

Strictly Private & Confidential

The Directors
Electric Guitar Ltd
The Anchorage
34 Bridge Street Reading
RG1 2LU

23 April 2021

For the attention of: John Regan

Dear Sir,

Alexander David Securities Limited
LSE Standard Listing - Engagement Letter
LSE Standard Segment IPO

1. Engagement

- 1.1. This engagement letter (the "**Engagement Letter**") sets out the terms on which Alexander David Securities Limited, referred to herein as "**Alexander David**" have agreed to provide corporate finance services to Electric Guitar Ltd (proposed to be re-registered as a public company) (the "**Company**") in relation to the Company's proposed placing to raise approximately £1 million (the "**Placing**") and the proposed admission ("**Admission**") of the entire issued and to be issued share capital of the Company to trading on standard segment of the main market of the London Stock Exchange plc (the "**Transaction**" and our appointment in respect of the Transaction is the "**Engagement**"). The proposed exchange is the Standard Segment of the main market of the London Stock Exchange ("**LSE**"). Such appointment will be upon the terms and conditions set out in this Engagement Letter.
- 1.2. "Alexander David" means Alexander David Securities Limited and its subsidiary and associated undertakings and its fellow group undertakings (as defined respectively in section 258 and paragraph 20(1) of Schedule 4A of the Companies Act 1985), together with any subsidiary or associated undertakings of any such undertaking. In providing services to you, Alexander David Securities Limited shall be entitled to draw upon the resources of other members of the Alexander David group.
- 1.3. You acknowledge that our appointment is as adviser under this Engagement Letter. You agree not to engage any other person in any role to which we have been appointed during the term of our appointment under the Engagement Letter without our prior written consent.
- 1.4. Alexander David's role will be primarily, but not limited to corporate finance services to the Company and to provide advice to you in relation to the Transaction including without limitation:
 - (a) advising on the timing, structure and terms of the Transaction;
 - (b) advising on corporate and board structure;
 - (c) provide such other advisory services as are customarily provided in connection of any of the transactions contemplated in this Engagement letter, as requested and mutually agreed;

- (d) agreeing with you and your legal advisers any other advisers that may be necessary for the Transaction, determining their terms of reference and, following appointment of such advisers, assisting you in co-ordinating their respective activities;
- (e) advise on the application of and compliance with the Prospectus, Disclosure and Transparency and Listing Rules;
- (f) in conjunction with you and any other advisers, arranging for the preparation of appropriate documents both contractual and otherwise (including the LSE application for admission and prospectus) required for the Transaction;
- (g) co-ordinating and managing the presentation of the Transaction to any prospective investors;
- (h) liaising with the Company and FCA and the LSE regarding the continuing obligations the Company has to the FCA and the LSE; and
- (i) assisting with the preparation of an eligibility letter and its submission to the UKLA;
- (j) any submissions to or dialogue with the UKLA;
- (k) preparing and updating a timetable;
- (l) preparing all announcements required for the Transaction (including any leak announcement);
- (m) leading on the drafting and the processing of any changes to the prospectus (noting that your lawyers' role with regard to the prospectus will be restricted to (i) assisting with the drafting of the 'additional information' section of the prospectus by populating and editing a template version prepared by Alexander David; (ii) reviewing and providing high level comments on the 'front-end' of the prospectus and the 'risk factors' section of the prospectus (both to be drafted by Alexander David) and (iii) verification); and
- (n) preparing all checklists required by the UKLA to ensure the prospectus is compliant.

2 Fees and Expenses

2.1. In consideration of Alexander David's agreement to provide the Services under this Engagement Letter the Company agrees to pay Alexander David the following:

- (i) An Engagement Fee (the "**Engagement Fee**") of £20,000 payable upon signing of this Engagement Letter;
- (ii) A Submission Fee (the "**Submission Fee**") of £5,000 payable on submission of the prospectus to the UKLA; and
- (iii) A Success Fee (the "**Success Fee**") of £20,000 payable upon Admission.
- (iv) Grant, subject to the necessary approvals and authorities being in place the following:
 - i. at the same time as the Company's founders subscribe for their initial ordinary shares in the Company, to allot and issue to Alexander David ordinary shares ("**Founder Shares**") in such number as will give Alexander David, at such time, a 2% stake in the Company. The Founder Shares issued to Alexander David

will be acquired at the same price and otherwise on the same terms and will rank pari passu with the other ordinary shares issued to the Company's founders. Axis acknowledges and agrees that it will not be entitled to sell or otherwise dispose of the Founder Shares until such time as the Company has completed its first acquisition (in accordance with its investment strategy) following Admission. To give effect to the foregoing Axis will, prior to Admission, enter into a formal lock-in undertaking in respect of the Founder Shares in such form as may reasonably be requested by the Company;

- ii. conditional upon Admission occurring, to grant to Axis a warrant to subscribe for such number of ordinary shares in the Company as is equal to 1% of the Company's issued ordinary share capital on Admission, exercisable at the price at which shares are acquired in the Placing at any time during the 3 years after John Regan and the other founders of the Company cease to be subject to lock-in undertakings in respect of their initial founder shareholdings.

