Dated 2015

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Licence Purchase Transfer Agreement

relating to the MaxBill product suite

(1) First Utility Limited

(2) Lognet Information Technologies Ltd.

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**This Agreement** is made on 2015

**Between:**

###### First Utility Limited (company number: 05070887) whose registered office is at Point 3 Opus, 40 Business Park, Haywood Ro, Warwick, CV34 5AH, United Kingdom (the **"Purchaser"**); and

###### Lognet Information Technologies Ltd. (Israeli company number: 512970443) whose registered office is at 7 HaKidma St., Yokneam Ilit, Israel (PO Box 556) (the **"Vendor"**);

**Background:**

###### The Vendor has agreed to license to the Purchaser the Licensed Program Materials on the terms set out in the Licence.

###### In connection with the grant of the Licence, the Vendor has agreed to take certain other actions, as set forth below.

It is agreed as follows:

## Definitions and interpretation

### In this Agreement, unless a contrary intention is expressly stated, the following definitions shall apply:

**"1985 Act"** means the Companies Act 1985.

**"2006 Act"** means the Companies Act 2006.

**"Active Subscribers"** has the meaning given to it in the Licence.

**"Agreement"** means this Agreement (including any schedule or annexure to it and any document referred to in it or in agreed form, including but not limited to the Licence).

**"Applicable Law"** means (with respect to any person, property, transaction, event or other matter) any law, rule, statute, regulation, instrument, order, judgment, decree, treaty or other requirement having the force of law in any jurisdiction (collectively, **"Law"**) relating or applicable to such person, property, transaction, event or other matter. **"Applicable Law"** also includes, where appropriate any interpretation of the Law (or any part thereof) by any person having jurisdiction over it, or charged with its administration or interpretation.

**"Business Day"** means any day other than a Saturday or Sunday or another day on which clearing banks in the City of London are not open for business.

**"Completion"** means the performance by the parties of the obligations set out in clause 6 (*Completion*) which is set to occur simultaneously with the execution of this Agreement.

**"Consideration"** means the purchase price for grant of the Licence comprising the Initial Consideration, the Deferred Consideration and the Milestone Consideration.

**"Contractors"** means the UK Contractors and the Ukraine Contractors as listed at parts 2, 3, 5 and 6 of Schedule 2.

**"CTA"** means the Corporation Tax Act 2010.

**"Data Centre Contract"** means the agreement between the Vendor and Hetzner Disclosed to the Purchaser for data hosting services.

**"Deferred Consideration"** has themeaning given to it in clause 3.3.

**"Disclosed"** means fully and fairly disclosed to the Purchaser for the purposes of this Agreement in the Disclosure Letter and **"fully and fairly"** mean disclosed with sufficient particularity so as to enable the Purchaser to reasonably assess the impact of the matter disclosed and to identify the nature and scope of the matter disclosed.

"**Disclosure Letter"** means the letter of the same date as this Agreement in the agreed form from the Vendor to the Purchaser, together with any attachments, disclosing exceptions to the Warranties.

**"Employees"** means all or any person employed or engaged by the Vendor or other members of the Vendor’s Group exclusively in connection with the Licensed Program at the date of this Agreement, including for the avoidance of doubt but without limitation the Transferring Employees and the Contractors and whether or not such individuals are employed or engaged in the United Kingdom or in any other jurisdiction in the world and whether or not such individuals are “employees” at law.

**"Employment Regulations"** the EU Acquired Rights Directive (77/187) as such Directive has been implemented in the UK, including (without limitation) TUPE (as defined in this Agreement).

**"Excluded Liabilities"** means all the liabilities or obligations of the Vendor relating to the Licensed Program Materials and outstanding on, or accrued or referable to the period up to but excluding the Transfer Date or to circumstances existing prior to the Transfer Date.

**"Holding Company"** means any holding company within the meaning of section 1159 of the 2006 Act and any parent undertaking within the meaning of sections 1161 and 1162 of the 2006 Act.

**"Initial Consideration"** means the amount payable by the Purchaser to the Vendor pursuant to clause 3.2 (as may be adjusted pursuant to clause 4).

**"Key Personnel"** means the Transferring Employees and the Contractors engaged or employed by the Vendor or an affiliate thereof and which are listed in Section A, parts 1, 2 and 3 of Schedule 2 (and **"Key Person"** means any of them).

**"Licence"** means the product licence providing for the licence of the Licensed Program Materials by the Vendor to the Purchaser, the terms of which are set out at Schedule 4.

**"Licensed Program"** has the meaning given to in the Licence.

**"Licensed Program Materials"** has the meaning given to in the Licence.

**“Losses”** means all direct losses, liabilities, damages, compensation, awards, payments made under any settlement arrangements, costs and expenses including fines, penalties, and reasonable legal and other professional fees.

**"Milestone"** has the meaning set out in clause 3.4.

**"Milestone Consideration"** has the meaning given to it in clause 3.4.

**"Milestone Satisfaction Date"** has the meaning set out in clause 3.4.

**"notice"** includes any notice, demand, consent or other communication.

**"Ordinary Personnel"** means the employees and contractors employed or engaged, as applicable, by Vendor, or any of its affiliates, and who are listed in Section B, Parts 4, 5, 6 and 7 of Schedule 2**.**

**"Purchaser's Group"** means the Purchaser, the Purchaser's Holding Company and any Subsidiaries of the Purchaser or of such Holding Company.

**"Purchaser's Solicitors"** means Osborne Clarke of One London Wall, London, EC2Y 5EB.

**"Services"** means the services to be supplied by the Vendor to the Purchaser pursuant to clause 11.2 and as set out in Schedule 3.

**"Subsidiaries"** means any subsidiaries within the meaning of section 1159 of the 2006 Act and any subsidiary undertakings within the meaning of sections 1161 and 1162 of the 2006 Act, and **"Subsidiary"** means any of them.

**"Substantiated Claim"** means a claim that has been:

* + - 1. agreed in writing by the parties hereto, both as to liability and quantum; or

#### finally adjudicated or determined (in each case, in a manner which is not subject to appeal) by a court of competent jurisdiction, both as to liability and quantum.

**"Transfer Date"** means the date on which Completion occurs.

**"Transferring Employees"** means the Employees (each of whom are based in the UK) employed by the Vendor or any affiliate thereof listed in part 1 and part 4 of Schedule 2.

**"TUPE"** means the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014.

**“UK Contractors”** means the contractors engaged by the Vendor listed in part 3 and part 6 of Schedule 2.

**“Ukraine Contractors”** means the contractors engaged by the Vendor listed in part 2 and part 5 of Schedule 2.

**"VAT"** means Value Added Tax.

**"Vendor's Group"** means the Vendor, the Vendor's Holding Company and any Subsidiaries of the Vendor or of such Holding Company.

**"Warranties"** means the warranties referred to in clause 12 (*Warranties*) and set out in Schedule 1 and in clause 12.1 of the Licence and **"Warranty"** means any of them.

