Dated 13 March 2015

NAUTILUS NOMINEE SERVICES LIMITED

and

BHS PROPERTIES LIMITED

SHARE PURCHASE AGREEMENT

relating to the sale and purchase of the whole of the issued capital of Carmen Properties Limited

Linklaters

Linklaters LLP
One Silk Street
London EC2Y 8HQ

Telephone (44-20) 7456 2000
Facsimile (44-20) 7456 2222

Ref: Project Harvey
Share Purchase Agreement

This Agreement is made on 13 March 2015

between:

(1) **NAUTILUS NOMINEE SERVICES LIMITED** (registered number 35226), a company incorporated in Jersey, whose registered office is at Nautilus House, La Cour des Casernes, St Helier, Jersey, JE1 3NH (the "Seller"); and

(2) **BHS PROPERTIES LIMITED** a company incorporated in England and Wales (registered number 02139762) whose registered office is at Colegrave House, 70 Berners Street, London W1T 3NL (the "Purchaser").

Whereas:

(A) The Seller has agreed to sell the Shares (as defined below) and to assume the obligations imposed on the Seller under this Agreement.

(B) The Purchaser has agreed to purchase the Shares and to assume the obligations imposed on the Purchaser under this Agreement.

(C) The Lease Surrender (as defined below) has taken effect.

It is agreed as follows:

1 Interpretation

In this Agreement, unless the context otherwise requires, the provisions in this Clause 1 apply:

1.1 Definitions

"Closing" means the completion of the sale and purchase of the Shares pursuant to Clause 4;

"Company" means Carmen Properties Limited (company number 81511), a company incorporated in Jersey, whose registered office is at Nautilus House, La Cour des Casernes, St. Helier, Jersey, JE1 3NH, Channel Islands;

"Consideration" has the meaning given in Clause 3;

"Declaration of Trust" means the declaration of trust dated 12 July 2012 made by the Seller in favour of Lady Cristina Green;

"Encumbrance" means any claim, charge, mortgage, lien, option, equity, power of sale, hypothecation, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;

"Group Companies" means the Company and the Subsidiaries;

"Headlease" means the head lease dated 31 March 1966 made between (1) Prudential Nominees Limited and (2) British Home Stores Limited and the underlease dated 5 December 2001 made between (1) Davenbush Limited (2) BHS Limited and (3) BHS Group Limited;
"HSBC Facility" means a loan of approximately £70 million granted by HSBC plc to the Company on or about the date of this Agreement, a copy of which has been provided to the Purchaser;

"Lease Surrender" means the surrender of the Headlease by the Company to Wilton;

"Occupational Leases" means, in respect of a Property, the leases, tenancy agreements, licences and other rights of occupation to which that Property is subject, as listed in part 3 of Schedule 6, and in relation to an Occupational Lease, references to the landlord include the person on whom a licence or rights of occupation are binding and references to the tenant include the licensee or person with the benefit of those rights;

"Parties" means the parties to this Agreement, and "Party" means any one of them;

"Properties" means the freehold and leasehold properties set out in Schedule 6, and "Property" means any one of them;

"Purchaser Warranties" means the warranties given by the Purchaser pursuant to Clause 6 and as set out in Schedule 5, and a reference to a Purchaser Warranty shall be construed accordingly; and

"Seller Warranties" means the warranties given by the Seller pursuant to Clause 5 and as set out in Schedule 4 and the Tax Warranties, and a reference to a Seller Warranty shall be construed accordingly;

"Shares" means 10,000 ordinary shares of £1.00 each, being the whole of the issued share capital of the Company;

"Subsidiaries" means those subsidiary undertakings of the Company of which details are set out in Part 2 of Schedule 1, and a reference to a "Subsidiary" is a reference to any one of them;

"Tax" or "Taxation" means (a) all forms of taxation and statutory, governmental, state, federal, provincial, local government or municipal charges, duties, imposts, contributions, levies, withholdings, deductions, charges, liabilities or any sum in the nature of or payable on account of the foregoing; and (b) any penalty, fine, surcharge or interest payable in connection with (a);

"Tax Warranties" means the warranties given by the Seller pursuant to Clause 5 and as set out in part 2 of Schedule 7;

"Warranties" means the Seller Warranties and the Purchaser Warranties; and

"Wilton" means Wilton Equity Limited.

1.2 In this Agreement, unless the context otherwise requires:

1.2.1 references to one gender include all genders and references to the singular include the plural and vice versa;

1.2.2 references to:

(i) a person include any company, partnership or unincorporated association (whether or not having separate legal personality); and

(ii) a company shall include any company, corporation or any body corporate, wherever incorporated;
1.2.3 references to “this Agreement” is a reference to this Agreement as from time to
time amended, varied or extended in any way;

1.2.4 the clause, schedule and paragraph headings are included for convenience only
and shall not affect the interpretation of this Agreement. The schedules and recitals
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 and
recitals;

1.2.5 any reference in this Agreement to a document being “in the agreed form” means
a document in a form agreed by the parties before the signing of this Agreement
and either entered into on the date of this Agreement by the relevant parties or
initialled by the parties or on their behalf, in the latter case with such amendments
as they may subsequently agree; and

1.2.6 the words “other”, “including”, “includes”, “include”, “in particular” and any similar
words, shall not limit the general effect of words that precede or follow them and
accordingly, the ejusdem generis rule shall not apply.

2 Agreement to sell the Shares

2.1 On and subject to the terms of this Agreement, the Seller agrees to sell, and the Purchaser
agrees to purchase, the Shares.

2.2 The Shares shall be sold by the Seller free from all Encumbrances and together with all
rights and advantages attaching to them as at Closing (including the right to receive all
dividends or distributions declared, made or paid on or after Closing).

3 Consideration

The consideration for the purchase of the Shares under this Agreement shall be £1.00 (the
“Consideration”) payable to the Seller in accordance with Clause 4.3 below.

4 Closing

4.1 Date and place

Closing shall take place immediately following execution of this Agreement at such place
as may be agreed between the Parties.

