide such replies or prepare such supporting documents.

5.4 The statements of opinion attributed to the Directors contained in the replies to the Verification Notes are fair and reasonable, and honestly held by the Directors.

5.5 There are no other facts which are known or which ought reasonably to be known to any of the Directors which materially affect the accuracy or completeness of any of the replies contained in the Verification Notes.

5.6 All information requested from the Company by the Company's solicitors for the purposes of the Transaction has been supplied to them and was when supplied true and accurate in all material respects.

6. Placing

6.1 The Company and the Directors have the requisite power under the Memorandum and Articles of Association and pursuant to resolutions passed in general meeting to allot and issue the Placing Shares in accordance with this agreement and the Placing Documents and to pay the fees provided for in this agreement and perform and

complete all other arrangements in connection with the Placing as contemplated by this agreement without further sanction or consent from the members of the Company or otherwise.

6.2 The publication and despatch of the Placing Documents will be in accordance with FSMA, the Listing Rules, the Prospectus Rules (where relevant), the Companies Act, the rules and regulations of the Exchange and the FCA and all other applicable laws and regulations.

6.3 No contract or arrangement to which the Company is a party or by which its property or assets is bound will be determined or adversely affected or breached by reason of the allotment and issue of the Placing Shares, or Placing, and none of such allotment or issue will infringe the laws or regulations of any jurisdiction in which the issue is made.

7. Material contracts

7.1 Save as disclosed in the Prospectus, no contract or commitment otherwise than in the ordinary course of business has been entered into which should be disclosed to an intending subscriber for or purchaser of any of the Placing Shares in the context of his or her making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company and the Ordinary Shares and the rights attaching to the Ordinary Shares.

7.2 So far as the Warrantors are aware (i) there are no current grounds for rescission, avoidance or repudiation of any material agreement or other transaction to which the Company is a party and (ii) none of such agreements or other transactions is invalid and the Company has not received notice of any intention to terminate any such agreement or repudiate or avoid any such transaction which would require disclosure in the Prospectus.

7.3 The Company has not received notice to repay under any agreement relating to borrowing or indebtedness in the nature of borrowing on the part of the Company which is repayable on demand and no circumstances have arisen or, so far as the Directors are aware, are about to arise such that any person is, or would with the giving of notice and/or lapse of time become, entitled to demand payment of any indebtedness in respect of borrowed monies of the Company or of any indebtedness in the nature of borrowing of the Company or to accelerate payment before its stated maturity, in each case which is material in the context of the Placing.

7.4 The Company is not a party to any restrictive trading or other agreement or arrangement which in any way infringes, or which has or should have been registered or notified under UK competition laws or any other applicable anti trust or anti monopoly legislation.

7.5 Save as disclosed in the Prospectus, the Company is not actually or contingently liable as an original contracting party to or as guarantor of any party to, or otherwise contractually liable in respect of, any lease or leasehold property or licence connected with any such lease or leasehold property.

7.6 The Company has not entered into nor has it any liability under any guarantee, indemnity or other agreement to secure an obligation of a third party under which any liability or contingent liability is outstanding.

7.7 Nothing has occurred and to the best of the Warrantor's knowledge and belief, nothing is about to occur which constitutes or would constitute a default or breach of any obligation under any material agreement, undertaking or arrangement to which the Company is a party.

8. Litigation

Save as disclosed in the Prospectus, neither the Company nor, so far as the Warrantors are aware, any person for whose acts or defaults the Company may be vicariously liable is involved (or has during the 12 months before the date of this agreement been involved) or will immediately following Admission be involved in any civil, criminal, arbitration, administrative or other proceeding, nor are any such proceedings pending or threatened by or against the Company or, so far as the Warrantors are aware, any person for whose acts or defaults the Company may be vicariously liable, nor, other than as disclosed in the Prospectus has the Company received notice of any fact or circumstance which might reasonably be expected to give rise to such proceedings involving the Company or any person for whose acts or defaults the Company may be vicariously liable which, in any such case, may have or have had, since the Company's incorporation, a material effect on the business or financial position of the Company.

9. Insolvency and winding up

- 9.1 The Company is not insolvent or unable to pay its debts within the meaning of the Insolvency Act 1986 or any other insolvency legislation applicable and has not stopped paying its debts as they fall due.
- 9.2 In relation to the Company, no administrator, receiver or administrative receiver has been appointed over the business and assets of the Company (or any part thereof), no documents have been filed with the court for the appointment of an administrator, receiver or administrative receiver and no notice of an intention to appoint an administrator, receiver or administrative receiver has been given by the Company or its Directors.
- 9.3 No order has been made or petition presented or resolution passed for the winding up of the Company or for the appointment of a provisional liquidator to the Company.

SCHEDULE 4

Form of Warranty Certificate

[Letterhead of the Company]

To: Axis Capital Markets Limited
27 Clements Lane
London
EC4N 7AE

Admission and Proposed Placing (the “Placing”)

We refer to the Placing Agreement dated [•] [•] 2021 in which a draft of this letter appears as Schedule 4 (the “**Placing Agreement**”). Words and expressions defined in the Placing Agreement have the same meanings herein. We agree that this certificate shall be deemed to be delivered immediately prior to Admission.

We confirm that:

- i. The FCA has agreed to admit the Placing Shares to the Official List;
- ii. The Exchange has agreed to admit the Placing Shares to trading on the Main Market;
- iii. Save as previously notified pursuant the Placing Agreement, none of the Warranties or undertakings referred to the Placing Agreement has been breached or was untrue, inaccurate or misleading when made and none of such Warranties or undertakings would be breached or be untrue, inaccurate or misleading were it to be repeated by reference to the facts and circumstances subsisting as at immediately prior to Admission;
- iv. Subject to Admission occurring at 8 a.m. on [•] [•] 2021 (or such later time and/or date as you and the Company may agree in writing (being not later than 4pm on the Long Stop Date)), the Company has satisfied all conditions required to be satisfied by it under clause 2 of the Placing Agreement; and
- v. No order, ruling or determination having the effect of preventing or suspending trading in any securities of the Company or prohibiting the issue, offer or allotment of the Placing Shares or any of the Company’s issued securities has been issued and no proceeding for such purpose is, to our knowledge, pending or threatened.

Yours faithfully

Director, for and on behalf of

ELECTRIC GUITAR PLC and each of the Directors

John Regan

SIGNED as a **Deed** by
on behalf of **ELECTRIC GUITAR PLC** in the presence
of:

.....
[Redacted Signature]

Director

Witness signature

.....
[Redacted Signature]

Witness name

.....
[Redacted Name]

Witness address

.....
[Redacted Address]

Richard Hutchinson

SIGNED as a **Deed** by
on behalf of **AXIS CAPITAL MARKETS LIMITED** in the
presence of:

.....
[Redacted Signature]

Director

Witness signature

.....
[Redacted Signature]

Witness name

[Redacted Name]

Witness address

[Redacted Address]

SIGNED as a **DEED** by **JOHN CHRISTOPHER HUTCHINSON**
in the presence of:

Signature

Witness signature

.....

Witness name

Witness address

SIGNED as a **DEED** by **JOHN PATRICK REGAN**
in the presence of:

Signature

Witness signature

.....

Witness name

Witness address

SIGNED as a **DEED** by **LUKE MCKEEVER**
in the presence of:

Signature

Witness signature

Witness name

Witness address