**"Warranty Claim"** means a claim by the Purchaser against the Vendor for a breach of Warranty.

### In this Agreement:

#### words in the singular include the plural and vice versa and words in one gender include any other gender;

#### a reference to a statute or statutory provision includes:

##### any subordinate legislation made under it;

##### any repealed statute or statutory provision which it re-enacts (with or without modification); and

##### any statute, statutory provision or subordinate legislation which modifies, consolidates, re-enacts or supersedes it,

whether such subordinate legislation, re-enactment, statute, or statutory provision comes into force before or after the date of this Agreement, except to the extent that such subordinate legislation, re-enactment, statute or statutory provision comes into force after the date of this Agreement and would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party;

#### a reference to:

##### any party includes its successors in title and permitted assigns;

##### a **"person"** includes any individual, firm, body corporate, association or partnership, government or state (whether or not having a separate legal personality);

##### clauses and schedules are to clauses and schedules of this Agreement and references to sub‑clauses and paragraphs are references to sub‑clauses and paragraphs of the clause or schedule in which they appear;

##### any provision of this Agreement is to that provision as amended in accordance with the terms of this Agreement;

##### any document being **"in the agreed form"** means in a form which has been agreed by the parties on or before the date of this Agreement and for identification purposes signed by them or on their behalf by their solicitors;

##### an obligation due from any party to **"indemnify"** or **"keep indemnified"** (or words to that effect) any other party or other person(s) in relation to a particular circumstance shall be an obligation to pay on a pound for pound basis a sum equal to all Losses actually incurred by the indemnified party or person(s) (in case of indemnification due to breach of Warranty, only for such Losses actually incurred as a result of breach of such Warranty Claim), and shall be without prejudice to any other rights and remedies the indemnified party or persons have under this Agreement; and

##### **"writing"** shall, for the avoidance of doubt, include e-mail or any other communication in electronic form and **"written"** shall be construed accordingly;

#### save as expressly defined or otherwise set out in sub-clauses 1.1 or 1.2 or in any other provision of this Agreement:

##### words and expressions used in this Agreement which are defined in the 2006 Act shall have the meaning attributed to them in the 2006 Act; and

##### if a word or expression used in this Agreement is not defined in the 2006 Act but is defined in the 1985 Act, then the meaning attributed to such word or expression in the 1985 Act shall apply, notwithstanding that such definition has been repealed;

#### **"sterling"** and the sign **"£"** mean pounds sterling in the currency of the United Kingdom;

#### the table of contents and headings are for convenience only and shall not affect the interpretation of this Agreement;

#### general words shall not be given a restrictive meaning:

##### if they are introduced by the word "other" by reason of the fact that they are preceded by words indicating a particular class of act, matter or thing; or

##### by reason of the fact that they are followed by particular examples intended to be embraced by those general words;

#### where any liability or obligation is undertaken by two or more persons, the liability of each of them shall be joint and several; and

#### where any statement is qualified by the expression **"so far as the Vendor is aware"** or **"to the best of the Vendor's knowledge and belief"** or any similar expression, the Vendor shall be deemed to have knowledge of anything of which Kirill Rechter, Tatiana Gaponova (in respect of matters set forth in Section 8 and 9 of Schedule 1 only) or Yigal Goodman had actual knowledge

## License of the Licensed Program Materials

### With effect from the Transfer Date the Vendor shall license the Licensed Program Materials to the Purchaser on and subject to the terms set out in the Licence and this Agreement.

## Consideration

### The Consideration shall comprise:

#### the Initial Consideration;

#### the Deferred Consideration; and

#### the Milestone Consideration,

#### which shall be payable in accordance with this clause 3 and subject to adjustment in accordance with clause 4.

### The Purchaser shall pay to the Vendor the sum of £4,500,000 (exclusive of VAT), which is payable by:

#### the set off of the sum of £500,000 currently held by the Vendor as a prepayment of the Initial Consideration pursuant to a letter dated 18 November 2015 between the Purchaser and the Vendor; and

#### the payment in cash at Completion of £4,000,000 (together the "**Initial Consideration**").

#### The set off of £500,000 under clause 3.2(a) shall satisfy all obligation and liabilities of Lognet with respect to such payment and the Purchaser shall not be entitled to further deduct such amount or any portion thereof from any future payments of Purchaser to Vendor (or any of its affiliates).

### The Purchaser shall pay to the Vendor the sum of £500,000 (inclusive of VAT), in cash on or before January 30, 2016 ("**Deferred Consideration**"), provided that the Vendor has not breached its obligations under this Agreement prior to such date, as agreed in writing between the parties or finally determined (in a manner which is not subject to appeal) by a court of competent authority (“**Court Approval**”, **"Reduction Event"**). To the extent that a Reduction Event has occurred, the Deferred Consideration shall be reduced by an equivalent amount of the damages agreed in writing or determined by court in such Court Approval as payable as a result of the Reduction Event, but for the avoidance of doubt any such damages in excess of £500,000 shall result in no payment of Deferred Consideration. To the extent that the Vendor, within a reasonable period of time, has cured the breach giving rise to the Reduction Event to the satisfaction of the Purchaser (acting reasonably) or as otherwise determined by court, such Deferred Consideration so reduced shall be payable by the Purchaser within 10 business days. To the extent a Reduction Event occurs in accordance with this clause 3.3 in connection with a breach by the vendor of clause 11.1(a), such amount shall offset the amount of £1,000,000 that would otherwise be reduced or repaid under clause 3.4(b) or under clause 4.

### If at any time the number of Active Subscribers using the Licensed Program exceeds five million (the **"Milestone"**), the Milestone Consideration shall be payable in cash by the Purchaser to the Vendor within ten Business Days of the date that the Milestone is reached (the **"Milestone Satisfaction Date"**).

### For the purposes of this clause 3.4, **"Milestone Consideration"** means either:

#### £2,500,000 (exclusive of VAT), unless subsection (b) applies; or

#### £1,500,000 (exclusive of VAT) if, at the Milestone Satisfaction Date, the Vendor has breached or is in breach of clause 11.1(a), as finally determined (in a manner which is not subject to appeal) by a court of competent authority.

### For the removal of doubt, the payment of the Milestone Consideration shall not depend on the time that the Milestone is achieved and no statute of limitations shall apply to the obligation to make such payment.

## Adjustment to Consideration

### Save where the Milestone Consideration has been determined and paid in the amount of £1,500,000 pursuant to clause 3.4(b), if at any time it is agreed in writing between the parties or a court of competent authority shall finally determine (in a manner which is not subject to appeal), that the Vendor is in breach of clause 11.1(a), the amount of Consideration paid or payable to the Vendor pursuant to clauses 3.1 to 3.4 (inclusive) shall be reduced by £1,000,000, and the Vendor shall promptly (and, in any event, within five Business Days) account for and repay to the Purchaser any overpayment of Consideration. Having regard to the importance of each Key Person to maintaining the value of the Licence, the parties confirm that such a reduction in the Consideration represents a true price adjustment and relates to the protection of the Purchaser's legitimate interest in operating the Licence that would otherwise be impaired as a result of a breach of clause 11.1(a).

### The aggregate maximum amount of Consideration that may be adjusted, reduced or repaid pursuant to clauses 3.4 and 4.1 (together) shall not exceed £1,000,000.

## VAT/Sales Tax

### Vendor is of the opinion that the license fees payable hereunder are not subject to VAT in Israel. For the avoidance of doubt it is clarified that to the extent any claim is raised by a competent authority that VAT or other applicable sales tax is due and payable in connection with the transaction contemplated hereunder, the Consideration expressed to be payable under clause 3 shall be deemed to be inclusive of VAT or any other sales tax applicable in any relevant jurisdiction, and no further sums shall be payable by the Purchaser to the Vendor in relation to VAT or similar sales tax in addition to the amounts set out in clause 3.

## Completion

### Completion shall take place at the offices of the Purchaser's Solicitors on the date of this Agreement, or at another location as may be mutually agreed in writing.

### On Completion, the following transactions shall occur and documents be delivered, which transactions and deliveries shall be deemed to take place simultaneously (and no transaction shall be deemed to have been completed or required document delivered until all such transactions have been completed and all required documents delivered):

#### the Vendor shall deliver or cause to be delivered to the Purchaser:

##### copies of resolutions of the Vendor's boards of directors authorising the entry into this Agreement;

##### a duly executed copy of the Disclosure Letter;

##### the Licensed Program Materials (in both source code and object code format); and

##### duly executed releases and/or consents from the holders of any outstanding charges or encumbrances over the Licensed Program Materials.

