

**COSALT PLC
AND
SURVITEC GROUP LIMITED**

TAX DEED

THIS DEED is made on 26 August 2011

BETWEEN:

- (1) **COSALT PLC**, a company incorporated in England and Wales (registered no. 00019628), whose registered office is at 4 Origin Way, Europarc, Grimsby, South Humberside, DN37 9TZ (the "**Seller**"); and
- (2) **SURVITEC GROUP LIMITED**, a company incorporated in England and Wales (registered no. 00905173), whose registered office is at 1-5 Beaufort Road, Birkenhead, Merseyside, CH41 1HQ (the "**Buyer**").

THIS DEED WITNESSES as follows:

1. INTERPRETATION

1.1 In this Deed:

"**Agreement**" means the share purchase agreement dated 3 May 2011 and made between the Seller and the Buyer in connection with the Buyer's acquisition of the Shares;

"**Assessment**" means a claim, assessment, notice, demand or other document issued or action taken by or on behalf of a Tax Authority by which a Group Company is liable or is sought to be made liable to make a payment to the Tax Authority or to another person (whether or not the payment is primarily payable by the Group Company and whether or not the Group Company has or may have a right of reimbursement against another person) or is denied or sought to be denied a Relief;

"**Balancing Payment**" means a payment which is a balancing payment for the purposes of sections 195 or 197 of TIOPA or under similar rules in another jurisdiction;

"**Buyer's Group Undertaking**" has the meaning set out in the Agreement;

"**Company**" has the meaning set out in the Agreement;

"**Completion**" has the meaning set out in the Agreement;

"**Completion Accounts**" has the meaning set out in the Agreement;

"**Completion Accounts Relief**" means a Relief, the availability of which has been shown as an asset in the Completion Accounts or has been taken into account in computing (and reducing) a provision for deferred tax which appears in the Completion Accounts or has resulted in no provision for deferred tax being made in the Completion Accounts;

"**Employees**" has the meaning set out in the Agreement;

"**Event**" means an event, act, transaction or omission, including, without limitation, a receipt or accrual of income or gains, distribution, failure to distribute, acquisition, disposal, transfer, payment, loan or advance;

"Group Company" has the meaning set out in the Agreement;

"Liability for Tax" means a liability to make a payment of or in respect of Taxation;

"Post Completion Relief" means:

- (a) except in the case of a Relief to which paragraph (b) of this definition applies, a Relief which arises in respect of an Event occurring after Completion or in respect of a period commencing after Completion and includes a Relief surrendered to a Group Company by a Buyer's Group Undertaking; and
- (b) where a Group Company has made a claim for capital allowances in the accounting period in which Completion occurs ("**the Straddling Period**") in relation to capital expenditure incurred in a prior period, so much of the Relief as is derived by multiplying the Relief by $\frac{x}{y}$, where x equals the number of days in the Straddling Period falling after Completion and y equals the number of days in the Straddling Period;

"Prescribed Accounting Period" has the same meaning as in VATA and legislation and regulations supplemental thereto;

"Relief" means any loss, relief, allowance, exemption, set-off, deduction, right to repayment or credit or other relief of a similar nature granted by or available in relation to Tax pursuant to any legislation or otherwise;

"Representative Member" means the representative member of the Seller VAT Group from time to time;

"Seller's Group Undertaking" has the meaning set out in the Agreement;

"Seller's Tax Group" means the Seller and other companies who are or have been treated, for the purposes of determining the amount of or liability for or relief from any Tax, as being members of the same group of companies as the Seller;

"Seller VAT Group" means the VAT Group with registration number 455435344 of which the Seller is the representative member;

"Shares" has the meaning set out in the Agreement;

"Surrender of Advance Corporation Tax" means a surrender of advance corporation tax under section 240 of the Taxes Act;

"Surrender of Group Relief" means a surrender of group relief under Part 5 of the CTA 2010 or under similar rules in any other jurisdiction;