- 2.2. The Company shall reimburse all reasonable expenses properly incurred by Alexander David in connection with the provision of the services hereunder and VAT will be levied where applicable). Expenses in excess of £500 will be cleared with the Company before being committed to.
- 2.3. Any services other than those specified in this Engagement Letter which are provided by Alexander David to the Company shall be invoiced separately on terms to be agreed between Alexander David and the Company.
- 2.4. If payment of fees is not received by Alexander David within three months from the original invoice date the fees shall be considered overdue and a penalty of 5% of the amount outstanding (compounded on a monthly basis and calculated from the date of the original invoice) shall be added to the amount payable by the Company to Alexander David. Once the amount due to Alexander David becomes overdue, Alexander David shall reserve the right to institute any necessary legal proceedings to recover any outstanding unpaid amounts. The fees for such proceedings will be borne by the Company.
- 2.5. Any termination of this Engagement Letter by the Company notwithstanding, if the Transaction does not complete by reason of any decision by the Company to pursue this or any similar transaction on an alternative exchange to the one specified in clause 1.1 and the Company's shares are subsequently admitted to trading on such alternative exchange at any time during the subsistence of this Engagement Letter or within twelve months of the termination of this Engagement Letter by the Company (save where such termination is as a result of material breach of our obligations under this Engagement Letter or due to our willful default, fraud or negligence), the Success Fee shall be payable to Alexander David.

3. Provision of Information

- 3.1. You will provide Alexander David with all material information in your possession from time to time and relevant to Alexander David for the purposes of the Engagement and will ensure that such information is true and accurate in all material respects and not misleading in any material respect. You confirm that you have the right to supply such information to us and that the supply of such information by you and its receipt and use by us for the purposes of the Engagement is permitted. Any advice we give you will be given on the basis that all information provided to or obtained by us is true and accurate in all material respects and

not misleading in any material respect and will assume that we have been notified of all developments relevant to us for the purposes of the Engagement.

- 3.2. You will keep Alexander David fully informed of all material strategies, developments and discussions relevant to the Engagement and no relevant initiatives will be taken without prior consultation with Alexander David.

4. Indemnity

- 4.1. In consideration of Alexander David entering into the Engagement, you agree to enter into the indemnity set out in Schedule 3 and to perform your obligations set out in Schedule 2 enclosed with this letter (the "**Indemnity**"). The Indemnity shall be without prejudice to any other rights or remedies Alexander David may have under this letter or otherwise and will survive the termination or expiry of this letter.

5. The Rules and other applicable laws and regulations

- 5.1. All services provided by Alexander David are subject to the rules and regulations made by the Financial Conduct Authority ("**FCA**") under the authorities conferred upon it by the Financial Services and Markets Act 2000 ("**FSMA**") (the "**Rules**") and constitute corporate finance business (as defined in the Rules). In providing services to you, Alexander David is proposing to categorise you as a retail client within the meaning of the Rules.
- 5.2. You will comply with, and will ensure that your subsidiaries, affiliates and your and their respective directors, officers and employees comply with, all applicable laws and regulations in the UK and relevant overseas jurisdictions in relation to the Engagement, including in respect of any announcements made or documents published in connection with it.

6. Communications

- 6.1. All public announcements made or documents published by you or on your behalf in relation to the Engagement will only be made or published with the consent of Alexander David.
- 6.2. Except where required by law or the Rules, Alexander David shall not be responsible for ensuring the truth, accuracy, completeness or fairness of any announcement, report, document, statement, press release or other communication of any nature made by or on behalf of you in connection with the Engagement (a "**Communication**") (including any such Communication which Alexander David has communicated on your behalf or approved for the purposes of FSMA (a "**Relevant Communication**"). Without prejudice to clause 3, you warrant that any information contained in any Relevant Communication that is provided by you or provided to us in relation to our approval thereof will be true and accurate in all material respects and not misleading (whether by omission or otherwise) in any material respect.
- 6.3. Any approval of a Relevant Communication given by Alexander David for the purposes of FSMA pursuant to the Engagement shall be given on the basis that such Relevant Communication may be published and distributed for the purposes of any transaction and is qualified to that extent. You agree to procure that each Relevant Communication is published and distributed only in accordance with the terms of Alexander David's approval and that all qualifications to such approval are complied with.
- 6.4. If any Communication is made without Alexander David's consent, or if Alexander David subsequently becomes aware of information which in its opinion renders such Communication untrue, inaccurate, misleading or non-compliant in any respect with the

Rules, you agree that Alexander David shall be entitled to withdraw any approval it may have given in respect of such Communication and to publish any documents or communications as it thinks fit in Alexander David's interest without reference to you. In addition, where any such Communication is a Relevant Communication, you will at Alexander David's request:-

- a) cease to communicate such Relevant Communication and take all necessary steps to withdraw such Relevant Communication from circulation; and
- b) use reasonable endeavours to notify any person known to be relying on the Relevant Communication of the circumstances rendering the Relevant Communication untrue, inaccurate, misleading or non-compliant with the Rules.