#### The Vendor shall instruct [Hetzner] in writing to give the Purchaser access to the relevant servers, in succession to the Vendor, currently used by the Vendor in relation to the Licensed Program Materials under the Data Centre Contract.

#### The Purchaser shall deliver or cause to be delivered to the Vendor:

##### a copy of the resolution of the Purchaser's board authorising the entry in this Agreement;

##### a duly executed acknowledgment of receipt of the Disclosure Letter; and

#### the Purchaser shall pay the Initial Consideration to the Vendor.

## Apportionments

### All liabilities in respect of salaries, wages, bonuses, accrued holiday pay and other remuneration, national insurance, pension and other statutory contributions, income tax deductible under PAYE for which the Vendor is accountable, and all other payments to or in respect of the Transferring Employees (the **"Employee Costs"**) which relate to a period commencing before or on and ending after the Transfer Date shall be apportioned on a time basis (save all charges and outgoings specifically referable to the extent of such use) so that such part of the Employee Costs as is attributable to the period ending on the day immediately prior to the Transfer Date shall be borne by the Vendor and each part of such Employee Costs as is attributable to the period commencing on the Transfer Date shall be borne by the Purchaser.

### Each party undertakes to cooperate with the other in good faith to determine the amount that should be paid by the Purchaser or Vendor (as applicable) to the other party pursuant to clause 7.1, and to pay such amount as soon as reasonably practicable following such agreement.

## Excluded Liabilities

### The Vendor shall be solely responsible for the Excluded Liabilities and shall duly and punctually pay and discharge the Excluded Liabilities.

### The Purchaser shall not be responsible for any liability in respect of the Licensed Program Materials or any other liability of the Vendor arising prior to the date of this Agreement and with respect to the period prior to the date of this Agreement which is not expressly assumed by it under this Agreement or the Licence.

## Employees

### The Purchaser and the Vendor hereby acknowledge and agree that the license to the Purchaser of the Licensed Program Materials and the other actions to be taken pursuant to this Agreement shall effect a “relevant transfer” within the meaning of TUPE. The Vendor shall use its reasonable endeavours to retain the services of the Transferring Employees to the intent that their contracts of employment shall continue in force until Completion and then be transferred to the Purchaser under TUPE.

### The Vendor will:

#### ensure that all of the Transferring Employees have received all emoluments (including all bonuses, deferred or otherwise), due for any period prior to the Transfer Date as at the day immediately preceding the Transfer Date;

#### ensure that due compliance has been made with the provisions of any collective agreements with recognised trades unions, any arrangements with any employee body or other employee representatives, and the provisions of TUPE as to information and consultation; and

#### at all times hereafter, at its own expense, provide to the authorised representatives of the Purchaser, in relation to any of the Transferring Employees, such information or documents as the Purchaser may reasonably require relating to the terms and conditions of employment, pension and life assurance arrangements, health, welfare or any other matter concerning such Transferring Employees or their employment in the period prior to Completion.

### If any contract of employment of a UK-based Employee who is not a Transferring Employee has effect as if originally made between the Purchaser and such person as a result of the application of TUPE and/or the Employment Regulations as the case may be:

#### the Purchaser shall within 14 days of becoming aware of the application (or alleged application) of TUPE and/or the Employment Regulations to such contract, notify the Vendor and provide them with full details of the same;

#### the Vendor shall then have a period of 14 days to offer employment or engagement to the person, or to otherwise cause the person to terminate their contract (or alleged contract) with the Purchaser; and

#### the Purchaser may after the period of 14 days referred to in sub-clause 9.3(b), give notice to such person to terminate such contract, taking such reasonable steps (after consultation with the Vendor) to limit any liability under the indemnity below.

### In consideration of the Purchaser assuming the outstanding obligations of the Vendor in respect of the holiday entitlements of the Transferring Employees accrued and untaken at the Transfer Date, the cost of providing such holiday entitlements shall be payable by the Vendor and taken into account in the amounts owing to the Purchaser pursuant to clause 7. Holiday entitlement of the Transferring Employees shall be calculated on the assumption that such entitlement accrues evenly over the calendar year to the extent that accrued holiday not taken shall be paid for by the Vendor.

### It is recognised that Completion may occur without Purchaser having engaged all of the Key Personnel and Ordinary Personnel. Accordingly, with effect from Completion and until the date that is three (3) months after the Transfer Date, the Purchaser may offer to employ or engage any of the Key Personnel or Ordinary Personnel who is not a Transferring Employee provided that such person’s name appears on Schedule 2 in his or her existing role on terms no less favourable than the terms which applied immediately prior to Completion in respect of his or her employment or engagement by the Vendor and, in such event, the Vendor shall thereupon terminate the employment or engagement of such Employees who accept the Purchaser’s offer of employment.

### The Purchaser shall indemnify and keep indemnified the Vendor against any and all Losses in relation to the Transferring Employees arising as a result of any act or omission of the Purchaser on or after the Transfer Date or concerning the period following Completion.

## Contractors

### The Vendor shall terminate the Contractors’ contracts such that each ceases to be engaged by the Vendor on the Transfer Date.

### The Purchaser shall indemnify and keep indemnified the Vendor against any and all Losses in relation to the Contractors arising as a result of any act or omission of the Purchaser on or after the Transfer Date or concerning the period following Completion.

## Post-Completion undertakings

### **Non-solicit undertakings**

#### In order to assure to the Purchaser the full benefit of the Licensed Program Materials, the Vendor, for itself and on behalf of the other members of the Vendor's Group, undertakes with the Purchaser that no member of the Vendor's Group shall, without the consent of the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), either alone or in conjunction with or on behalf of any other person, solicit or seek to entice away, employ, or otherwise engage any Key Person whether or not such person would commit a breach of his contract of employment or contract for services by reason of leaving the service of the Purchaser. The restriction on the Vendor set out in this sub-clause 11.1(a) shall not apply where the Key Person is no longer employed or otherwise engaged by the Purchaser (or other member of the Purchaser's Group) and has not been so employed or engaged for a period of three or more years. Notwithstanding the foregoing, for purposes of this Agreement, the placement of general advertisements which may be targeted to a particular geographic or technical area but which are not targeted directly or indirectly towards any Key Persons shall not be deemed to be a breach of this clause 11.1(a).

#### For the purpose of investigating any breach of sub-clause 11.1(a), the Vendor undertakes to provide to the Purchaser information concerning the identity of the employees and consultants of the Vendor and members of the Vendor's Group as the Purchaser may reasonably request. Any information provided hereunder shall not be disclosed or used other than for the sole purpose of confirming compliance of the Vendor with the provisions of this clause 11.

#### The Purchaser undertakes with the Vendor that no member of the Purchaser's Group shall, without the consent of the Vendor (such consent not to be unreasonably withheld, conditioned or delayed), either alone or in conjunction with or on behalf of any other person, within three years after Completion solicit or seek to entice away, employ, or otherwise engage any employee or contractor of the Vendor's Group employed or engaged at the date of this Agreement (otherwise than and subject to clause 9.5 above), whether or not such person would commit a breach of his contract of employment or engagement by reason of leaving the service of the Purchaser. The restriction on the Purchaser set out in this sub-clause 11.1(c) shall not apply where the employee or contractor is no longer employed or otherwise engaged by the Vendor (or other member of the Vendor's Group) and has not been so employed or engaged for a period of three or more years. Notwithstanding the foregoing, for the purposes of this Agreement, the placement of general advertisements which may be targeted to a particular geographic or technical area but which are not targeted directly or indirectly towards any particular employee or contractor shall not be deemed to be a breach of this clause 11.1(a). The Purchaser and Vendor agree that a breach by the Purchaser of this clause 11.1(c) shall result in a payment by the Purchaser to the Vendor of £1,000,000, which is considered by the parties to be a legitimate estimate of the liquidated damages suffered by the Vendor as a result of such breach in order to protect the Vendor´s legitimate interests. The liquidated damages of £1,000,000 shall be payable only once and not for any subsequent breach of this clause 11.1(c).