4.2 Seller obligations on Closing

Unless the Purchaser agrees otherwise, at Closing the Seller shall comply with its
obligations set out in Schedule 2.

4.3 Purchaser obligations on Closing

At Closing, the Purchaser shall comply with its obligations set out in Schedule 3.

5 Seller Warranties and Tax Covenant

5.1 The Seller warrants to the Purchaser that each of the Seller Warranties set out in Schedule
4 is true and accurate as at Closing.

5.2 Each of the Seller Warranties is separate and is to be construed independently of the other
Seller Warranties and any other provisions of this Agreement.
5.3 The Seller acknowledges that the Purchaser is entering into this Agreement in reliance on the Warranties.

5.4 The provisions of Schedule 7 shall apply.

5.5 In respect of any claim under the Warranties or under part 3 of Schedule 7, save as otherwise agreed any amount that is payable by the Seller in accordance with the terms of this Agreement may be paid by the Seller to the Company and the parties shall use reasonable endeavours to procure such payment is structured in a tax efficient manner to the extent possible (provided always that this does not give rise to any disadvantage to the Company).

6 Purchaser Warranties

6.1 The Purchaser warrants to the Seller that each of the Purchaser Warranties set out in Schedule 5 is true and accurate as at Closing.

7 Other provisions

7.1 Further assurance

The Seller shall, and shall use reasonable endeavours to procure that any necessary third party shall, execute such documents and do such acts and things as the Purchaser may reasonably require to transfer the Shares to the Purchaser and to give the Purchaser the full benefit of all of the provisions of this Agreement.

7.2 Assignment

Neither Party may, without the prior written consent of the other, assign, grant any security interest over, hold on trust or otherwise transfer the benefit of all or any of its obligations under this Agreement, or any benefit arising under or out of this Agreement.

7.3 Whole Agreement

This Agreement contains the whole agreement between the Parties relating to the subject matter of this Agreement at the date of this Agreement to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the Parties in relation to the matters dealt with in this Agreement.

7.4 Costs

Each Party shall bear its own costs and expenses in connection with the preparation, negotiation, execution and performance of this Agreement and the documents referred to in it.

7.5 Third Party Rights

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of, or enjoy any benefit under, this Agreement.

7.6 Notices

7.6.1 Any notice or other communication in connection with this Agreement (each, a “Notice”) shall be:

(i) in writing,
(ii) delivered by email, hand, pre-paid first class post or courier; and
(iii) sent to such address as may be notified to the sending Party by the other Party from time to time.

7.6.2 A Notice shall be effective upon receipt and shall be deemed to have been received:
(i) 24 hours after posting, if delivered by pre-paid first class post;
(ii) at the time of delivery, if delivered by hand or courier; or
(iii) 24 hours after it was sent, if sent by email.

7.7 Waiver

In no event will any delay, failure or omission (in whole or part) in enforcing, exercising or pursuing any right, power, privilege, claim or remedy conferred by or arising under this Agreement or by law, be deemed to be or be construed as a waiver of that or any other right, power, privilege, claim or remedy in respect of the circumstances in question, or operate so as to bar the enforcement of that, or any other right, power, privilege, claim or remedy, in any other instance at any time or times subsequently.

7.8 Severance

7.8.1 If any provision of this Agreement is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Agreement which shall remain in full force and effect.

7.8.2 If any provision of this Agreement is so found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, restricted or limited in a particular manner, the provision in question shall apply with such deletions, restrictions or limitations as may be necessary to make it valid.

7.9 No double recovery and no double counting

Nothing in this Agreement shall entitle more than one person to recover for the same loss or make a party liable for the same loss more than once and no amount shall be taken into account, set off or credited more than once under this Agreement or otherwise, with the intent that there will be no double counting under this Agreement or otherwise.

7.10 No merger

The provisions of this Agreement shall remain in full force and effect notwithstanding Closing.

7.11 Counterparts

This Agreement may be executed in any number of counterparts each of which shall be deemed an original, but all the counterparts shall together constitute one and the same instrument. The Seller and the Purchaser may enter into this Agreement by executing any such counterpart.

7.12 Governing law

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law and the Parties
irrevocably agree that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.
In witness whereof this Agreement has been duly executed on the date first set out above.

SIGNED by
on behalf of Nautilus Nominee Services Limited

SIGNED by
on behalf of BHS Properties Limited:
In witness whereof this Agreement has been duly executed on the date first set out above.

SIGNED by
on behalf of Nautilus Nominee Services Limited

SIGNED by
on behalf of BHS Properties Limited:
Schedule 1

Part 1: Details of the Company

Name: Carmen Properties Limited

Date and place of incorporation: Incorporated in Jersey on 10 December 2001 under the Companies (Jersey) Law 1991

Registered number: 81511

Registered office: Nautilus House, La Cour des Casernes, St. Helier, Jersey, JE1 3NH, Channel Islands

Issued share capital: 10,000 ordinary shares of £1.00 each

Director: [Redacted]

Secretary: [Redacted]