6.5. Except as required by law, neither any advice given by Alexander David pursuant to this Engagement nor Alexander David's name may be quoted or referred to in any report, document, statement, press release or other communication without Alexander David's prior written authorisation. Alexander David shall have the right to publish its involvement.

7. Termination

7.1. Subject to paragraph 1.1, this Engagement shall continue until either party gives at least three months' notice of termination in writing to the other. Termination of the Engagement shall be without prejudice to any rights accrued and/or obligations incurred by either party prior to such time or the provisions of clauses 4 and 8 to 9. We shall also remain entitled to any fees accrued pursuant to clause 2 but not yet paid prior to such termination and to the reimbursement of costs and expenses (plus VAT) incurred prior to such termination in accordance with clause 2. In addition, in the case of termination by you, the provisions of clause 2.5 shall apply.

4. Continuing Application

4.1. Notwithstanding the termination or expiry of the Engagement, if we subsequently provide any financial advice to you in respect of any matter not covered by the Engagement and in respect of which we have not agreed with you a separate letter of engagement, such advice will be deemed to have been given on the basis of this Engagement letter and the Indemnity, save that the amount of any fee payable by you in respect thereof shall be such as is agreed between us to be an appropriate level of remuneration having regard to the amount of work carried out by us in relation thereto.

9. General

9.1. All sums payable by you under this letter shall be paid free of all deductions or withholdings unless the deduction or withholding is required by law, in which event you shall pay such additional amount as shall be required to ensure that the net amount received by the payee hereunder will equal the full amount which would have been received by it had no such deduction or withholding been required to be made.

9.2. All sums quoted are exclusive of any VAT (or any equivalent turnover tax in any other jurisdiction) and you will pay to us any additional VAT (or any equivalent turnover tax in any other jurisdiction) chargeable in respect of payments made to us or otherwise chargeable in respect of the Engagement.

9.3. Without prejudice to any general principles of law:

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- a) the advice given pursuant to this letter may only be used by you and for the purposes of the Engagement, and Alexander David owns and will retain ownership of all intellectual and other proprietary rights in relation to its advice. Further, all correspondence and other documents (including those in electronic form) produced or generated by Alexander David relating to the Engagement or the subject matter of the Engagement (*Alexander David Material*) (other than the versions of such documentation provided to you in the course of the Engagement) shall be Alexander David's sole property; and
 - b) Alexander David shall be entitled to retain one copy of any documents including those in electronic form provided to Alexander David in connection with the Engagement and of Alexander David Material for regulatory or internal record-keeping purposes.
- 9.4. Alexander David will not be responsible for providing you with or obtaining or reviewing on your behalf any specialist advice, for the avoidance of doubt including but not limited to legal, tax, accounting, actuarial, environmental or information technology advice. Alexander David will not be responsible for the verification of any circular, prospectus, or other public document produced by or on the Company's behalf nor for any due diligence in relation to any transaction.
- 9.5. This letter does not oblige Alexander David to use reasonable endeavours to sell, acquire or place any investments. Such an obligation will only arise upon execution of a mutually acceptable placing agreement (which is expected to contain normal provisions including force majeure, warranties and indemnities) to be prepared and negotiated in separately.
- 9.6. Alexander David's fulfilment of its obligations under the Engagement shall always be subject to:
- a) satisfactory completion of such due diligence as Alexander David in its absolute discretion considers appropriate;
 - b) completion of documentation satisfactory to Alexander David including a prospectus and placing agreement;
 - c) receipt of legal and regulatory opinions (if required) in a form satisfactory to Alexander David, if applicable; and
 - d) all applicable Alexander David internal and regulatory approvals;
- 9.7 Subject to the terms and conditions, Alexander David may process data relating to you and your employees and directors and may send it to any of its advisers within or outside the UK.
- 9.8 By signing this letter, you acknowledge that your board has approved the terms of this letter and has confirmed that it is being entered into in good faith and in your best interests. Any modifications or variations to this letter must be in writing and signed by an authorised representative of each party.
- 9.9 This letter shall be governed by and construed in accordance with English law. The parties agree that the Courts of England will have non-exclusive jurisdiction to settle any dispute (contractual or otherwise) which may arise in connection with this letter.

Please indicate your agreement to the foregoing by signing and returning the enclosed duplicate of this letter.

Yours faithfully

Signed by David Scott for and on behalf of
Alexander David Securities Limited
CEO

We agree to the foregoing

for and on behalf of Electric Guitar Ltd

Date 25th April 2021

1.1 Alexander David shall not be responsible for providing specialist advice in any circumstances where the Company has agreed to provide, or would usually provide, such advice from others (for example, accounting, engineering, legal, pensions or taxation matters) and Alexander David shall not be liable in relation to any advice or services provided to the Company by persons other than Alexander David.