### **Transitional Services**

### The Vendor undertakes to supply the Purchaser (or to any other entity as the Purchaser may direct) with the Services as described and on the terms set out in Schedule 3 for a period of up to twelve (12) months from the date of this Agreement.

### **Licensed Program usage information**

#### The Purchaser undertakes to provide to the Vendor such information as may be reasonably requested by the Vendor for the sole purpose of evaluating whether or not the Milestone has been reached within twenty Business Days of such a request, including providing the Vendor and its advisers, upon being given reasonable notice and during business hours, reasonable access to the Purchaser's and members of the Purchaser's Group's relevant premises and personnel, and to any relevant documents within their power, possession or control, and shall allow the Vendor and its advisers, at the Vendor's own cost, to take copies of any relevant documents or records provided that where such access or permission to copy would result in the Purchaser or any member of the Purchaser's Group breaching any applicable law relating to the protection of such information, the information shall first be redacted only to the extent necessary to prevent such breach.

#### In addition to the information provided pursuant to sub-clause 11.3(a), the Purchaser undertakes to provide the Vendor with quarterly reports with respect to the Licensed Program's usage within 30 Business Days of the end of each quarter comprising the number of Active Subscribers as at end of the relevant quarter.

### **Notices, records, and monies**

#### For a period of 12 months after the Transfer Date, the Vendor shall, forthwith upon receipt, forward to the Purchaser a copy of any notices, correspondence, information or enquiries which relate substantively to the Licensed Program Materials.

#### The Vendor shall preserve or procure the preservation of all books, documents and records relating to the Licensed Program Materials and in respect of the period prior to Completion which it retains following Completion for a period of two (2) years, and shall allow, upon being given reasonable notice and during business hours, the Purchaser and/or its agents (who are bound by confidentiality, non-disclosure and non-use undertakings that are reasonable and customary but in no event that are no less restrictive than those set out in this Agreement and who are not “Prohibited Sub-Contractors” as set forth in Appendix D to the License), access to them for the sole purpose of operating, supporting and utilising the Licensed Program Materials and only to the extent required to achieve such purpose.

## Vendor’s Warranties and indemnities

### The Vendor warrants to the Purchaser that each of the Warranties is true and accurate in all respects at the date of this Agreement.

### Each of the Warranties is a separate and independent Warranty and shall not be limited by reference to any other Warranty or anything in this Agreement.

### The Vendor shall indemnify and keep indemnified the Purchaser from and against any Losses arising out of the termination of any contract of employment with a UK-based Employee pursuant to clause 9.3, or Losses arising out of such contract to the date of such termination.

### The Vendor shall indemnify and keep indemnified the Purchaser from and against any Losses arising as a result of:

#### any of the terms and conditions of employment of any of the Transferring Employees being different as at Completion from those expressly set out in the Disclosure Letter (whether arising out of any claim brought by any of the Transferring Employees under the Equal Pay Act 1970 before or after Completion, or otherwise);

#### any failure by the Vendor to comply with any obligations relating to the provision of information and/or consultation, whether pursuant to TUPE or the Trade Union and Labour Relations (Consolidation) Act 1992 or the Information and Consultation of Employees Regulations 2004 or any collective agreement or otherwise;

#### any failure by the Vendor to comply with the obligation to notify employee liability information pursuant to Regulation 11 of TUPE.

#### any act or omission by the Vendor, or any act or omission, the liability for which transferred to the Vendor by virtue of TUPE, or any event, occurrence or obligation in connection with the employment or termination of the employment:

##### of the UK-based Transferring Employees during the period up to and including the Transfer Date; and/or

##### whether on, before or after the Transfer Date, of all UK-based Employees other than the Transferring Employees employed or otherwise engaged or formerly employed or otherwise engaged by the Vendor.

### in each case including, but not limited to, those relating to redundancy (whether pursuant to statutory requirements or otherwise), breach of contract, wrongful dismissal, unfair dismissal, discrimination by reason of sex, sexual orientation, race, religion or belief or disability, equal pay, health and safety (including industrial injury) and in each case whether under UK or European legislation or otherwise.

### The Vendor shall indemnify and keep indemnified the Purchaser from Losses arising out of its termination of the Contractors’ contracts with the Vendor (as envisaged above at clause10.1) or Losses arising out of such contract to the date of such termination.

### The Vendor shall indemnify and keep indemnified the Purchaser from Losses arising out of any Excluded Liability, other than if and to the extent that such Excluded Liability arises or is increased as a result of actions or omissions of the Purchaser after Completion.

## Claims

### The Vendor undertakes to disclose in writing to the Purchaser anything which is inconsistent with the contents of the Disclosure Letter and in the reasonable opinion of the Vendor could lead to a claim being made under the Warranties, within 14 days after it comes to its notice at any time either at the time of or after Completion.

### If any Warranty Claim is made, the Vendor shall not make any claim against any Transferring Employee in connection with it having relied on such Transferring Employee before agreeing to any terms of this Agreement or authorising any statement in the Disclosure Letter.

### Any amount paid by the Vendor to the Purchaser in respect of clause 12 of this Agreement shall be treated as paid to the Purchaser by way of reduction in the Consideration.

## Limitations on Vendor's liability

### In the absence of fraud on the part of the Vendor, its agents or advisors:

#### the Purchaser shall not have any claim under the Warranties in respect of any matter if, and to the extent that, it is Disclosed in the Disclosure Letter;

#### the Purchaser shall not have any claim pursuant to any other indemnities granted under this Agreement in respect of any matter if, and to the extent that, it is Disclosed in the specific disclosures (and for the avoidance of doubt, not by any general disclosure) in the Disclosure Letter;

#### the Vendor shall not be liable for any Warranty Claim or pursuant to any other indemnities granted under this Agreement (including, for the avoidance of doubt, the License) unless it has received written notice from the Purchaser giving reasonable details of the Warranty Claim or other claim hereunder on or before the expiration of eighteen (18) months from Completion.

#### the aggregate liability of the Vendor in respect of the Warranties and all other indemnities hereunder (including, for the avoidance of doubt, the License) shall not exceed the aggregate amount of Consideration actually paid to the Vendor pursuant to this Agreement.

### If the Vendor makes any payment to the Purchaser in relation to any Warranty Claim or pursuant to any other indemnities granted under this Agreement and the Purchaser subsequently receives from a third party (including any insurers) any amount referable to, or any benefit which would not have been received but for the circumstances giving rise to, the subject matter of that Warranty Claim or claim for indemnification, the Purchaser shall, once it has received such amount or benefit, as soon as reasonably practicable thereafter repay or procure the repayment to the Vendor of the lesser of either:

#### the amount of such receipt (after deducting an amount equal to the reasonable costs of the Purchaser incurred in recovering it and any increase in premiums resulting from it, where applicable); and

#### the amount paid by the Vendor.

### The Purchaser shall use commercially reasonable efforts to mitigate its Losses in line with its obligations under law, provided that it is agreed that Purchaser shall in any event be required to use commercially reasonable efforts to collect under any insurance policy it holds or from which it benefits with respect to any matter for which it may reasonably be entitled to compensation or indemnification under such policy, provided that the Vendor shall indemnify the Purchaser for any increase in premiums as a result of making such a claim.