Shareholder: Nautilus Nominee Services Limited

Accounting reference date: 31 March

Charges: None outstanding
Part 2: Details of the Subsidiaries

Name of Subsidiary: PropCo (Belfast No.1) Limited

Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985

Registered number: 04304672

Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR

Issued share capital: £1

Director: John Paul Readman

Secretary: Dawn Elaine Hazell

Shareholders: Carmen Properties Limited

Accounting reference date: 31 March

Charges: 2 outstanding
Name of Subsidiary: PropCo (Belfast No.2) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304713
Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
Name of Subsidiary: PropCo (Bexleyheath No.1) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304720
Registered office: Belrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
Name of Subsidiary: PropCo (Bexleyheath No.2) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304539
Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
Name of Subsidiary: PropCo (Hanley No.1) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304555
Registered office: Bellrock Properties and Facilities Management Enterprise House Sunningdale Road Leicester LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
Name of Subsidiary: PropCo (Hanley No.2) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304534
Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
Name of Subsidiary: PropCo (Harrow No.1) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304671
Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
Name of Subsidiary: PropCo (Harrow No.2) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304645
Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
Name of Subsidiary: PropCo (Leicester No.1) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304641
Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
Name of Subsidiary: PropCo (Leicester No.2) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304572
Registered office: Bellrock Properties and Facilities Management Enterprise House Sunningdale Road Leicester LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
Name of Subsidiary: PropCo (Liverpool No.1) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304573
Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
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<th>Name of Subsidiary:</th>
<th>PropCo (Liverpool No.2) Limited</th>
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<td>Registered office:</td>
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<td>Issued share capital:</td>
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<td>Director:</td>
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<td>Charges:</td>
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Name of Subsidiary: PropCo (Marylebone No.1) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304657
Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
Name of Subsidiary: PropCo (Marylebone No.2) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04305483
Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
Name of Subsidiary: PropCo (Southampton No.1) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304587
Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 3 outstanding
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<td><strong>Secretary:</strong></td>
<td>Dawn Elaine Hazell</td>
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<td><strong>Shareholder:</strong></td>
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<td><strong>Accounting reference date:</strong></td>
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Name of Subsidiary: PropCo (St Albans No.1) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304665
Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
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<td>Registered office:</td>
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<td>31 March</td>
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Name of Subsidiary: PropCo (St Swansea No.1) Limited
Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985
Registered number: 04304651
Registered office: Bellrock Properties and Facilities Management Enterprise House Sunningdale Road Leicester LE3 1UR
Issued share capital: £1
Director: John Paul Readman
Secretary: Dawn Elaine Hazell
Shareholder: Carmen Properties Limited
Accounting reference date: 31 March
Charges: 2 outstanding
Name of Subsidiary: PropCo (St Swansea No.2) Limited

Date and place of incorporation: Incorporated in England and Wales on 15 October 2001 under the Companies Act 1985

Registered number: 04304591

Registered office: Bellrock Properties and Facilities Management
Enterprise House
Sunningdale Road
Leicester
LE3 1UR

Issued share capital: £1

Director: John Paul Readman

Secretary: Dawn Elaine Hazell

Shareholder: Carmen Properties Limited

Accounting reference date: 31 March

Charges: 2 outstanding
Schedule 2
Seller Closing Deliverables

The Seller shall deliver or cause to be delivered to the Purchaser on Closing:

1 a transfer of the Shares duly executed by the Seller in favour of the Purchaser or as it may direct accompanied by the relative share certificate (or an express indemnity in a form satisfactory to the Purchaser in the case of any lost certificate);

2 the certificates of incorporation, corporate seals (if any), cheque books, statutory and other books of the Company (duly written up-to-date);

3 the resignation from their respective offices of the director of the Company in the agreed form; and

4 a certified copy of the minutes of a meeting of the directors of the Seller in the agreed form resolving that the Seller should complete this Agreement, and execute or sign each document to be executed or signed by it at Closing, and authorising the execution or signing of those documents by each person signing on behalf of the Seller.
Schedule 3  
**Purchaser Closing Deliverables**

At Closing, the Purchaser shall:

1. pay the Consideration by way of telegraphic transfer for same day value to such account as directed by the Seller; and
2. deliver or cause to be delivered to the Seller a certified copy of the minutes of a meeting of the of the directors of the Purchaser in the agreed form resolving that the Purchaser should complete this Agreement, and execute or sign each document to be executed or signed by it at Closing, and authorising the execution or signing of those documents by each person signing on behalf of the Purchaser.
Schedule 4
Seller Warranties

1 Title and capacity and information

1.1 The issued share capital set out in Part 1 of Schedule 1 constitutes the entire issued share capital of the Company, and has been properly and validly issued and allotted and is fully paid or credited as fully paid.

1.2 The Shares are free from all Encumbrances and there is no subsisting agreement to create any such Encumbrance except pursuant to the HSBC Facility.

1.3 Except pursuant to the HSBC Facility, the shares in each Group Company are free from all Encumbrances and there is no subsisting agreement to create any such Encumbrance.

1.4 The Seller is the sole legal owner of the Shares and Lady Cristina Green is the sole beneficial owner of the Shares.

1.5 No person has the right or has claimed to have a subsisting right to subscribe for, or to convert any security into, any shares, debentures or other securities of any Group Company, including pursuant to an option or warrant.

1.6 The shareholders of each Group Company listed in Part 2 of Schedule 1 are the legal and beneficial owners of that number of shares in the relevant Group Company as is set out against their names.

1.7 The information set out in Schedule 1 is complete and accurate in all material respects.

1.8 The Seller has the legal right and full power and authority to enter into and perform this Agreement and any other documents to be executed by it pursuant to or in connection with this Agreement and has been directed to do so by Lady Cristina Green.

1.9 The Seller is entitled to sell and transfer to the Purchaser the full legal and beneficial ownership of the Shares on the terms of this Agreement, and has been directed to do so by Lady Cristina Green, without the consent of any third party.

1.10 No Group Company has any interest in nor is it under a subsisting obligation or option to acquire any interest in any shares, debentures or other securities of any other body corporate.

2 Employees

2.1 No person has been offered employment by the Company and the Company does not have, nor has ever had, any employees.

2.2 There is no, and has never been any, agreement, arrangement, scheme promise or obligation for the payment by the Company of any pensions, allowances, lump sum, death benefits, gratuities or other like benefits in relation to any person.