1.2 Alexander David shall be deemed to believe that any information and/or information given is purported to be given by an individual or person who is or purports to be one is reasonably believed to be Alexander David or to be a director, duly authorised employee or authorised agent of the Company, who has properly authorised by the Company.

1.3 Each of Alexander David and the Company shall act towards each other in good faith during the term of the Engagement Letter.

2. Exchange of Information

2.1 The Company agrees to provide Alexander David with all material information in its possession relevant to the Engagement.

2.2 Any advice we give you will be given on the basis that all information provided to us is obtained by us from you in the most extensive in all material respects, and not misleading and we will assume that we have been notified of all developments relevant to us for the purposes of the Engagement.

2.3 You will keep Alexander David fully informed of all material strategies, developments and decisions relevant to the Engagement and an efficient interview will be taken without prior consultation with Alexander David.

2.4 We confirm that you have the right to supply such information to us and that the supply of such information by you and its receipt and use by us for the purposes of the Engagement is permitted. Alexander David will rely on the accuracy of such information. Any information made available to Alexander David or the third parties or who may be involved in information that the Company is legally entitled to provide for the purposes for which it is provided to be used for without constituting a breach of any obligation owed to the Company or a third party or otherwise infringing any legal, regulatory or equitable rights of any third party whatsoever and that it is true and accurate in all material respects and not misleading in any material

Schedule 1

TERMS AND CONDITIONS

1. Application

- 1.1 These Terms and Conditions apply to the Services, which Alexander David, together with its subcontractors and agents, will provide to the Company, pursuant to the Engagement Letter to which these Terms and Conditions are attached, and into which they are incorporated by reference.

2. Authorities

- 2.1 Alexander David is authorised by the Company to do anything which, in Alexander David's opinion, is reasonably necessary either to carry out the Services contemplated in the Engagement Letter (including acting as the Company's agent or through agents) or to act in accordance with any applicable laws, rules, regulations, authorisations, consents or practice as may reasonably be appropriate. The Company agrees that it shall approve and confirm everything lawfully done by Alexander David in the exercise of such discretion.
- 2.2 Alexander David shall not be responsible for providing specialist advice in any circumstances where the Company has agreed to procure, or would usually procure, such advice from others (for example, accounting, regulatory, legal, pensions or taxation matters) and Alexander David shall not be liable in relation to any advice or services provided to the Company by persons other than Alexander David.
- 2.3 Alexander David shall be entitled to believe that any information and/or instructions given or purported to be given by an individual or person who is or purports to be and is reasonably believed by Alexander David to be a director, duly authorised employee or authorised agent of the Company have been properly authorised by the Company.
- 2.4 Each of Alexander David and the Company shall act towards each other in good faith during the term of the Engagement Letter.

3. Provision of information

- 3.1 The Company agrees to provide Alexander David with all material information in its possession relevant to the Engagement.
- 3.2 Any advice we give you will be given on the basis that all information provided to or obtained by us from you is true and accurate in all material respects and not misleading and we will assume that we have been notified of all developments relevant to us for the purposes of the Engagement.
- 3.3 You will keep Alexander David fully informed of all material strategies, developments and discussions relevant to the Engagement and no relevant initiatives will be taken without prior consultation with Alexander David.
- 3.4 You confirm that you have the right to supply such information to us and that the supply of such information by you and its receipt and use by us for the purposes of the Engagement is permitted. Alexander David will rely on the Company to ensure that any information made available to Alexander David and/or third parties or otherwise published is information that the Company is legally entitled to provide for the purpose for which it is intended to be used and without committing a breach of any obligation owed by the Company to a third person or otherwise infringing any legal, regulatory or equitable rights of any third parties whatsoever and that it is true and accurate in all material respects and not misleading in any material

respect (by omission or otherwise). If the Company subsequently becomes aware that any such information is not correct or is inaccurate or misleading it will notify Alexander David as soon as is reasonably practicable.

3.5 If Alexander David is asked by the Company to approve or to issue on its behalf any document, information, public announcement or other material which constitutes or might constitute a financial promotion under section 21 of the Financial Services and Markets Act 2000, then should it agree to act, Alexander David shall consider such material and may in its discretion (but without any obligation on Alexander David to grant any such approval):

- a) require further information from the Company so that Alexander David may approve any document;
- b) acting reasonably, require the Company to make such modifications or amendments as Alexander David considers necessary or desirable before it will approve or issue the material;
- c) require the Company to cease to distribute any document, information or other material in relation to the marketing of its shares if at any time Alexander David becomes aware of information which in its reasonable opinion renders the document or material untrue, inaccurate or misleading in any material respect; and/or
- d) require the Company to confirm in writing that, so far as the Company is aware having made all reasonable enquiries, the contents of every document or public announcement are not false or misleading.

3.6 The Company will be fully responsible for the preparation and contents of any such document or material and for any reasonable costs properly incurred by Alexander David in considering, approving or issuing any such document or material.

3.7 Alexander David shall be entitled to assume that matters, which may be material for disclosure or otherwise in the context of the Engagement Letter, will be brought to its attention and, furthermore, it will only provide its Services on the basis of information disclosed to it.