"Surrender of Tax Refund" means a surrender of a tax refund under section 963 of the CTA 2010 or under similar rules in any other jurisdiction;

"Tax" and **"Taxation"** mean any form of taxation, levy, duty, charge, contribution, VAT, withholding or impost in the nature of taxation (including any related fine, penalty, surcharge or interest) imposed, collected or assessed by, or payable to, a Tax

Authority, but excluding business and water rates, community charges and council tax, and similar rates, charges and duties;

"Tax Authority" and **"Taxation Authority"** means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function (including, without limitation, HM Revenue and Customs);

"Tax Credit" means:

- (a) R & D tax credit under Part 13 of the CTA 2009 or under similar rules in any other jurisdiction; or
- (b) land remediation tax credit under Part 14 of the CTA 2009 or under similar rules in any other jurisdiction.

"TIOPA" means the Taxation (International and Other Provisions) Act 2010;

"VAT" means:

- (a) any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to the United Kingdom, value added tax imposed by the VATA and legislation and regulations supplemental thereto); and
- (b) any other tax of a similar nature (including, without limitation, sales tax, use tax, consumption tax and goods and services tax), whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in (a), or elsewhere;

"VATA" means the Value Added Tax Act 1994;

"VAT Group" means a group for the purposes of the VAT Grouping Legislation; and

"VAT Grouping Legislation" means (a) sections 43 to 43D (inclusive) of VATA and (b) the Value Added Tax (Groups: eligibility) Order 2004 (SI 2004/1931).

1.2 Unless the context otherwise requires, words and expressions defined in the Agreement have the same meanings in this Deed as in the Agreement.

1.3 In this Deed, a reference to:

1.3.1 a statutory provision includes a reference to the statutory provision as modified or re-enacted or both from time to time before the date of this Deed and any subordinate legislation made under the statutory provision (as so modified or re-enacted) before the date of this Deed;

1.3.2 an Event occurring includes an Event deemed to have occurred for the purposes of any Tax;

1.3.3 An Event on or before Completion includes an Event which is deemed for the purposes of any Tax to have occurred on or before Completion;

- 1.3.4 income, profits or gains earned, accrued or received includes any income, profits or gains deemed to be earned, accrued or received for the purposes of any Tax.
- 1.3.5 income, profits or gains earned, accrued or received on or before a particular date or in respect of a particular period includes income, profits or gains which are deemed for the purposes of any Tax to have been earned, accrued or received on or before that date or in respect of that period.
- 1.4 In clause 2.1.4, "**control**" has the same meaning as in sections 707 and 708 of the CTA 2010 and "**controlled**" is to be construed accordingly.
- 1.5 The headings in this Deed do not affect its interpretation.
- 1.6 Liabilities to Tax and Reliefs shall be computed on the assumption that the period commencing on 31 October 2010 and ending on Completion was a period by reference to which a Tax return fell to be made to a Tax Authority.

2. **THE SELLER'S OBLIGATIONS**

- 2.1 Subject to clause 3, the Seller shall pay to the Buyer an amount equal to the amount of a Group Company's Liability for Tax:

- 2.1.1 which arises:

- (a) in consequence of an Event occurring on or before Completion; or
- (b) in respect of or by reference to any income, profits or gains which were earned, accrued or received on or before Completion or in respect of a period ending on or before Completion;

in each case whether or not the Tax is chargeable against or attributable to another person and whether or not any amount in respect thereof is recoverable from any other person;

- 2.1.2 which would have been saved but for the loss, reduction, modification or cancellation of a Completion Accounts Relief in consequence of an Event occurring on or before Completion, or the non availability or non existence of a Completion Accounts Relief;
- 2.1.3 in respect of which the Buyer would have been able to make a claim under this Deed but which is not payable in consequence of the utilisation or set-off of a Completion Accounts Relief or of a Post-Completion Relief; or
- 2.1.4 arising in consequence of an Event occurring at any time:
- (a) for which the Group Company is liable as a result of having at any time (i) before Completion been a member of a group for Tax purposes and/or (ii) on or after Completion been a member of the Seller's VAT Group; or