3 Indebtedness

Save for the HSBC Facility, the Company does not have any financial indebtedness.
4 Environmental matters

4.1 In this paragraph 5:

"Environment" means all or any of the following media: land including (without limitation) land covered with water, the air, including (without limitation) the air within buildings and other natural or man made structures above or below ground, and any living organisms or systems supported by those media;

"Environmental Laws" means all national or local statutes, codes or other laws or legislation concerning health and safety or matters related to pollution or protection of the environment, and all decisions, rules, regulations, ordinances, orders, notices and directives of the European Union and the United Kingdom Parliament and other official bodies having jurisdiction to the extent they have force of law at Completion in respect of those matters which:

(a) have as a purpose or effect the protection or enhancement of the Environment and/or relate to the presence, manufacturing, processing, treatment, keeping, handling, use, possession, supply, receipt, sale, purchase, import, export or transportation of Hazardous Materials or any event, activity, condition or phenomenon which alone or in combination with others is capable of causing harm or damage to property, to human beings or to any other living organism;

(b) relate to the release, spillage, deposit, escape, discharge, leak or emission of Hazardous Materials;

(c) relate to noise, vibration, radiation or common law or statutory nuisance or any other interference with the enjoyment or use of land;

(d) relate to the use of land or the erection, occupation or use of buildings or other natural or man-made structures above or below ground; or

(e) relate to human health and safety;

"Hazardous Material" means any Substance or organism which alone or in combination with others is capable of causing harm or damage to property or to human beings or any other living organism or damaging the Environment or public health or welfare;

"Substance" means any natural or artificial matter whether in solid or liquid form or in the form of a gas or vapour and for this purpose includes electricity, heat or radioactive emissions.

4.2 So far as the Seller is aware, no Group Company has any material liability under any Environmental Laws.

5 Property

5.1 All written information relating to the Properties provided by or on behalf of the Seller (or any of its professional advisers) to the Purchaser (or any of its professional advisers) was when given, and remains, complete and accurate and not misleading.

5.2 So far as the Seller is aware, no Group Company has any liability:

5.2.1 (whether actual, future or contingent) to perform or observe any obligation in respect of any land or buildings formerly owned or occupied by it or related matter.
5.2.2 as guarantor to perform or observe any obligation in respect of any land or buildings or related matter.

5.3 The Properties comprise all the properties owned, occupied or otherwise used by the Group Companies, or in which any Group Company has an interest at the date of this Agreement.

5.4 A Group Company is the legal and beneficial owner of the Properties and has in its possession or control all relevant title deeds and documents and no third party has any legal or beneficial interest in the Properties.

5.5 So far as the Seller is aware, the information contained in Schedule 6 is complete and accurate in all material respects.

5.6 So far as the Seller is aware, no written notices or complaints have been received by any Group Company from any competent authority, any landlord or any tenant under any Occupational Lease in relation to the Properties or their use which remains outstanding.

5.7 The current use of each of the Properties is a lawful use for the purposes of legislation relating to town and country planning.

5.8 So far as the Seller is aware, no compulsory purchase notices, orders or resolutions affecting any of the Properties have been received by any Group Company.

5.9 The Properties are held subject to and with the benefit of the Occupational Leases, a complete list of which is set out in Part 3 of Schedule 6.

5.10 No occupational tenant of any of the Properties is currently in arrears of the rent due under its lease.

5.11 None of the Properties is commonhold land.
Schedule 5
Purchaser Warranties

1  Incorporation
The Purchaser is validly existing and is a company duly incorporated under the laws of England and Wales.

2  Authority to enter into Agreement
2.1  The Purchaser has the legal right and full power and authority to enter into and perform this Agreement and any other documents to be executed by it pursuant to or in connection with this Agreement.
2.2  The documents referred to in paragraph 2.1 will, when executed, constitute valid and binding obligations on the Purchaser in accordance with their respective terms.

3  Authorisation
The Purchaser has taken all corporate action required by it to authorise it to enter into and perform this Agreement, and any other documents to be executed by it pursuant to or in connection with this Agreement.
Schedule 6  
Properties  

Part 1  
Particulars of freehold properties  

<table>
<thead>
<tr>
<th>Address of Property</th>
<th>Title number (if registered)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9, 11, 13 and 15 Parliament Row, Hanley</td>
<td>SF291303</td>
</tr>
<tr>
<td>Goodson Street, Hanley</td>
<td>SF80902</td>
</tr>
<tr>
<td>54 Gallowtree Gate, Leicester</td>
<td>LT283265</td>
</tr>
<tr>
<td>63-67 (odd) Lord Street, Liverpool</td>
<td>MS313482</td>
</tr>
<tr>
<td>8-8A Rainford Square and land on the west side of Rainford Square, Liverpool</td>
<td>MS376069</td>
</tr>
<tr>
<td>51-57 St Peter Street, St Albans</td>
<td>HD302409</td>
</tr>
<tr>
<td>Land to the west of St Peters Street, St Albans</td>
<td>HD116182</td>
</tr>
</tbody>
</table>
### Part 2

**Particulars of leasehold properties**

<table>
<thead>
<tr>
<th>Address of Property</th>
<th>Title number (if registered)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store A, Broadway Shopping Centre, Bexleyheath</td>
<td>SGL585951</td>
</tr>
<tr>
<td>Store D, St Ann's Centre, Harrow</td>
<td>NGL658715</td>
</tr>
<tr>
<td>65 Lord Street, Liverpool</td>
<td>MS9385</td>
</tr>
<tr>
<td>69-79 (odd) Lord Street and 42-50 (even) Harrington Street, Liverpool</td>
<td>MS313483</td>
</tr>
<tr>
<td>40/46 Above Bar Street, Southampton</td>
<td>HP5902</td>
</tr>
<tr>
<td>48/50 Above Bar Street, Southampton</td>
<td>HP590307</td>
</tr>
<tr>
<td>277/278 Oxford Street and 29/31 Princess Way, Swansea</td>
<td>WA530986</td>
</tr>
<tr>
<td>24-26 Castle Place, 11/15 Castle Arcade, Bridge over Castle Arcade and 13/15 Castle Lane, Belfast more particularly described in an Assignment dated 8 December 2001 between (1) Bhs Properties Limited (2) Propco (Belfast No. 1) Limited and Propco (Belfast No. 2) Limited</td>
<td>N/A</td>
</tr>
<tr>
<td>3-9 Cornmarket and 6-12 Castle Arcade, Belfast more particularly described in a Conveyance and Assignment dated 8 December 2001 between (1) Bhs Properties Limited (2) Propco (Belfast No. 1) Limited and Propco (Belfast No. 2) Limited (includes part freehold)</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Part 3
Particulars of Occupational Leases
Schedule 7
Tax