4. Use of material

4.1 Any reports or papers produced by Alexander David for the Company, in either draft or final form, will be exclusively for the use of the Company and its professional advisers and will not be available for distribution to other persons unless otherwise agreed in writing by Alexander David.

4.2 Any advice provided by Alexander David is solely for the purpose of the transaction. It cannot be used for any other purpose, or disclosed to any person other than the client's professional advisers.

4.3 Notwithstanding any consent granted by Alexander David, it shall not under any circumstances have any responsibility whatsoever to any third party to which any advice or report is disclosed or otherwise provided. No reference to Alexander David or to its advice is to be made in any publication made by the Company or any holding company of the Company or by any subsidiary or associated company of any such holding company or on their behalf, without the prior written consent of Alexander David unless such reference is required by any legal or regulatory obligation. All correspondence and papers in Alexander David's possession or control relating to this Engagement Letter or the subject matter of this Engagement Letter shall be the sole property of Alexander David, save for original contracts, share certificates and other original documents held to the Company's order.

5. Confidentiality

5.1 Alexander David agrees not to use any information obtained from the Company for any unlawful purpose and to keep confidential and not to disclose any material non-public information to any person, except that:

- a) Alexander David may disclose any information which becomes publicly available other than by reason of wrongful disclosure by Alexander David;
- b) Alexander David may disclose any information which it reasonably concludes is or may be necessary or desirable to be disclosed by law or rule or regulation or pursuant to any court or administrative order or ruling or in any pending legal or administrative proceeding or investigation or which is requested by a regulatory authority (including without limitation ICAP Securities & Derivatives Exchange Limited, the UK Financial Conduct Authority, the UK Listing Authority, any recognised or designated stock exchange or the Panel on Takeovers and Mergers). You consent to such disclosure and authorise Alexander David to co-operate with and/or report to such authorities and investment exchanges. You agree that our duties to you will not restrict our freedom to take all steps which we consider to be necessary to comply with the laws and regulations applicable to Alexander David. The undertakings set out in this paragraph will survive termination or expiry of this Engagement for a period of two years; and
- c) Alexander David may disclose any information to its employees, agents, legal and other professional advisers and, with the consent of the Company, to any other person that Alexander David considers necessary or desirable in order to perform any of the Services contemplated in the Engagement Letter. The Company acknowledges that it will not unreasonably withhold or delay such consent.

5.2 Both parties shall where appropriate agree procedures to ensure that any information disclosed by one to the other is kept confidential and both parties shall comply with such procedures. The parties agree that such procedures may include communication by electronic means and accept that neither party will be liable to the other for any loss or damage arising from the use of any particular form of communication, whether electronic or otherwise.

5.3 You also agree that the receipt of confidential information by Alexander David in relation to the Engagement will not, at any time during or after the Engagement, prevent Alexander David acting for any person whose interest's conflict, or may conflict, with yours or any affiliate of yours.

5.4 All written or oral advice given by Alexander David in connection with the Engagement is confidential and exclusively for the use of your board of directors and may not be used or relied on for any other purpose or disclosed to any third party (other than your advisers) or circulated or referred to or published by you without the prior written consent of Alexander David.

6. The Alexander David group

6.1 This Engagement Letter is being undertaken by Alexander David, which in turn has other subsidiaries and affiliated companies (together the "Alexander David group"). Alexander David's rights and obligations under this Engagement Letter may be assigned or transferred to any member of the Alexander David group so long as they give written notice of such transfer or assignment to the Company. If any such transfer or assignment takes place, and in consideration of Alexander David procuring an undertaking from such transferee/assignee to be bound by the terms of this Engagement Letter, the Company will re-execute this

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Engagement Letter if required to do so by Alexander David and the Company hereby irrevocably appoints Alexander David as its agent for such purpose.

7. Relationship Parties

- 7.1 Alexander David may from time to time notify you of, or introduce you or refer you to, third party entities with whom we have a referral arrangement or in which we have an interest (*Relationship Parties*). If you engage any such Relationship Party, you will become the client of the Relationship Party, which may have its own client acceptance procedures. The Relationship Party will have full responsibility and liability to you (in accordance with the terms of its engagement) for its advice (including advising upon the merits of and risks involved in any particular transaction) and any other services provided by it to you.
- 7.2 You acknowledge that Alexander David may, with your consent, disclose confidential information to Relationship Parties and may receive and retain a fee from any such Relationship Party for any such introduction or referral, which may be paid at the time of the introduction or referral, when any transaction is subsequently completed or at any other time, and the amount of which may be dependent upon the fee charged to you by such Relationship Party.
- 7.3 In introducing or referring you to any Relationship Party, Alexander David makes no representation or warranty whatsoever in relation to that Relationship Party or the advice, services and products which it offers, whether in relation to their suitability, price or otherwise; and neither Alexander David, nor any of their respective directors, partners, officers, employees or agents have any responsibility of any kind for any of the acts or omissions of, or otherwise for, any Relationship Party (including without limitation any liabilities, debts or other obligations of any such Relationship Party to you), notwithstanding the referral arrangement or other interest which we may have with or in such Relationship Party (including, without limitation, interests in its shares or rights of representation on its board).