- (b) for which the Group Company is liable as a result of having at any time before Completion been controlled by any person.
- 2.2 Tax which would have been repaid to a Group Company but for the loss, reduction, set off or cancellation of a right to repayment of Tax which has been shown as an asset in the Completion Accounts in consequence of an Event occurring on or before Completion and the non availability or non existence of such a right to repayment of Tax is, for the purposes of clause 2.1.1, deemed to be Tax for which a Group Company is liable and which arises in consequence of an Event occurring on or before Completion.
- 2.3 The Seller shall pay to the Buyer an amount equal to the amount of any liability of a Group Company to repay any amount paid to the Group Company for, any Surrender of Group Relief, Surrender of Advance Corporation Tax or Surrender of Tax Refund made pursuant to an arrangement entered into on or before Completion (other than where such arrangement is with another Group Company).
- 2.4 The Seller shall pay to the Buyer an amount equal to the amount of any liability of a Group Company to make a Balancing Payment, or repay any Balancing Payment made to the Group Company, pursuant to any arrangement entered into by a Group Company on or before Completion (other than where such arrangement is with another Group Company).
- 2.5 The Seller shall pay to the Buyer an amount equal to the amount of any liability of a Group Company to repay any amount paid by a Tax Authority to a Group Company by way of Tax Credit for a period ending on or before Completion (together with any related interest or penalties).
- 2.6 The Seller shall pay to the Buyer an amount equal to the amount of Tax Credit which would have been paid by a Tax Authority to a Group Company but for the:
 - (a) loss, reduction, set-off or cancellation of a right to payment of Tax Credit which has been shown as an asset in the Completion Accounts in consequence of an Event occurring on or before Completion; or
 - (b) non-availability or non-existence of such right to payment of Tax Credit in consequence of an Event occurring on or before Completion.
- 2.7 The Seller shall pay to the Buyer an amount equal to the amount of any liability of a Group Company or the Buyer for costs reasonably and properly incurred by the Group Company or the Buyer in connection with an Assessment or a liability as mentioned in this clause 2, or in successfully taking or defending an action under this Deed.
- 2.8 Without limitation to the other provisions of this clause 2, the Seller shall pay to the Buyer an amount equal to:
 - 2.8.1 the amount of any Liability to Tax of a Group Company and/or the Buyer or any obligation to gross up any payment which arises, in each case, in connection with or by reference to any loan capital, borrowings and/or indebtedness in the nature of borrowings which was in existence prior to

Completion (including, without limitation, the Inter-Group Payables and Inter-Group Receivables) but excluding any Liability to Tax of a Group Company to the extent a corresponding Relief arises and can be utilised to mitigate the effect of that Liability to Tax (looking at the Group Companies as a group) in another Group Company in respect of that Liability to Tax;

- 2.8.2 the amount of any Liability to Tax of a Group Company and/or the Buyer which arises at any time in connection with or by reference to the grant of the New Leases or the assignment of the Leasehold Properties pursuant to the Lease Assignment Agreements;
- 2.8.3 the amount of any Liability to Tax of a Group Company and/or the Buyer which arises in connection with the Workwear Business or by reference to the transfer of the Workwear Business pursuant to the Workwear Business Transfer Agreement; or
- 2.8.4 the amount of any Liability to Tax of a Group Company and/or the Buyer which arises:
 - (a) in connection with or by reference to the Aberdeen Business (i) in consequence of an Event occurring on or before completion of the Aberdeen Business Transfer Agreement or (ii) in respect of or by reference to any income, profits or gains which were earned, accrued or received on or before completion of the Aberdeen Business Transfer Agreement or in respect of a period ending on or before completion of the Aberdeen Business Transfer Agreement; or
 - (b) in connection with or by reference to the transfer of the Aberdeen Business pursuant to the Aberdeen Business Transfer Agreement,

in each case whether or not the Tax is chargeable against or attributable to another person and whether or not any amount in respect thereof is recoverable from any other person.