1 Tax definitions

In this schedule, the following words and expressions shall have the following meanings, unless the context requires otherwise:

"Event" any act, omission, arrangement, transaction or other event whatsoever;

"Relevant Relief" the meaning ascribed to it in paragraph 1.1.1 of part 4;

"Relief" any loss, relief, exemption, allowance, deduction, credit or set-off in respect of Tax or relevant to the computation of Tax or the computation of income, profits or gains for Tax purposes and any right to repayment of Tax;

"Tax Authority" HM Revenue & Customs and any other authority, body or official (whether in the United Kingdom or elsewhere) competent to assess, demand, impose, administer or collect Tax;

"Tax Claim" means a claim for breach of the Tax Warranties or a claim made under the Tax Covenant contained in part 3;

"Tax Demand" means any notice, demand, assessment, letter or other document issued (or any return or other document prepared or to be prepared by or on behalf of the Company) or other action taken by or on behalf of any person including a Tax Authority indicating that the Company has or may have, or will in the future have, a Tax Liability and in respect of which a Tax Claim may be made; and

"Tax Liability" the meaning ascribed to it in paragraph 2.1 of this part.

2 Tax definitions

2.1 In this schedule reference to a "Tax Liability" includes:

2.1.1 a liability to make any actual payment or increased payment of or in respect of Tax (whether or not such liability is a primary liability and whether or not the person so liable has or may have any right of indemnity or reimbursement (statutory or otherwise) against any other person);

2.1.2 any mortgage or charge or power to sell, mortgage or charge any of the assets of or shares in the Company resulting from or in consequence of any liability to pay inheritance tax; and

2.1.3 any liability to make a payment in respect of Tax to any person under any indemnity, covenant, guarantee or legally binding agreement;
provided that:

2.1.4 in any case falling within paragraph 2.1.2 of this part, the Tax Liability shall be treated as being equal to the greater of (i) the amount of inheritance tax which is or is liable to be paid out of the proceeds of enforcement or exercise of the mortgage, charge or power of sale together with the amount of any costs or expenses incurred in connection with such enforcement or exercise and (ii) any depletion in or reduction in value of the assets or increase of the liabilities of the Company or the Purchaser (as applicable) arising as a result of such Tax Liability; and

2.1.5 in any case falling within paragraphs 2.1.3 of this part, the Tax Liability shall be treated as being equal to the amount required to be paid or repaid.

2.2 In interpreting and applying this schedule:

2.2.1 references to a part are references to one of parts 1 to 4 of this schedule;

2.2.2 any reference to any Event occurring or to anything being the case includes any Event which is deemed to occur or be the case for Tax purposes or by reference to which Tax is calculated or imposed;

2.2.3 any reference to income, profits or gains earned, accrued or received or having arisen includes income, profits or gains deemed to be or treated as earned, accrued or received or as having arisen for any Tax purposes;

2.2.4 any reference to any form of Tax, Relief, legislation, law or legal concept which exists in the United Kingdom includes a reference to any equivalent or substantially equivalent Tax, Relief, legislation, law or legal concept in any other relevant country or jurisdiction;

2.2.5 in determining (in connection with an inheritance tax liability) whether a charge on or power to sell, mortgage or charge any of the assets of or shares in the Company exists at any time and in determining the amount of the Tax Liability arising, the fact that any inheritance tax is not yet payable or may be paid by instalments shall be disregarded and such inheritance tax shall be treated as becoming due and a charge or power to sell, mortgage or charge as arising on the date of the transfer of value or other date or event on or in respect of which it becomes payable or arises;

2.2.6 the provisions of section 213 Inheritance Tax Act 1984 shall not apply to any payments falling to be made pursuant to a Tax Claim;

2.2.7 any reference to the last date on which a payment of Tax can be made shall be interpreted as meaning the last date on which a payment of or in respect of Tax can be made to the appropriate Tax Authority without incurring a liability (contingent or otherwise) to interest or a charge or penalty in respect of late payment of such Tax; and

2.2.8 any reference to a period of time for appeal shall exclude any extension of time which may be granted by special arrangement (being an arrangement not based on a strict and detailed application of the relevant legislation) or only at the discretion of a Tax Authority.
Part 2: Tax Warranties

1. The Company is, and at all times has been resident in Jersey for Taxation purposes and has not at any time been resident in any other jurisdiction for any Taxation purposes or had a permanent establishment in the United Kingdom or any other jurisdiction (other than Jersey) for any Taxation purposes.

2. The Company has duly paid all Tax which it has become liable to pay on or before the due date for payment of such Tax.

3. All returns, computations, information, accounts and notices which are or have been required to be made or given by the Company to any Tax Authority for any Taxation purpose have been duly made or given within the applicable time limits and on a proper basis and were when made and remain complete, true and accurate in all material respects. The Company has kept all records required to be kept for Tax purposes.

4. The Company has not been and is not involved in any dispute with or investigation, audit, non-routine visit or discovery by any Tax Authority and, so far as the Seller is aware, no such dispute, investigation, audit, non-routine visit or discovery is pending, planned, threatened or likely to arise.

5. No Tax Authority has operated or agreed to operate any special arrangement (being an arrangement which is not based on relevant legislation or any published practice) in relation to the Company's affairs.

6. The Company is registered for VAT under registration number GB785691374.

7. The Company is not and has never been a member of a group for VAT purposes.

8. The Company has exercised an option to tax in respect of each of the Properties and such option was validly exercised and notified and is effective.

9. The Company does not own any capital items which are subject to Part XV of the Value Added Tax (General) Regulations 1995.

10. The Company has maintained sufficient records to enable it to calculate any present liability for Tax of the Company, any future liability for Tax on the disposal of any asset held at Closing and its entitlement to any Relief relevant to such calculation.

11. Each of the Properties has at all times since acquisition by the Company been held as an investment and not as trading stock or for the purposes of a trade.