8. Conflicts of Interests

- 8.1 Alexander David is engaged in a wide range of investment businesses. This may give rise to situations where Alexander David under the FCA Rules or under the general law: (i) may have interests, relationships and/or arrangements which conflict with those of the Company; and/or (ii) may have other clients whose interests conflict or may conflict with those of the Company ("Conflicts of Interests").
- 8.2 It is Alexander David's policy in either case, in providing services to its clients, to do so on a consistent basis thus ensuring, so far as is practicable, that all clients are treated in a fair and equal manner and Alexander David has established procedures designed to ensure that your interests are not prejudiced.
- 8.3 The employees of Alexander David assigned to the Engagement may (due, for example, to a "Chinese Wall") be oblivious to, and in any event are required to disregard, any Conflicts of Interests and the Company agrees that Alexander David may act for it despite any Conflicts of Interests and that any profit or remuneration from such interests may be retained by the Alexander David Group.
- 8.4 The Company acknowledges and accepts, so as expressly to override, to the extent permissible, any duties, obligations or restrictions which would otherwise be implied by the FCA Rules or by law, that Alexander David may have Conflicts of Interests.
- 8.5 The Company acknowledges and accepts that, by reason of duties of confidentiality owed to other persons or the rules of relevant regulatory authorities and investment exchanges,

Alexander David may be prohibited from disclosing, or it may be inappropriate for Alexander David to disclose, information to you, in particularly about Conflicts of Interests.

- 8.6 The Company agrees that Alexander David does not have a duty to disclose any matter that comes to its notice (or the notice of any other part of the Alexander David Group) in the course of its business if doing so would constitute a breach of duty owed to any other persons.

9. Legal and regulatory requirements

- 9.1 The Company confirms and undertakes that it possesses all necessary powers and has obtained all necessary authorisations, consents and approvals validly and lawfully to enter into this Engagement Letter.
- 9.2 The Company undertakes that (save as expressly disclosed to Alexander David in writing) it has and undertakes that it shall maintain all necessary consents and authorisations which are necessary or desirable in relation to the Engagement and the performance by Alexander David of its obligations under this Engagement Letter. The Company agrees that it will comply and will procure that all of its subsidiaries will comply with all relevant laws and regulations in any jurisdiction which may include *inter alia*, in relation to the United Kingdom, the Companies Acts, the Financial Services and Markets Act 2000, the Prospectus Rules, the Listing Rules, the Disclosure and Transparency Rules, the Criminal Justice Act 1993, the City Code on Takeovers and Mergers, the Rules Governing Substantial Acquisitions of Shares, and any and all successors thereto and re-enactments thereof. In fulfilling its obligations to the Company pursuant to this Engagement Letter, Alexander David is also subject to (as well as the range of applicable laws) several rules and regulations and the requirements of various regulators. The Company agrees that the duties of Alexander David to it will not restrict the freedom of Alexander David to take all steps that it deems necessary in order for it to comply with any applicable laws, rules and regulations.
- 9.3 The Company undertakes to obtain appropriate advice (including legal advice) in respect of all laws and regulations which may be applicable to it in the UK or any other jurisdiction in connection with the Engagement and to communicate such advice to Alexander David if it is or may be relevant to the provision by Alexander David of its Services to the Company.

10. Entire agreement

- 10.1 This Engagement Letter represents the entire agreement and understanding between the Company and Alexander David in relation to the appointment of Alexander David as advisers to the Company.

11. Notices

- 11.1 Notices given pursuant to any of the provisions of this Engagement Letter shall be in writing and shall be sent by facsimile transmission, personally delivered or mailed, first class postage prepaid, to: (a) the Company at the address set out in the Engagement Letter and (b) Alexander David Securities Limited, for the attention of the Head of Corporate Finance (Fax number 020 3051 3965), or to such other address as either party may have notified to the other in accordance with this paragraph. Any such communication shall be deemed to have been received on the same day if sent by facsimile transmission during normal business hours (9.00 a.m. to 5.30 p.m.), at 9.00 a.m. on a working day if transmitted after midnight but on or before 9.00 a.m. on such working day and at 9.00 a.m. on the next following working day if transmitted after 5.30 p.m. on any working day or on a day other than a working day, at 9.00 a.m. on the next working day in the place where left if personally delivered, and at 9.00 a.m. on the second working day after the date of mailing if mailed as aforesaid. A "working day" shall mean a day other than a Saturday or a Sunday or recognised public holiday in England and references to time shall mean United Kingdom time. Notices cannot be given by e-mail.

12. Illegality

- 12.1 If any provision of this Engagement Letter contravenes the applicable regulations or law or shall be declared void or unenforceable by the Court or administrative body of competent jurisdiction, that provision shall to that extent be deemed not to form part of this Engagement Letter but the validity of the remaining provisions of this Engagement Letter shall not be affected thereby.