None of the limitations on liability or other exclusions provided for by clause 3 below shall apply to this clause 2.8 with the exception of clauses 3.1.1, 3.1.5 and 3.2.

3. LIMITATIONS ON COVENANT

- 3.1 The Seller shall not be liable under clauses 2.1 to 2.7, inclusive, in respect of any Liability for Tax (or other liability under clauses 2.1 to 2.7, inclusive) of a Group Company to the extent that:
 - 3.1.1 an allowance, provision or reserve in respect of that liability is made in the Accounts or the Completion Accounts (but not, for the avoidance of doubt, solely by way of reference to such allowance, provision or reserve in the notes to such accounts), or payment or discharge of it was taken into account therein and the taking into account of such payment or discharge therein is disclosed in the Disclosure Letter or the notes to the relevant accounts; or

- 3.1.2 the liability arises in consequence of an increase in Tax rates or a change in law or published practice, in each case announced after Completion with retrospective effect;
- 3.1.3 the liability arises solely as a result of a change after Completion in the:
- (a) date to which the relevant Group Company makes up its Accounts; or
 - (b) bases upon which the Accounts of the relevant Group Company are prepared,
- except where such change is made and is necessary in order to comply with generally accepted accounting principles as they stood prior to or at Completion;
- 3.1.4 the liability arises solely as a result of a change after Completion in generally accepted accounting practice or principles;
- 3.1.5 the liability is relieved or mitigated because the Seller has procured a Surrender of Advance Corporation Tax, a Surrender of Group Relief, or a Surrender of Tax Refund to the relevant Group Company (but only to the extent that any costs to the Buyer or any Buyer's Group Undertaking in respect of obtaining the benefits for the relevant Group Company referred to in this clause 3.1.5 are first deducted from such benefits);
- 3.1.6 such liability would not have arisen but for a voluntary act or omission carried out or effected by the Buyer or by the relevant Group Company at any time after Completion, other than any act or omission which:
- (i) was required by law or was required in order to comply with published practice of a Tax Authority;
 - (ii) was effected under a legally binding commitment of the relevant Group Company created on or before Completion;
 - (iii) occurred at the Seller's written request;
 - (iv) was taken into account in computing a provision or reserve for Tax in the Completion Accounts; or
 - (v) was in the ordinary course of business carried on by the Buyer or that Group Company;
- 3.1.7 such liability can be properly and fully discharged out of monies retained for the purpose by any Group Company at Completion other than where such monies are included as an asset in the Completion Accounts;
- 3.1.8 it would not have arisen, or would have been reduced or eliminated, but for a failure or omission on the part of the Buyer or any Group Company after Completion to make, adjust or revise, any claim, election, surrender or disclaimer or the failure or omission after Completion to give any notice or

consent to do any other thing, the making, or giving or doing of which, in each case, was:

- (a) taken into account in computing the provision or reserve for Tax in the Completion Accounts; and
 - (b) notified to the Buyer, in writing, by the Seller;
- 3.1.9 it would not have arisen but for any claim, election, surrender or disclaimer made or notice or consent given or any other thing done after Completion by any Group Company or the Buyer or any other person connected with them other than, in each case, where the claim, election, surrender, disclaimer, notice, consent or thing is (i) done in the ordinary course of business of the Buyer or the Group Company, or (ii) done at the written request of the Seller, or (iii) taken into account in computing the provision or reserve for Tax in the Accounts or the Completion Accounts;
- 3.1.10 the income, profits or gains in respect of which the liability arises are actual income, profits or gains earned, accrued or received by a Group Company but which were not reflected in the Completion Accounts and the benefit of such income, profits or gains is retained by the Group Company immediately following Completion;
- 3.1.11 the liability would not have arisen or would have been reduced but for a cessation of trade or a material change in the nature or conduct of a trade carried on by any Group Company in either case occurring after Completion;
- 3.1.12 the liability would not have arisen but for a failure or unreasonable delay by the Buyer or the Group Company in paying over to any Tax Authority any payment previously made by the Seller under this Deed; or
- 3.1.13 the liability would not have arisen but for a Group Company ceasing to be entitled to the small companies rate of corporation tax or ceasing to be a small or medium-sized enterprise for any Taxation purpose by virtue of any event occurring on or after Completion.
- 3.2 The liability of the Seller under the Tax Deed shall be reduced if and to the extent that the liability shall have been recovered under the Tax Warranties or under any other part of the Tax Deed (and vice versa). For the avoidance of doubt, the Buyer shall be entitled, in its sole discretion, to determine whether to make a claim under the Tax Warranties and/or the Tax Deed.
- 3.3 Clause 2 does not apply to a liability unless written notice of the liability giving rise to the claim (stating in reasonable detail the nature of the liability and, if practicable, the amount claimed) has been given to the Seller on or before the seventh anniversary of Completion PROVIDED THAT this clause 3.3 shall not apply where a Tax Authority can assess a Group Company in respect of the Tax to which the claim relates after such date because of fraudulent or deliberate conduct.

4. **PAYMENTS FREE OF WITHHOLDING, ETC.**

- 4.1 All payments made by the Seller under this Deed shall be made gross, free of any right of counterclaim or set-off and without deduction or withholding of any kind other than any deduction or withholding required by law.
- 4.2 If the Seller makes a deduction or withholding required by law from a payment under this Deed, the sum due from the Seller shall be increased to the extent necessary to ensure that, after the making of any deduction or withholding, the Buyer receives a sum equal to the sum it would have received had no deduction or withholding been made provided that the Seller's liability to any assignee of the Buyer as a result of this clause 4.2 shall not be any greater than the Seller's liability to the Buyer would have been under this clause 4.2 in the absence of any assignment by the Buyer.
- 4.3 If a payment under clause 2 or 4.2 will be or has been subject to Tax, the Seller shall pay to the Buyer the amount (after taking into account Tax payable in respect of the amount) that will ensure that the Buyer receives and retains a net sum equal to the sum it would have received had the payment not been subject to Tax provided that the Seller's liability to any assignee of the Buyer as a result of this clause 4.3 shall not be any greater than the Seller's liability to the Buyer would have been under this clause 4.3 in the absence of any assignment by the Buyer.
- 4.4 In the event that the Buyer receives a credit against or obtains a reduction in its Tax liabilities (which credit or reduction, for the avoidance of doubt, reduces the Buyer's Tax liabilities) for any sum paid pursuant to clause 4.2 or 4.3 (a "**Tax Saving**"), it shall repay to the Seller the amount of the Tax Saving less any costs or expenses properly incurred in obtaining the Tax Saving within five Business Days of obtaining the Tax Saving.

5. **APPEALS AND CONDUCT OF CLAIMS**

- 5.1 If a Group Company or the Buyer receives or becomes aware of an Assessment which it reasonably considers may result in the Seller becoming liable to make a payment under clause 2 and which the Seller is not already aware of:
- 5.1.1 the Buyer shall as soon as reasonably practicable (and in any event within ten Business Days of receiving such Assessment) give notice of the Assessment to the Seller, but notice is not a condition precedent to the Seller's liability under this Deed; and
- 5.1.2 subject to clauses 5.4 and 5.5, the Buyer shall, and shall ensure that each Group Company will, take any action the Seller may reasonably request to avoid, dispute, resist or compromise the Assessment if the Seller has first agreed (to the Buyer's reasonable satisfaction) to indemnify the Buyer and each Group Company against the Tax, and any additional Tax and costs which the Buyer or each Group Company may incur in connection with the taking of action pursuant to clause 5.1.2.
- 5.2 The Seller may choose to have any action referred to in clause 5.1.2 taken by professional advisers nominated by it for this purpose and, if it so chooses, the Seller and/or any such professional advisers must:

- 5.2.1 keep the Buyer fully informed of all matters relating to the Assessment and deliver to the Buyer copies of all correspondence relating to the Assessment;
- 5.2.2 obtain the Buyer's prior written approval (not to be unreasonably withheld or delayed) to:
 - (a) the appointment of solicitors or other professional advisers (and, for these purposes, the Buyer confirms that the Seller's Solicitors and the Seller's Accountants are acceptable to it); and
 - (b) the content and sending to a Tax Authority of any material communication relating to the Assessment (and, for the avoidance of doubt, any written communication will be considered a material communication); and
- 5.2.3 obtain the Buyer's prior written approval to:
 - (a) the settlement or compromise of the Assessment; and
 - (b) the agreement of any matter which is likely to affect the amount of the Assessment or the future liability of a Group Company or of the Buyer in respect of Tax.
- 5.3 The Seller's rights under clause 5.1.2 cease if the Seller materially fails to comply with any of its obligations under clause 5.2, or steps are taken or legal proceedings are started for the Seller's winding up, dissolution, administration or for the appointment of a receiver, administrator, trustee or similar officer of it or of any of its assets (other than for the purposes of any bona fide solvent reorganisation including the dissolution or winding up of any dormant subsidiaries).
- 5.4 The Buyer is not obliged to take action pursuant to clause 5.1.2 which involves contesting an Assessment beyond the first appellate body (excluding the Tax Authority which has made the Assessment) in the jurisdiction concerned unless the Seller furnishes the Group Company with the written opinion of tax counsel of at least seven years call to the effect that it has a reasonable prospect of success. Such tax counsel shall be instructed by the Seller and at the Seller's expense but the Seller shall promptly provide the Buyer with a copy of such instructions and take account of the Buyer's reasonable comments thereon and give the Buyer or its representative a reasonable opportunity to attend any conference with such counsel.
- 5.5 If the Seller or (prior to Completion) a Group Company has committed an act or is responsible for an omission which constitutes:
 - 5.5.1 negligent conduct, then clause 5.1.2 shall cease to apply in relation to the Assessment in question; or
 - 5.5.2 fraudulent conduct, then clause 5.1.2 shall cease to apply altogether,but for the avoidance of doubt, for the purposes of this clause 5.5, any such act or omission shall not constitute negligent or fraudulent conduct where such negligent or fraudulent conduct is merely alleged.