### Neither party shall be liable for any direct or indirect lost profits, lost savings or any incidental, punitive, special or consequential Losses, loss or corruption of data or information, under any part of this Agreement (including, for the avoidance of doubt, the License).

## Conduct of Claims

### The Purchaser shall, promptly upon first becoming aware, notify the Vendor in writing of:

#### any claim made against it by a third party which may reasonably give rise to a Warranty Claim or claim for indemnification under this Agreement (including, for the avoidance of doubt, the License); and

#### any claim the Purchaser is entitled to bring against a third party which claim is based on circumstances which may reasonably give rise to a Warranty Claim or a claim for indemnification under this Agreement (including, for the avoidance of doubt, the License).

### The Purchaser shall not be liable for any delay in giving any notice under sub-clause 15.1 and shall not by reason of such delay be precluded from bringing any such claim against the Vendor save that the Vendor shall not be liable for any Losses arising as a result of, or which are increased by, any breach by the Purchaser of clause 15.1, including where such delay or failure harmed or prejudiced the Vendor’s ability to defend against such Warranty Claim or claim for indemnification.

### For the purpose of enabling the Vendor to avoid, dispute, resist, mitigate, compromise, defend or appeal against any claim or to enforce any right to recover or to decide what steps or proceedings should be taken in order to do so, the Purchaser shall, subject to the Vendor properly indemnifying the Purchaser against all reasonable costs and expenses the Purchaser may incur in relation thereto:

#### procure that the conduct, negotiation, litigation or settlement of that claim is carried out in accordance with the reasonable instructions of the Vendor; and

#### if the Vendor admits liability to any underlying Warranty Claim, and the Vendor so requests, delegate entirely to the Vendor the conduct of any proceedings of whatsoever nature arising in connection with the claim and, in that event, give or cause to be given to the Vendor all such assistance as they may reasonably require in disputing the claim or enforcing the right.

### provided that nothing in this clause 15.3 shall entitle Vendor to take or procure any action which the Purchaser reasonably considers will be detrimental to the business, trading relationships or reputation of the Purchaser or of any member of the Purchaser's Group. In addition, neither party shall settle a Warranty Claim or other claim for indemnification without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

### The Purchaser shall provide to the Vendor and the Vendor's advisers, upon being given reasonable notice and during business hours, reasonable access to premises and personnel and to any relevant assets, documents and records within their power, possession or control for the purpose of investigating any Warranty Claim or other claim for indemnification and enabling the Vendor to take the action referred to in sub-clause 15.3 and shall allow the Vendor and its advisers to take copies of any relevant documents or records at the Vendor's expense, provided that where such access or permission to copy would result in the Purchaser or any member of the Purchaser's Group breaching any applicable law relating to the protection of such information, the information shall first be redacted only to the extent necessary to prevent such breach.

### The rights and remedies of the Purchaser in respect of any breach of the Warranties shall not be affected by Completion or by any investigation made, or which could have been made, by it or on its behalf into the Licensed Program Materials or any constructive or imputed knowledge of the Purchaser.

### Each party acknowledges that, save in the case of fraud:

#### and save for breach of the restrictive covenants in clause 11.1, its sole remedy for any claim for breach of this Agreement shall be damages for breach of contract (subject to the limitations and restrictions set out in this Agreement) and each party hereby irrevocably waives any other right, power or remedy provided by law or otherwise which it might otherwise have relating to any such claim; and

#### no breach of any provision of this Agreement shall entitle a party to rescind or terminate this Agreement or treat it as having been terminated and each party hereby irrevocably waives all such rights of rescission and termination in respect of this Agreement, provided that the foregoing shall not apply in circumstances where the Purchaser failed to pay any portion of the Initial Consideration or the Deferred Consideration, if and to the extent it becomes due and payable pursuant to the terms hereof, and any such failure shall entitle the Vendor to rescind or terminate this Agreement.

### For the avoidance of doubt, the Purchaser shall not be entitled to recover the same loss twice under this Agreement.

## Purchaser’s Warranties

### The Purchaser warrants that:

#### the Purchaser has the requisite power and authority to enter into and perform this Agreement;

#### this Agreement constitutes and imposes valid legal and binding obligations on the Purchaser fully enforceable in accordance with its terms;

#### all reports, returns and information required by law to be made or given by Purchaser to any person or authority in connection with the procurement of the Licensed Program have been made or given to the appropriate person or authority;

#### the Purchaser has not, in relation to this Agreement, committed nor is it liable for, and no claim has been or, so far as the Purchaser is aware, will be made that it has committed or is liable for, any criminal, illegal, unlawful or unauthorised act or breach of any obligation or duty whether imposed by or pursuant to statute, contract or otherwise which is likely to have a material adverse effect on the Purchaser in relation to this Agreement;

#### the Purchaser has not, in relation to this Agreement, received notification that any investigation or inquiry is being, or has been, conducted by, or received any request for information from any governmental or other authority, department, board, body or agency in respect its affairs and, so far as the Purchaser is aware, there are no circumstances which would be expected to give rise to such investigation, inquiry or request;

#### entry by the Purchaser into this Agreement is not ultra vires, unauthorised, invalid or unenforceable or in breach of any contract or covenant to which the Purchaser is a party which is likely to have a material adverse effect on the Purchaser in relation to this Agreement;

#### the Purchaser is not actually aware, whether through its due diligence investigations, initial testing of the Licensed Program, responses and information received from representatives of the Vendor in response to questions posed concerning the License Program Materials and the transactions hereunder or through any other means, of any breach of the Warranties or indemnities given to it by the Vendor in this Agreement and for the purposes of this clause 16.1, actual awareness of the Purchaser means the actual knowledge of David Raabe, Charlotte Nicholls or Malcolm Henchley;

#### the Purchaser has obtained licenses to the Supporting Technologies (as defined in the Licence); and

#### the Purchaser has and will continue to have sufficient cash on hand and available to make payment of the Deferred Consideration if and to the extent it becomes due and payable pursuant to the terms hereof.

## Miscellaneous

### **Entire Agreement**

#### This Agreement (including the Licence) sets out the entire agreement and understanding between the parties and supersedes all prior agreement understandings or arrangements (oral or written) in respect of the subject matter of this Agreement.

### **Contracts (Rights of Third Parties) Act 1999**

Unless expressly provided in this Agreement, no term of this Agreement is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

### **Assignment**

#### This Agreement shall be binding upon and inure for the benefit of the successors of the parties but, except as set out in sub-clauses (b), (c) and (d), shall not be assignable by any party without the prior written consent of the other.

#### Either party may assign the benefit of this Agreement (including, without limitation, the Warranties where assigned by the Purchaser, and the rights to the Milestone Consideration where assigned by the Vendor) to an entity within that party's Group.

#### In the event of any such assignment:

* + - * 1. written notice of such assignment shall be given promptly to the other party;

##### (in the case of an assignment to another member of the assignor’s Group) any assignee shall be deemed to have accepted liability in respect of any accrued or future liabilities of the assignor arising under this Agreement;

* + - * 1. the liability of the other party under this Agreement shall not be increased by reason of such assignment;
        2. the other party may discharge its obligations under this Agreement to the assignor until it receives written notice of the assignment;
        3. the assignee may enforce this agreement as if it were a party to it, but the assignor shall remain liable for any obligations under this Agreement; and

##### the assignee shall forthwith reassign the relevant rights to the assignor upon ceasing to be a member of the assignor’s Group (and give written notice thereof to the other party).