12. There are no circumstances in which the Company will or may after Closing be liable to pay an amount of stamp duty land tax, submit a stamp duty land tax transaction return or a stamp duty land tax self-certificate in respect of any transaction entered into or action taken prior to Closing and the Company has no outstanding liability to pay any stamp duty land tax.
Part 3: Tax Covenant

1  Covenant to pay

1.1 Subject as provided in this schedule, the Seller covenants with the Purchaser to pay to the Purchaser or the Company an amount equal to any Tax Liability of the Company:

1.1.1 arising in respect of any Event which occurred on or before Closing;

1.1.2 arising by reference to any income, profits or gains which were earned, accrued or received or which arose on or before Closing; or

1.1.3 arising in consequence of a failure to discharge Tax by any company (other than the Company):

   (i) which has at any time (whether before or after Closing) been a member of a group (as defined for any relevant Tax purposes) of which the Company has at any time prior to Closing been a member; or

   (ii) which is or has at any time (whether before or after Closing) been under the control of the Seller or any person or persons that directly or indirectly controlled the Company prior to Closing; or

   (iii) with which the Company has otherwise been connected or associated at any time prior to Closing.

1.2 Without prejudice to the provisions of paragraphs 1.1 to 1.3 of this part and subject as provided in this schedule, the Seller covenants with the Purchaser to pay to the Purchaser an amount equal to all costs and expenses reasonably and properly incurred or payable by the Purchaser or the Company in connection with or in consequence of any matter for which the Seller is liable under this Schedule.

2  VAT

The Purchaser shall procure that the Company accounts to HMRC on or before the due date for VAT in respect of the Lease Surrender where payment in respect of such VAT has been made to the Company by Wilton. If any amount paid by Wilton to the Seller in respect of VAT in respect of the Lease Surrender is subsequently found to have been paid in error (or the Seller reasonably considers that such VAT has been paid in error), the Buyer shall at the request of the Seller or Wilton procure that the Company shall, if it has not yet accounted for such VAT to HMRC, promptly repay such amount to Wilton and, if the Company has already so accounted, then the Purchaser shall procure that the Company shall, at the expense of the Seller, use reasonable endeavours to obtain repayment thereof from HMRC or, if entitled, the Company shall correct its VAT account pursuant to Regulation 34 of the Value Added Tax Regulations 1995, and forthwith on receiving repayment from HMRC or receiving the benefit of the correction to its VAT account, as the case may be, shall pay to Wilton the amount repaid and issue to Wilton a valid credit note showing the amount of VAT repaid.
Part 4: Miscellaneous: including exclusions and limitations, conduct of claims and payments

1 Corresponding benefit

1.1 Where:

1.1.1 a Tax Liability of the Company has been discharged and has resulted in a Relief for the Company which would not otherwise have arisen (a "Relevant Relief"); and

1.1.2 the Seller has made a payment to the Purchaser in respect of such Tax Liability pursuant to a Tax Claim,

the provisions of paragraph 1.2 of this part shall apply.

1.2 Where this paragraph 1.2 applies, then five Business Days after the later of:

1.2.1 the Company utilising the Relevant Relief; and

1.2.2 the auditors for the time being of the Company certifying (at the request and cost of the Seller) the existence and quantum of the Relevant Relief,

an amount equivalent to the lesser of:

1.2.3 the amount of Tax which the Company would have been liable to pay but for the utilisation of the Relevant Relief (less an amount equal to any costs and expenses reasonably incurred by the Purchaser or the Company in obtaining the Relevant Relief to the extent payment has not previously been made by the Seller in respect of such costs and expenses in respect of a Tax Claim under paragraph 1.3 of part 3); and

1.2.4 the amount paid by the Seller in respect of the Tax Liability giving rise to the Relevant Relief save to the extent that such amount constituted a reimbursement of the costs and expenses reasonably and properly incurred by the Purchaser or the Company in obtaining the payment from the Seller,

shall first be set off against any payment then due from the Seller pursuant to a Tax Claim and secondly, to the extent that there is an excess, be refunded save to the extent that any amount paid by the Seller in respect of the Tax Liability in question has previously been refunded under any provision of this Agreement.

1.3 For the purposes of paragraph 1 of this part, the Company shall be regarded as utilising a Relevant Relief on the last date upon which the Company would have been obliged to make an actual payment of Tax (which it would otherwise have had to have paid but for the Relevant Relief) or, in the case of a Relevant Relief consisting of a right to repayment of Tax, the date on which the Company receives cleared funds in respect of such repayment.

1.4 Nothing in paragraph 1 of this part shall oblige the Company to utilise a Relevant Relief in priority to any other Relief then available to it or to maximise the amount of any Relevant Relief and the Company shall for the purposes of this paragraph be deemed to use all other Reliefs then available to it, as permitted by law, as though the Relevant Relief did not exist and in priority to the Relevant Relief in determining when the Relevant Relief is utilised but, subject to the above, the Company shall use its reasonable endeavours to utilise and maximise the Relevant Relief.
2 Third party recovery

2.1 If the Seller has paid an amount to the Purchaser in full discharge of a liability which has arisen in respect of a Tax Claim and the Company or the Purchaser has:

2.1.1 received a payment or obtained a reimbursement, refund, credit or set-off from any person (other than the Purchaser, the Company or an officer or employee of either of them) in respect of the Tax Liability; or

2.1.2 (whether by operation of law, contract or otherwise) a right of reimbursement or refund against any other person or persons (other than the Purchaser, the Company or an officer or employee of either of them) in respect of the Tax Liability, the Purchaser shall:

2.1.3 notify the Seller as soon as reasonably practicable, and

2.1.4 in the case of a right of reimbursement or refund, if so requested in writing by the Seller and if the Seller indemnifies the Purchaser to the Purchaser’s reasonable satisfaction against all reasonable and proper costs and expenses and any Tax Liability or additional Tax Liability of the Purchaser or the Company arising (or which may arise) as a result of any action taken pursuant to this paragraph 2 of this part, procure that the Company shall take reasonable steps to enforce the right, keeping the Seller reasonably informed of any progress.