6. DATE FOR PAYMENT AND INTEREST

- 6.1 If a Liability for Tax (or other liability) arises as mentioned in clauses 2 or 4.3, the Buyer shall notify the Seller in writing of the amount payable as soon as reasonably practicable, giving reasonable detail (where available to the Buyer) about the nature of the liability.
- 6.2 Without prejudice to the date for payment of any amounts payable by the Seller under this Deed, if the Seller requests within 14 days starting on the day after delivery of the notice, the Buyer shall ensure that (at the Seller's cost) the relevant Group Company's auditors (acting as experts and not as arbitrators) confirm the amount referred to in clause 6.1. This confirmation is (except for manifest error) conclusive and binding on the Seller in respect of any Liability for Tax.
- 6.3 The Seller shall pay the amount referred to in clause 6.1 (or, if different, the amount confirmed by the Buyer's auditors pursuant to clause 6.2) to the Buyer on or before the fifth Business Day after the date of the notice, or if later:
- 6.3.1 in the case of a liability under clauses 2.1.1, 2.1.4, 2.7, 2.8 or 4.3, five Business Days before the date on which the Tax is payable;
 - 6.3.2 in the case of liability deemed to arise under clause 2.1.1 by virtue of clause 2.2, the date on which the Tax would have been repaid but for the loss, reduction, set-off, cancellation, non-availability or non-existence of the right to repayment of Tax;
 - 6.3.3 in the case of a liability under clause 2.1.2, five Business Days before the date on which the relevant Group Company is due to pay any Tax which, but for the loss, reduction, modification, cancellation, non-availability or non-existence of the Completion Accounts Relief it would not have been liable to pay;
 - 6.3.4 in the case of a liability under clause 2.1.3, the date on which the relevant Group Company would have had to pay the Tax but for the utilisation of the Completion Accounts Relief or Post-Completion Relief;
 - 6.3.5 in the case of a liability under clause 2.3, 2.4 or 2.5, five Business Days before the relevant Group Company becomes liable to make the payment or repayment;
 - 6.3.6 in the case of a liability under clause 2.6, the date on which the Tax Credit would have been paid but for the loss, reduction, set-off, cancellation, non-availability or non-existence of the right to payment of Tax Credit; or
 - 6.3.7 in the case of a liability under clause 2.7, five Business Days before the Buyer or the relevant Group Company becomes liable to pay the costs.
- 6.4 If any sum due and payable by the Seller under this Deed is not paid on the due date in accordance with the provisions of this Deed, the Seller shall (except to the extent that the Seller's liability under clause 2 compensates the Buyer by extending to interest) in addition to that sum pay interest to the Buyer from the date for payment of the sum to and including the day of actual payment of the sum (or the next Business

Day if the day of actual payment is not a Business Day). The interest accrues from day to day (before and after judgment) at the rate of 2 per cent. per year above the base rate of Natwest Bank plc and is compounded quarterly.

7. RECOVERY

7.1 If:

7.1.1 a Group Company or the Buyer is entitled to recover from another person a sum in respect of a matter to which clause 2 relates; and

7.1.2 the Seller has first agreed (to the Buyer's reasonable satisfaction) to indemnify the Buyer and each Group Company against all costs which the Buyer or each Group Company may reasonably and properly incur in connection with the taking of the following action,

then, subject to clause 7.2 and at the Seller's request, the Buyer shall, and shall ensure that each Group Company will, take any action reasonably requested by the Seller to enforce recovery against the other person.

7.2 The Buyer need not take any action which the Buyer or a Group Company reasonably considers to be materially prejudicial to its commercial interests.

7.3 Where recovery has been made as contemplated in clause 7.1, the Buyer shall account to the Seller for the lesser of:

7.3.1 the sum recovered (including any interest paid by the other person), net of any Tax on the sum and that interest; and

7.3.2 the amount paid by the Seller under clause 2 in respect of that matter.

8. OVERPROVISIONS AND RELIEFS

8.1 If any provision for Taxation in the Completion Accounts (excluding any provision for deferred taxation) has proved to be an overprovision (and such overprovision was not shown as a separate asset to the relevant provision for Taxation itself in the Completion Accounts), then the Buyer shall give the Seller details of the overprovision as soon as reasonably practicable and the amount of such overprovision shall be dealt with in accordance with clause 8.3 below.

8.2 If any Liability for Tax of a Group Company which has resulted in a payment having been made or becoming due from the Seller under clause 2 will give rise to a Relief for the relevant Group Company (other than a Post Completion Relief or a Completion Accounts Relief or any Relief attributable to income profits or gains dealt with under paragraph 3.1.10, above) which would not otherwise have arisen, then the Buyer shall give the Seller details of the entitlement as soon as practicable and in any event within 10 Business Days of the Buyer or the relevant Group Company becoming aware of the entitlement arising and the Buyer shall, at the request and expense of the Seller, take appropriate and reasonable steps to procure that the Relief shall be obtained, keeping the Seller informed of the progress of any action taken. As and when such Relief reduces a liability of a Group Company to make an actual

payment of Tax, the amount of that reduction shall be dealt with in accordance with clause 8.3 below.