#### Without derogating from the generality of clause (b) above, (i) if the Vendor ceases to carry on business or an event set out in clause 13.1 of the Licence occurs in relation to the Vendor, the Vendor may assign the benefit of the Milestone Consideration to an affiliate of the Vendor or an acquirer of substantially all of the Vendor's business and assets or shares (including through a merger where the Vendor is not the surviving entity), or to any other third party, in each case as approved by the Purchaser, such approval not to be unreasonably withheld, delayed or conditioned, and subject to the provisions of clauses 17.3(b) and (c), which shall apply to this clause 17.3(d) equally.

### **Variation**

No purported variation of this Agreement shall be effective unless it is in writing and signed by each of the parties.

### **Effect of Completion**

Except to the extent already performed and subject to clause 14.1, all the provisions of this Agreement shall, so far as they are capable of being performed or observed, continue in full force and effect notwithstanding Completion.

### **Invalidity**

If any provision of this Agreement is found by any court or competent authority to be invalid, unlawful or unenforceable in any jurisdiction, that provision shall be deemed not to be a part of this Agreement, but it shall not affect the enforceability of the remainder of this Agreement nor shall it affect the validity, lawfulness or enforceability of that provision in any other jurisdiction.

### **Releases and waivers**

#### Subject to clause 15.6, the rights, powers and remedies conferred on any party by this Agreement and remedies available to any party are cumulative and are additional to any right, power or remedy which it may have under general law or otherwise.

#### Any party may, in whole or in part, release, compound, compromise, waive or postpone, in its absolute discretion, any liability owed to it or right granted to it in this Agreement by any other party or parties without in any way prejudicing or affecting its rights in respect of that or any other liability or right not so released, compounded, compromised, waived or postponed.

#### No single or partial exercise, or failure or delay in exercising any right, power or remedy by any party shall constitute a waiver by that party of, or impair or preclude any further exercise of, that or any right, power or remedy arising under this Agreement or otherwise.

### **Further assurance**

After Completion, each party shall execute such documents and take such steps as the other may reasonably require to give full effect to the terms of this Agreement.

### **Counterparts**

#### This Agreement may be executed in any number of counterparts and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart.

#### Each counterpart, when executed, shall be an original of this Agreement and all counterparts shall together constitute one instrument.

### **Time of the essence**

Except as otherwise expressly provided, time is of the essence as regards every obligation of any party under this Agreement.

### **Confidentiality**

#### Except as referred to in sub-clause 17.11(b) or 17.11(c), each party shall treat as strictly confidential all information received or obtained as a result of entering into or performing this Agreement which relates to (i) the provisions or subject matter of this Agreement, (ii) any other party to this Agreement (including without limitation such party’s technology, know-how, business and commercial relationships) and (iii) the negotiations relating to this Agreement.

#### Any party may disclose information which would otherwise be confidential if and to the extent that:

##### it is required to do so by law or any securities exchange or regulatory or governmental body to which it is subject wherever situated;

##### it considers it necessary to disclose the information to its professional advisers, auditors and bankers provided that it does so on a confidential basis;

##### the information has come into the public domain through no fault of that party; and

##### each party to whom it relates has given its consent in writing.

#### Without prejudice to clause 10 of the Licence, the Purchaser may disclose information relating to the existence and content of this Agreement which would otherwise be confidential if and to the extent that it considers it (in its reasonable opinion) to be necessary or desirable in connection with an IPO, having taken advice from its advisers on the IPO that such disclosure is necessary or desirable, and where the disclosure is desirable only and even where the disclosure is necessary but involves the disclosure of the pricing/consideration payable hereunder, that it has coordinated the content and form of such general disclosure with the Vendor and that it does not disclose any specific pricing or other details without Vendor’s consent, which consent may not be unreasonably withheld.

#### For the removal of doubt, this Section 17.11 shall survive termination of this Agreement

### **Payments**

#### Any amounts due to the Vendor pursuant to this Agreement shall be paid by telegraphic transfer to following account:

#### Account name: Lognet Information Technologies Ltd Account number: 341800/17 Bank name: Bank Leumi Leisrael Branch Name and No.: Haifa main branch, 876

#### Branch address: 21 Jaffa street, Haifa, Israel 33262 IBAN: IL23 0108 7600 0003 4180 017 SWIFT/BIC: LUMIILITXXX

#### unless otherwise notified in writing to the Purchaser at least two Business Days prior to such payment becoming due.

#### Any amounts due to the Purchaser pursuant to this Agreement shall be paid by telegraphic transfer to the following account:

#### Account name: Osborne Clarke Sterling Client account Account number: 00708542 Sort code: 56-00-05 Bank name: Natwest Bank address: Bristol City Office, 32 Corn Street, Bristol, BS99 7UG IBAN: GB06NWBK56000500708542 SWIFT/BIC: NWBKGB2L

#### unless otherwise notified in writing to the Vendor at least two Business Days prior to such payment becoming due.

### **Default interest**

If any party defaults in the payment when due of any sum payable under this Agreement (whether payable by written agreement or by an order of a court or otherwise), the liability of that party shall be increased to include interest on that sum from the date when such payment was due until the date of actual receipt of payment at a rate per annum of 4% above the base rate from time to time of National Westminster Bank PLC. Such interest shall accrue from day to day and shall be compounded annually.

### **Set-off**

#### The Purchaser shall be entitled to set off the amount of any Substantiated Claim against any sum due from it to the Vendor under this Agreement.

#### Without prejudice to the generality of the foregoing, it is clarified that the Purchaser shall be entitled to set off the amount of any Substantiated Claim against the Milestone Consideration.

## Announcements

### Subject to sub-clause 18.2, no announcement concerning the terms of this Agreement shall be made by or on behalf of any of the parties without the prior written consent of the others, such consent not to be unreasonably withheld, conditioned or delayed.

### Any announcement or circular in connection with Completion that is required to be made or issued by any party by law no later than a certain point in time may be made or issued by that party without consent at such latest permitted point in time if it has first sought consent and given the other party a reasonable opportunity to comment on the subject matter and form of the announcement or circular (given the time scale within which it is required to be released or despatched).

### Notwithstanding anything herein to the contrary, Vendor may indicate Purchaser’s name for client references and Purchaser shall reasonably cooperate with potential clients of Vendor, after coordination with Vendor, to provide references and feedback on the Licensed Program Materials.

## Costs and expenses

### Except as referred to in sub-clause 19.2, each party shall bear its own costs and expenses incurred in the preparation, execution and implementation of this Agreement.

### The Purchaser shall pay all stamp and other transfer duties and registration fees applicable to any document to which it is a party and which arise as a result of or in consequence of this Agreement.

## Notices

### Any notice to a party under this Agreement shall be in writing signed by or on behalf of the party giving it and shall, unless delivered to a party personally, be left at, or sent by prepaid first class post, prepaid recorded delivery or fax to the address of the party as set out on page 1 of this Agreement or as otherwise notified in writing from time to time.

### Except as referred to in sub-clause 20.3, a notice shall be deemed to have been served:

#### at the time of delivery if delivered personally;

#### 48 hours after posting in the case of an address in the United Kingdom and 96 hours after posting for any other address;

#### two hours after transmission if served by fax on a Business Day prior to 3pm or in any other case at 10am on the Business Day after the date of despatch.

If the deemed time of service is not during normal business hours in the country of receipt, the notice shall be deemed served at or, in the case of faxes, two hours after the opening of business on the next Business Day of that country.

### The deemed service provisions set out in sub-clause 20.2 do not apply to:

#### a notice served by post, if there is a national or local suspension, curtailment or disruption of postal services which affects the collection of the notice or is such that the notice cannot reasonably be expected to be delivered within 48 hours or 96 hours (as appropriate) after posting; and

#### a notice served by fax, if, before the time at which the notice would otherwise be deemed to have been served, the receiving party informs the sending party that the notice has been received in a form which is unclear in any material respect, and, if it informs the sending party by telephone, it also despatches a confirmatory fax within 2 hours.