2.2 Where paragraph 2.1 of this part applies and the Purchaser or the Company has received or receives an amount from a third party in respect of the Tax Liability in question an amount equal to the lesser of:

2.2.1 the amount paid by the Seller pursuant to the Tax Claim in respect of the Tax Liability in question save to the extent that such amount constitutes a reimbursement of the costs or expenses reasonably and properly incurred by the Purchaser or the Company in obtaining such amount from the Seller and payment has not previously been made by the Seller in respect of such costs and expenses in respect of a Tax Claim under paragraph 1.3 of part 3; and

2.2.2 the amount received by the Purchaser or the Company from the third party less:

(i) any costs and expenses reasonably and properly incurred by the Purchaser or Company in obtaining such amount from such third party (save to the extent that such costs and expenses have previously been paid to the Purchaser pursuant to paragraph 2.1.4 above or in respect of a Tax Claim under paragraph 1.3 of part 3); and

(ii) any Tax which the Company or the Purchaser has paid or reasonably anticipates will be payable in respect of such receipt (or any Tax which it is reasonably anticipated would have been payable in respect thereof but for the availability of a Relief),

shall first be, set off against any payment then due from the Seller pursuant to a Tax Claim; second, to the extent that there is an excess, refunded to the Seller (save to the extent that any amount paid by the Seller has previously been refunded under any provision of this Agreement) up to the amount of such excess; and third, to the extent that such excess is not exhausted, by being refunded to the Seller, carried forward and set off against any payment becoming due from the Seller pursuant to a Tax Claim.
3 Grossing-up of payments

3.1 Any amount payable by the Seller to the Purchaser pursuant to a Tax Claim shall be paid free and clear of all deductions or withholdings whatsoever, save only as may be required by any applicable law.

3.2 If any deduction or withholding is required by law to be made from any amount payable pursuant to a Tax Claim and such withholding or deduction has not already been taken into account in increasing the amount of the payment, the Seller shall be obliged to pay to the Purchaser such increased amount as will, after the deduction or withholding has been made, leave the Purchaser with the same amount as it would have been entitled to receive in the absence of any such requirement to make a deduction or withholding.

3.3 In the event that any amount paid to the Purchaser pursuant to a Tax Claim is or will be chargeable to Tax and such Tax has not already been taken into account in increasing the amount of the payment, the Seller shall be obliged to pay such increased amount as will, after payment of the Tax, leave the Purchaser with the same amount that would otherwise have been payable if Tax had not been so chargeable and for these purposes an amount shall be regarded as chargeable to Tax in circumstances where it would have been so chargeable but for the use or set off of a Relief available to the Purchaser.

4 Due date for payment

4.1 Where the Seller becomes liable to make any payment pursuant to a Tax Claim, the due date for the making of the payment shall be:

4.1.1 where the payment relates to a liability of the Company to make an actual payment of Tax, the later of three Business Days prior to the last date on which that payment of Tax can be made and five Business Days after service of a notice of the Tax Demand on the Seller; and

4.1.2 in any other case, the date falling five Business Days after the date of service by the Purchaser of a written notice on the Seller demanding payment.

4.2 If any payment required to be made by the Seller pursuant to a Tax Claim is not made by the due date then interest shall be payable on the amount outstanding on a daily basis compounded quarterly from the due date until the date when payment is actually made at the rate of [3] per cent. above the base rate from time to time of the Company's principal bankers from time to time (or in the absence of such rate at such similar rate as the Purchaser shall reasonably select); provided that interest shall not accrue for any period in respect of which interest due to the relevant Tax Authority is included in the payment due to be made in respect of the Tax Claim before the application of this paragraph 4.2.

5 Exclusions and limitations

5.1 The Seller shall not be liable in respect of any Tax Claim unless written notice of such claim is given to the Seller prior to the expiry of the period of 15 Business Days following the sixth anniversary of the end of the accounting period of the Company current at Closing provided that this time limit shall not apply in any case involving any fraudulent act or omission by or on behalf of the Seller or any company which has at any time prior to Closing been a member of the same group (as defined for any Tax purpose) as the Company.
5.2 The Seller shall not be liable in respect of any Tax Claim in respect of any Tax Liability to the extent that:

5.2.1 It was discharged prior to Closing;

5.2.2 it arises or is increased as a result of any increase in the rates of Tax announced and coming into force after the date of Closing; or

5.2.3 it would not have arisen but for a transaction entered into or other voluntary act on the part of the Purchaser (at any time) or the Company (after Closing) which:

(i) is neither (a) in the ordinary course of the Company's business, (b) pursuant to a legally binding obligation entered into before Closing nor (c) at the written request of the Seller;

(ii) could reasonably have been avoided; and

(iii) the Purchaser was aware or ought reasonably to have been aware (having made due enquiries) would give rise to the Tax Liability.

5.2.4 it arises as a result of a failure by the Purchaser to comply with any of its obligations under this Agreement; or

5.2.5 it arises in consequence of any change (including, for the avoidance of doubt, any change with retrospective effect) after Closing in any accounting policy or practice adopted by the Company, except where such change was necessary in order to comply with any applicable legal, regulatory, financial reporting, accounting or other requirement in force before Closing; or

5.2.6 the Tax Liability (or cost thereof) has been borne by a person other than the Company or the Purchaser at no cost or loss to the Purchaser or the Company; or

5.2.7 it arises by reason of a voluntary disclaimer after Closing by the Company otherwise than at the request of the Seller under paragraph 7 of the whole or part of any Relief to which it is entitled or by reason of the revocation after Closing by the Company otherwise than at the request of the Seller under paragraph 7 of any claim for Relief.

5.3 The limitations in paragraph 5.2 shall also apply to costs and expenses within paragraph 1.3 of part 3, reading references in paragraph 5.2 to Tax Liability as references to costs and expenses. In addition, the Seller shall not be liable in respect of any Tax Claim in respect of any costs and expenses within paragraph 1.3 of part 3 to the extent that such costs and expenses have been taken into account in reducing a payment repayment under paragraph 1 or 2 of this part 4.