13. Recording of telephone conversations

- 13.1 Alexander David may record telephone calls. These records (if made) will be the sole property of Alexander David and will be evidence of orders or instructions given by the Company. Any recordings made may be retained.

14. Miscellaneous

- 14.1 This Engagement Letter has been and is made solely for the benefit of the Company and Alexander David, in the case of Alexander David for itself and as trustee (with sole discretion as to acting in such capacity) for the benefit (and not the burden) of each of its affiliates, the respective directors and officers of the foregoing and any person controlling Alexander David or any of its affiliates. Except pursuant to these Terms and Conditions and as set out in schedule 1 to this Engagement Letter, no other person shall acquire or have any rights under or by virtue of this Engagement Letter.

- 14.2 For the purposes of this Engagement Letter, "affiliate" means any group undertaking (as defined in section 1161 of the Companies Act 2006) or any associated company (as defined in section 416 of the Income and Corporation Taxes Act 1988) of any such group undertaking.

- 14.3 Alexander David may process, store and retain by computer or otherwise any information (including personal data) obtained about the Company as a consequence of this Engagement Letter and any other agreement the Company may enter into with Alexander David provided that it does so in compliance with the Terms and Conditions (Confidentiality). By signing the Engagement Letter the Company consents to Alexander David sharing this information with other divisions or subsidiaries within the Alexander David Group where Alexander David believes it is suitable for the Company's requirements. All collated information, including databases on which such information is stored, held by Alexander David and other members of the Alexander David Group is and shall remain the property of Alexander David.

- 14.4 The Company authorises Alexander David to make such enquiries and obtain such references as it may consider necessary to fulfil its statutory obligations under the UK Money Laundering legislation. This Engagement Letter authorises Alexander David to make such further enquiries and obtain such further references as it may from time to time consider necessary for continuing compliance with its statutory obligations under such legislation.

- 14.5 The Company authorises Alexander David, unless the Company specifically requires otherwise, to communicate in relation to this Engagement Letter and/or the Engagement with all persons involved in this Engagement Letter and/or the Engagement including, without limitation, its own employees and any third party advisers or agents, by means of electronic mail, including the internet, in addition to other means of communication. Any member of the Alexander David Group may refer to the Engagement for its marketing purposes.

- 14.6 This Engagement Letter (i) shall be deemed to be entered into once signed by the Company and Alexander David and either executed copies are exchanged or are faxed back by the Company to Alexander David and by Alexander David to the Company and (ii) may be

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executed in two or more counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

14.7 Time is of the essence in relation to this Engagement Letter and/or the Engagement with regard to (i) all payments to be made by the Company to Alexander David and (ii) all notices to be served by any party to this Engagement Letter.

14.8 Subject to its ability to apply the rates applicable in paragraph 2.4 of this Engagement Letter, Alexander David reserve the right to charge interest on any outstanding balances at a rate of 6% above the base rate of HSBC, and any past waiver in respect of the payment of such interest shall not preclude Alexander David from requesting such payment arising from monies owed in connection with the Engagement Letter.

14.9 A person who is not a party to this letter shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

15. Governing law

15.1 This Engagement Letter shall be governed by, and construed in accordance with, the laws of England and Wales and the parties submit to the non-exclusive jurisdiction of the English Courts.

15.2 In addition to any permitted method under the laws of any jurisdiction whereby Alexander David may serve documentation upon the Company, the Company agrees that Alexander David may serve any documentation relevant to this Engagement Letter (including, for the avoidance of doubt, any claim or suit or any other document relating to any dispute concerning the terms of this Engagement Letter) in writing by facsimile transmission, by personal delivery or by mail, first class postage prepaid upon the Company's duly appointed agent for service at the address set out in the attached Engagement Letter.

Schedule 2

INDEMNITY

None of the Company nor any of its affiliates (each of which is referred to in this schedule as the "Company") shall make any claim against Alexander David, its affiliates, the respective directors, officers and employees of each of the foregoing and any person controlling Alexander David or any of its affiliates (together with Alexander David referred to in this Schedule as the "Alexander David Persons") to recover any loss or damage which the Company, the directors of the Company, any investor in, guarantor of, any lender of debt finance to the Company, or any subscriber/purchaser of any of the securities issued/transferred in connection with the activities contemplated by this Engagement Letter or any subsequent purchaser or transferee thereof or any other person may suffer or incur by reason of the carrying out by Alexander David of its obligations under this Engagement Letter, save and to the extent that such loss or damage arises from the gross negligence, wilful default, fraud or material breach by Alexander David or any Alexander David Person of its obligations under this Engagement Letter or any material contravention by any such party of the regulatory system (as defined in the handbook and rules of the FCA).