### In proving service it will be sufficient to prove:

#### in the case of personal service, that it was handed to the party or delivered to or left in an appropriate place for receipt of letters at its address;

#### in the case of a letter sent by post, that the letter was properly addressed, stamped and posted;

#### in the case of a fax, that it was properly addressed and despatched to the number of the party.

### A party shall not attempt to prevent or delay the service on it of a notice connected with this Agreement.

## Governing law and jurisdiction

### This Agreement and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English law.

### The parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this Agreement, its subject matter or formation.

**This Agreement** is made on the date appearing at the head of page 1.

# Schedule 1

# (The Warranties)

**The Vendors**

1. **Capacity**
   1. The Vendor has the requisite power and authority to enter into and perform this Agreement.
   2. This Agreement constitutes and imposes valid legal and binding obligations on the Vendor fully enforceable in accordance with its terms.
   3. All reports, returns and information required by law to be made or given by the Vendor to any person or authority in connection with the procurement of the Licensed Program have been made or given to the appropriate person or authority.
   4. The Vendor has not, in relation to this Agreement, committed nor is it liable for, and no claim has been or, so far as the Vendor is aware, will be made that it has committed or is liable for, any criminal, illegal, unlawful or unauthorised act or breach of any obligation or duty whether imposed by or pursuant to statute, contract or otherwise which is likely to have a material adverse effect on the Vendor in relation to this Agreement.
   5. The Vendor has not, in relation to this Agreement, received notification that any investigation or inquiry is being, or has been, conducted by, or received any request for information from any governmental or other authority, department, board, body or agency in respect its affairs and, so far as the Vendor is aware, there are no circumstances which would be expected to give rise to such investigation, inquiry or request.
   6. Entry by the Vendor into this Agreement is not ultra vires, unauthorised, invalid or unenforceable or in breach of any contract or covenant to which the Vendor is a party which is likely to have a material adverse effect on the Vendor in relation to this Agreement.
2. **Arrangements between the Vendor's Group**

There are no contracts, arrangements, engagements, orders or liabilities, actual or contingent outstanding or remaining in whole or in part to be performed affecting the Licensed Program Materials between the Vendor and any member of the Vendor's Group or any person connected (within the meaning of Section 1122 CTA or, as the case may be, Section 993, ITA) with a shareholder of any member of the Vendor's Group.

1. **Information**
   1. The information contained in the Disclosure Letter is accurate in all material respects.
2. **Insolvency**
   1. No distress, execution or other process has been levied against the Vendor in relation to the Licensed Program Materials nor action taken to repossess any goods in the Vendor's possession.
   2. No receiver (including an administrative receiver), trustee or administrator has been appointed of the whole or any part of the assets or undertaking of the Vendor which relates to or would or might affect the Licensed Program Materials and the Vendor is not aware of any circumstances likely to give rise to the appointment of any such receiver, trustee or administrator.
   3. The Vendor has not been a party to any transaction with any third party or parties which relates to or would or might affect the Licensed Program Materials and which would, if any such third party went into liquidation or had a bankruptcy or administration order made in relation to it, constitute (in whole or in part) a transaction at an undervalue, preference or invalid floating charge or otherwise would or might constitute any other transaction or transfer at an undervalue or involving an unauthorised reduction of capital.
3. **Licences and consents**
   1. A complete and accurate list of all licences, consents, permissions, authorisations and approvals required for the continued operation of Licensed Program are set out in the Disclosure Letter.
   2. All reports, returns and information required by law to be made or given to any person or authority in connection with the Licensed Program have been made or given to the appropriate person or authority.
   3. The Licensed Program Materials are licensed free from all charges and encumbrances which could affect their use.
4. **Compliance with law**
   1. The Vendor has not in relation to the Licensed Program Materials committed nor is it liable for, and no claim has been or, so far as the Vendor is aware, will be made that it has committed or is liable for, any criminal, illegal, unlawful or unauthorised act or breach of any obligation or duty whether imposed by or pursuant to statute, contract or otherwise.
   2. The Vendor has not in relation to the Licensed Program Materials received notification that any investigation or inquiry is being, or has been, conducted by, or received any request for information from any governmental or other authority, department, board, body or agency in respect its affairs and, so far as the Vendor is aware, there are no circumstances which would be expected to give rise to such investigation, inquiry or request.
   3. The Vendor is not and has not at any time, engaged in any activity, practice or conduct in relation to the Licensed Program Materials which would constitute an offence under any Applicable Law relating to anti-bribery or anti-corruption.
   4. None of the activities, contracts or rights of the Vendor in the Licensed Program Materials is, from the perspective of the Vendor, ultra vires, unauthorised, invalid or unenforceable or in breach of any contract or covenant to which the Vendor is a party.
5. **Litigation and disputes**
   1. Neither the Vendor nor any person for whose acts the Vendor is liable is in relation to the Licensed Program Materials engaged in any litigation, arbitration, administrative or criminal proceedings, whether as claimant, defendant or otherwise.
   2. No litigation, arbitration, administrative or criminal proceedings by or against the Vendor or any person for whose acts it is liable relating to the Licensed Program Materials are threatened and, as far as the Vendors are aware, none are pending or expected.
   3. The Vendor is not in relation to the Licensed Program Materials subject to any order or judgment given by any court or governmental or other authority, department, board, body or agency or has not been a party to any undertaking or assurance given to any court or governmental or other authority, department, board, body or agency which is still in force, nor are there any facts or circumstances of which it is aware that it considers to be likely to give rise to it becoming subject to such an order or judgment or to be a party to any such undertaking or assurance.
6. **Employment**

**Directors and Employees**

* 1. Complete and accurate details of the terms and conditions of employment of all the Key Personnel, including, without limitation, their identity, age, dates of birth, date of commencement of their continuous period of employment, their remuneration (including bonus, commission, overtime, profit sharing, share incentive, restricted shares, phantom, share option scheme, long term incentive, car, redundancy, permanent health insurance, medical expenses insurance, life assurance and pension benefits, benefit schemes, or any other payment, benefits or arrangements and understandings whatsoever payable to employees (the **"Schemes"**)), job title, notice periods, holiday entitlement, sick pay entitlement and any arrangements or assurances (whether or not legally binding) in relation to their employment or its termination have been provided in writing to the Purchaser. In addition to the information disclosed in the Disclosure Letter, certain Key Personnel shall be entitled to a discretionary cash bonus, payable in all circumstances by the Vendor, subject to and upon completion of the transaction contemplated by this Agreement.
  2. The Schemes have at all relevant times been operated substantially in accordance with their governing rules or terms and all applicable laws and all documents which are required to be filed with any regulatory authorities have been so filed and all tax clearances and approvals have been obtained and all registration and self-certification declarations made. There are no current proposals to introduce any Schemes save as are contained in the Disclosure Letter.
  3. The Vendor has maintained up to date, adequate and suitable records regarding the service and terms and conditions of employment of each of the Key Personnel.
  4. True and complete copies of all current and active offer letters, contracts of employment, variations to contracts of employment, staff handbooks, policies, procedures (including disciplinary, dismissal and grievance procedures) and other documents relating to the employment of the Key Personnel are contained in the Disclosure Letter.
  5. Complete and accurate details are contained in the Disclosure Letter of any arrangements or assurances as to future remuneration or benefits to be provided to any Key Person howsoever arising (including, but not limited to, any remuneration, agreements, Schemes, obligations or benefits to be provided as a consequence of this Agreement) or as to any compensation or payment to be made to any Key Person in the event of retirement redundancy or other termination of employment however arising, however funded and whether or not legally binding.
  6. No person other than the Employees is engaged in or assigned to perform work relating to the development, support and maintenance of the Licensed Program, whether under a contract of employment, a contract for services or otherwise.
  7. The Vendor has at all relevant times complied in all material respects with all of its obligations under statute and otherwise concerning the health and safety at work of its Employees and workers and there are no claims expected to arise or pending or threatened by any Employee or third party in respect of any accident or injury which are not fully covered by insurance.
  8. Since the 1st April 2015 or (where the relevant employment commenced after the beginning of such period) since the commencing date of the particular Employee's employment, there has been:

#### no material alteration in the terms of employment or any material change in the number of employees employed by the Vendor to operate the Licensed Program; or

#### no material increase in any fees, earnings, remuneration or benefits paid or payable to any Employee, nor are any negotiations for any such increase current or (based on past practice) likely to take place in the next six months.