6 Conduct of Tax Demands

6.1 If any Tax Demand is received by or comes to the notice of the Purchaser or the Company or the Purchaser becomes aware of any other matter which could give rise to a Tax Claim the Purchaser shall, as soon as reasonably practicable, give or procure to be given to the Seller written notice thereof. If any Tax Demand is received by or comes to the notice of the Seller, the Seller shall, as soon as reasonably practicable, give the Purchaser notice of the Tax Demand.

6.2 As regards any Tax Demand, at the request in writing of the Seller the Purchaser shall procure that the Company concerned shall take such action as the Seller may reasonably
and promptly request to dispute, appeal or compromise the Tax Liability but subject to the Purchaser and the Company being indemnified to their reasonable satisfaction by the Seller against all losses, costs, damages and expenses which may be incurred as a result (including, for the avoidance of doubt and without limitation, any Tax that has to be paid before a Tax Demand can be appealed) provided that:

6.2.1 The Purchaser shall not be required to delegate, or to procure that the Company delegates, the conduct of such action to the Seller;

6.2.2 the Purchaser shall not be required to make or procure that the Company makes a formal appeal to any tribunal, court, appellate body or judicial authority unless the Seller, at its own expense and after disclosure of all relevant information and documents, obtain and deliver to the Purchaser an opinion from appropriate counsel, who has been approved for the purpose by the Purchaser (such approval not to be unreasonably withheld or delayed) and who has specialised in relevant Tax matters for a minimum of ten years, that the appeal will, on the balance of probabilities, be successful;

6.2.3 neither the Purchaser nor the Company shall be required by this paragraph 4 to take any action (a "Relevant Action") which is materially different from the action that would have been taken by or on behalf of the Seller or the Company in relation to the Tax Demand had there been no change of ownership of the Company, on the assumption that the cost of taking the Relevant Action would have been weighed against the likely consequences of the Relevant Action (including, but not limited to, Tax, financial and reputational consequences), judging such consequences in a reasonable and economically balanced way and also on the assumption that the same business continues to be carried on by the Company;

6.2.4 no material written communication pertaining to the Tax Demand shall be sent to the relevant Tax Authority without the prior written approval of the Seller (such approval not to be unreasonably withheld or delayed).

6.3 The Purchaser or the Company shall, without reference to the Seller, be entitled to admit, compromise, settle, discharge or otherwise deal with a Tax Demand on such terms as it may, acting reasonably, think fit and without prejudice to any right or remedy under this schedule or this Agreement:

6.3.1 if the Seller has not made the request and provided the indemnity referred to in paragraph 4.2 by the date being ten Business Days prior to the last date on which an appeal may be made against the Tax Liability to which the Tax Demand relates provided that the Seller has had notice and a written reminder of the Tax Demand;

6.3.2 upon the expiry of any period prescribed by applicable legislation for the making of an appeal against either the Tax Demand in question or the decision of any court or tribunal in respect of any such Tax Demand, as the case may be;

6.3.3 if any action or other step is taken or legal proceedings are started to put the Seller into liquidation, administration or receivership or to enter into arrangements with its creditors pursuant to part I Insolvency Act 1986.

6.4 The Purchaser shall procure that the Seller and its duly authorised agents are (on reasonable notice in writing to the Purchaser) afforded such reasonable access to the books, accounts, personnel, correspondence and documentation of the Company and
such other reasonable assistance as may be reasonably required to enable the Seller to exercise its rights under this paragraph 4.

7 Filing of Tax returns

7.1 Subject to the provisions of paragraph 6 and this paragraph 7, the Purchaser shall procure that to the extent that the liability of the Seller under parts 2 or 3 of this Schedule or the right of the Seller to payment, set-off or credit under this Schedule may be affected:

7.1.1 the Seller is kept fully informed of the progress of all matters relating to the Taxation affairs of the Company relating to periods beginning on or before Closing;

7.1.2 the Seller receives copies of, or the relevant extracts from, all material correspondence to, or from, any Tax Authority and all notes of any material meetings or calls with any Tax Authority insofar as it is relevant to the matters referred to in paragraph 7.1.1 above;

7.1.3 the Seller receives for its or its agents' review and comment drafts of, or relevant extracts from, any all computations and returns relating to Taxation, claims, elections, surrenders, disclaimers, statements, notices and consents for Taxation purposes and material correspondence ("Tax Documents") relating to the taxation affairs of the Company for periods beginning on or before Closing which the Purchaser proposes are to be submitted to a Tax Authority. If a time limit applies in relation to the submission of any such Tax Document, the Purchaser shall ensure that the Seller receives such drafts within a sufficient period before the expiry of the time limit so as to provide the Seller and/or its agents with a reasonable opportunity to review and comment upon the same;

7.1.4 any reasonable written comments of the Seller in relation to the Tax Documents referred to in paragraph 7.1.3 are adopted (but only to the extent that the liability of the Seller under parts 2 or 3 of this Schedule or the right of the Seller to payment, set-off or credit under this Schedule are reasonably likely to be affected by such documents); and

7.1.5 the Seller is kept fully informed and is consulted fully in relation to the matters referred to in paragraph 7.1.1 above and any reasonable written comments of the Seller are taken into account in respect of such matters to the extent that the liability of the Seller under parts 2 or 3 of this Schedule or right to payment, set-off or credit under this Schedule may be affected.

7.2 The Seller shall procure that the Purchaser and its duly authorised agents are (on reasonable notice in writing to the Seller) afforded such reasonable access (during normal working hours) to the books, accounts, personnel, correspondence and documentation of the Seller or as are in the possession of the Seller or their agents and such other reasonable assistance as may be reasonably required to enable the Purchaser to discharge its obligations or exercise its rights under this paragraph 7.

7.3 The Purchaser shall procure that the Seller and its duly authorised agents are (on reasonable notice in writing to the Purchaser) afforded such reasonable access (during normal working hours) to the books, accounts, personnel, correspondence and documentation of the Company and such other reasonable assistance as may be reasonably required to enable the Seller to discharge its obligations or exercise its rights under this paragraph 7.
7.4 This paragraph 7 shall operate without prejudice to the provisions of paragraph 6 of this part.