The Company undertakes to indemnify and to hold Alexander David and each and every other Alexander David Person harmless from and against all or any losses, claims, actions, liabilities, expenses, demands, charges or proceedings (together "Proceedings") whatsoever in any jurisdiction brought or established against Alexander David or any other Alexander David Person by any company, person, partnership, governmental agency or regulatory body whatsoever (including, without limitation, all such costs, charges and expenses as are reasonably paid or incurred by Alexander David or any other Alexander David Person in responding to, disputing or considering any such actual or potential actions, claims or demands or in enforcing its or their rights under this indemnity) and in particular but without limitation, against all or any Proceedings brought or established against Alexander David or any other Alexander David Person or which Alexander David or any other Alexander David Person may suffer or incur in connection with or arising out of or related to:

- (a) any of the statements and documents issued or supplied by the Company in connection with the activities contemplated by the Engagement Letter ("the Materials"), not containing or being alleged not to contain all information required to be stated therein or any statement therein (whether of fact, opinion, expectation or intention and including any forecast, projection or estimate) being or being alleged to be untrue, inaccurate, incomplete or misleading or as having been made negligently or otherwise without the required standard of skill and care or reasonableness;
- (b) any of the Materials issued or supplied by the Company or its other advisers in connection with the activities contemplated by the Engagement Letter, failing or being alleged to fail to disclose all material information necessary to enable an informed assessment to be made of the assets and liabilities, financial position, profits and losses, and prospects of the Company or of the rights attaching to any of the securities issued by the Company in connection with the activities contemplated by this Engagement Letter;
- (c) any breach by the Company of any of its obligations in the Engagement Letter; or
- (d) any failure or alleged failure by the Company to comply with any legal, statutory or regulatory requirement whether of the United Kingdom or elsewhere,

save and to the extent that in any such case, such loss or other matter as aforesaid arises as a result of the negligence, wilful default or fraud of Alexander David or any Alexander David Person or the breach by any such party of its obligations under this Engagement Letter or any contravention by any such party of the regulatory system (as defined in the handbook and rules of the FCA).

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If the United Kingdom Inland Revenue or any other taxing authority in any jurisdiction brings into any charge to taxation (or into any computation of income or profits for the purposes of any charge to taxation) any sum payable under this indemnity, then the amount so payable shall be grossed up by such amount as will ensure that after deduction of the taxation so chargeable there shall remain a sum equal to the amount that would otherwise be payable under such indemnity (such additional payments as are necessary to achieve this purpose being made by the Company on demand from Alexander David from time to time).

This indemnity shall extend to include all reasonable costs and expenses properly incurred including legal fees and expenses (together with any value added or equivalent tax thereon) suffered or reasonably incurred by or any Alexander David Person in connection with claiming and/or enforcing its or their rights under this indemnity.

If at any time any one or more of the provisions of this indemnity or any part of the indemnity is or becomes invalid, illegal or unenforceable in any respect under any law, that provision shall to that extent be deemed not to form part of this indemnity but the validity, legality and enforceability of the remaining provisions of this indemnity shall not in any way be affected or impaired thereby.

This indemnity confers benefits on any Alexander David Person and, subject as set out below, is intended to be enforceable by each Alexander David Person by virtue of the Contracts (Rights of Third Parties) Act 1999. No other party is intended to have any other rights under the Engagement Letter pursuant to that Act.

The terms of this Engagement Letter may not be rescinded or varied in any way without the written consent of Alexander David, and no Alexander David Person (other than Alexander David) may enforce, or take any step to enforce, any of the provisions of this Engagement Letter without Alexander David's prior written consent (at Alexander David's absolute discretion), which may, if given, be given on and subject to such terms and conditions as Alexander David may determine.

If, as a result of any exclusion or limitation of liability agreed by the Company with any other person, the amount for which Alexander David is able to claim contribution against such other person in connection with any claim by the Company against Alexander David arising out of or in connection with this Engagement Letter is reduced, the liability of Alexander David to the Company in respect of such claim shall be reduced by the amount by which the amount for which Alexander David is entitled to claim from such other person is reduced.

Except in circumstances of Alexander David's gross negligence, wilful default or fraud, the aggregate liability of Alexander David under this Engagement Letter shall not exceed the greater of £250,000 and the aggregate amount of the fees and net commissions paid to Alexander David pursuant to this Engagement Letter.

The indemnity in this Schedule shall be governed by and construed in accordance with the laws of England and Wales and the parties irrevocably submit to the non-exclusive jurisdiction of the English courts in connection with any matter arising therefrom.

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Schedule 3

THE COMPANY'S OBLIGATIONS

The Company agrees and where appropriate confirms that, in connection with the Transaction and the Engagement:

- (a) it has complied and will comply with all applicable Listing Rules, all other applicable requirements of the LSE, and all other applicable legal requirements in relation to the continued admission of its share capital to trading on the LSE;
- (b) it has complied and will comply with all legal requirements applicable to any prospectus issued or proposed to be issued by it; and
- (c) it will comply in all respects with the Financial Services and Markets Act 2000, the Prospectus Rules, the Disclosure and Transparency Rules and the City Code on Takeovers and Mergers issued by the panel on Takeovers and Mergers.