* 1. Other than salary for the current month and accrued holiday pay for the current holiday year, no amount is owing to any Key Person in respect of the period up to Completion.
  2. No Key Person has given notice or is under notice of dismissal or will be entitled to give notice solely as a result of the provisions of this Agreement, nor are there any service contracts between the Vendor and any of the Key Personnel which cannot be terminated by the Vendor by ninety days' notice or less without giving rise to a claim for damages or compensation.
  3. Complete and accurate details of any disciplinary action taken by the Vendor against any individual (including but not limited to a Key Person) within the previous two years are contained in the Disclosure Letter.
  4. Complete and accurate details of any grievance raised in writing by any individual (including but not limited to a Key Person) against the Vendor within the previous 2 years are contained in the Disclosure Letter Complete and accurate details of any Key Person who is currently absent from work (including but not limited to those on secondments, maternity leave, shared parental leave, parental leave or absent for any other reason) or who is anticipated to be absent from work during the upcoming six month period for any reason for a period of one or more months are contained in the Disclosure Letter.
  5. The Vendor has maintained up-to-date, adequate and suitable records regarding the Key Personnel's eligibility to work in the relevant Country where they are employed.
  6. All employees of the Vendor listed on Schedule 2 have a valid and subsisting permission or authority to remain in the relevant Country where they are employed and work for the Vendor and no such permission or authority is expected to expire in the next 6 months.
  7. Complete and accurate details of any court or tribunal case, claim or action brought by a Key Person against the Vendor and/or the Purchaser in relation to any such employment and/or engagement and/or the termination of such employment or engagement, are given in the Disclosure Letter.
  8. Other than annual salary increases or promotions or as set forth in the Disclosure Letter, no material changes to the terms and conditions of employment of the Key Personnel have been made in the last 12 months.
  9. The Vendor has provided complete and accurate details in the Disclosure Letter of all agency workers currently engaged by the Vendor in connection with the Licensed Program (including the length of their assignment) and the arrangements with third parties for the supply of agency or temporary workers to the Vendor in connection with the Licensed Program.
  10. The Vendor is not bound or accustomed to pay any monies other than in respect of contractual remuneration or earnings of employment or pursuant to the Schemes to or for the benefit of any Key Person.
  11. There is not outstanding any agreement or arrangement to which the Vendor is party in relation to profit sharing or for payment of bonuses or for incentive payments or other similar matters other than the Schemes.
  12. No outstanding liability has been incurred by the Vendor for breach of any contract of employment or redundancy payments, protective awards, compensation for wrongful dismissal or unfair dismissal or for failure to comply with any order for reinstatement or re engagement of any person or in respect of any other liability arising out of termination of any contract of employment or contract for services.

1. **Pensions**
   1. There is not in operation by the Vendor and there has not, at any time, been in operation by the Vendor (and no proposal has been announced by the Vendor to enter into or establish) and the Vendor has no actual or contingent liability in respect of any right, plan, scheme, agreement, arrangement, custom or practice (whether legally enforceable or not) for the payment of (or for the payment of any contribution towards), any pensions, allowances, lump sum or other like benefits payable on retirement, death, termination of employment (whether voluntary or not or whether arising from a transfer of an undertaking within the meaning of the TUPE Regulations or otherwise) or during periods of sickness or disablement, for the benefit of any of the Employees.

**Schedule 2**

# SECTION A - KEY PERSONNEL

# Part 1 – Transferring Employees

|  |  |  |
| --- | --- | --- |
| **Name** | **Position** |  |
| Alla Skubchenko | Senior QA Engineer | UK |
| Denys Savchenko | Senior Java Developer | UK |
| Alexander Konovalov | QA | UK |
| Olesya Sergyeyeva | Senior Business Analyst | UK |

# Part 2 - Ukraine Contractors

|  |  |  |
| --- | --- | --- |
| **Name** | **Position** |  |
| Eugene Solomka | Solution Architect | UA |
| Marina Anisimova | Business Analyst | UA |
| Vasil Zeliuk | DBA & Data Architect | UA |
| Anna Volovenko | QA Manager | UA |
| Dimitri Vinogradov | Team Leader | UA |
| Alexey Vinokurov | Senior Developer | UA |

# 

# Part 3 - UK Contractors

|  |  |  |
| --- | --- | --- |
| **Name** | **Position** |  |
| Anna Belanova | Business Analyst | UK/Norway |

# SECTION B - ORDINARY PERSONNEL

# Part 4 - Transferring Employees

|  |  |  |
| --- | --- | --- |
| **Name** | **Position** |  |
| Maksim Kurilov | Business Analyst | UK |
| Nataliya Ponomarenko | Team leader | UK |
| Alexander Golub | Senior Developer | UK |
| Alexey Ponomarenko | Senior Developer | UK |
| Alexey Struchkov | Senior Developer | UK |
| Dmitry Boichenko | Developer | UK |
| Irina Gurieva | QA | UK |
| Vera Boichenko | QA | UK |
| Vyacheslav Sokolov | Developer | UK |

# Part 5 - Ukraine Contractors

|  |  |  |
| --- | --- | --- |
| **Name** | **Position** |  |
| Alexey Medvedev | QA Automation Engineer | UA |
| Andrey Vasilyev | Senior QA | UA |
| Vladislav Demyanenko | QA | UA |
| Taras Sheptitskiy | Senior QA | UA |
| Yuriy Petrenko | QA Automation Engineer | UA |
| Sergey Dulebskiy | Senior QA | UA |
| Artyom Fomin | Senior DB Developer | UA |
| Vsevolod Morozov | FE Dev | UA |
| Mikhail Kotkov | Implementation Engineer | UA |
| Dmitry Avdeev | Integration Engineer | UA |

# Part 6 - UK Contractors

|  |  |  |
| --- | --- | --- |
| **Name** | **Position** |  |
| Paul Hetes | Implementation Engineer | UK |
| Marius Miclau | Implementation Engineer | UK |

# Part 7 - Ordinary Personnel who rejected offers and are not transferring

|  |  |  |
| --- | --- | --- |
| **Name** | **Position** |  |
| Eugene Kulinchenko | QA | UA |
| Helena Tarasova | C++ Developer/BO | UA |
| Eugene Tarasov | Support Engineer | UA |
| Viacheslav Smirnov | BA | UA |

# Schedule 3

# (Services)

[Separately Supplemented]

# Schedule 4

# (Licence)

*[Final version to be incorporated]*

Signed by \_\_\_\_\_\_\_\_\_ )  
for and on behalf of )  
**First Utility Limited** )

**Signed** by \_\_\_\_\_\_\_\_\_\_\_\_ )  
for and on behalf of )  
**Lognet Information Technologies Ltd.** )