8.3 Where it is provided under clauses 8.1 or 8.2 that any amount (the "**Relevant Amount**") is to be dealt with in accordance with this sub-clause:

8.3.1 the Relevant Amount shall first be set-off against any payment then due from the Seller to the Buyer under clause 2;

8.3.2 to the extent that there is an excess, a refund shall be made to the Seller of any previous payment made by the Seller under clause 2 (to the extent not previously refunded under this clause 8) up to the amount of such excess; and

8.3.3 to the extent that the excess referred to in clause 8.3.2, above, is not exhausted under that clause, the remainder of the excess shall be carried forward and set off against any future payment or payments which become due from the Seller under clause 2.

8.4 Where any provision has proved to be an overprovision as is mentioned in clause 8.1, above, the Seller or the Buyer or a Group Company may request the auditors of the Group Company, at the expense of the party so making the request, to review such determination in the light of all relevant circumstances, including any facts which have become known only since such provision was proved to be an overprovision, and to certify whether (and to what extent) such provision remains an overprovision in the light of those circumstances or whether the amount that was treated as an overprovision should be amended.

8.5 If the auditors certify under clause 8.4, above, that an amount previously treated as an overprovision should be amended, that amended amount shall be substituted for the purposes of clause 8.3 as the Relevant Amount in place of the amount originally treated as an overprovision and such adjusting payment (if any) as may be required by virtue of the aforementioned substitution shall be made as soon as practicable by the Seller or (as the case may be) to the Seller.

9. COVENANT TO SELLER

9.1 The Buyer hereby covenants with the Seller to pay to the Seller an amount equal to any Taxation which is assessed on the Seller (together with any reasonable costs and expenses properly incurred by the Seller in relation to such Taxation) where such Taxation arises by reason of Taxation assessed on or primarily or directly attributable to the Buyer or any Buyer's Group Undertaking (although, in relation to any Group Company, the Buyer shall only be liable to pay an amount where the Taxation is assessed in respect of profits, gains or payments made after Completion) for any accounting period remaining unpaid, provided that this covenant shall not apply to any Taxation in respect of which the Buyer is entitled to bring a Tax Claim against the Seller under the Tax Deed or the Agreement.

9.2 The Seller hereby covenants that it shall make no claim under clause 9.1, above, to the extent that it has recovered the Taxation in question under section 717 CTA 2010 (previously section 767B(2), ICTA) and that, to the extent that it recovers any amount under clause 5.1, it shall not seek to recover payment under section 717 CTA.

9.3 The provisions of clauses 4 (Payments Free of Withholding), 5 (Appeals and Conduct of Claims), 6 (Date for Payment and Interest) and 7 (Recovery) shall apply to this covenant as if references to the "Buyer" were to the "Seller" (and vice versa), references to the "the Group Company" were also to the "Seller".

10. TAX COMPUTATIONS

10.1 The Seller shall (at the Buyer's cost) have the responsibility for, and the conduct of, preparing, submitting, negotiating and agreeing with the Tax Authorities, all outstanding Tax computations and returns of each Group Company for each accounting period ending on or before Completion ("**the Relevant Accounting Periods**").

10.2 The Buyer shall procure that the relevant Group Company shall make such claims, surrenders, disclaimers and elections or give such notice or consent or do such other things as were taken into account in computing a provision for Tax in the Completion Accounts and as may reasonably be directed by the Seller relating to the Relevant Accounting Periods.

10.3 The Seller and the Buyer shall procure the provision to each other of such information and assistance which each may reasonably require of the other to prepare, submit and agree all Tax computations, documents or correspondence relating to the Relevant Accounting Periods and any subsequent accounting periods.

10.4 The Seller and the Buyer shall deliver to each other copies of all correspondence sent to, or received from, any Tax Authority relating to the Tax computations relating to the Relevant Accounting Periods, as the case may be, delivery to be effected promptly on despatch, or as the case may be, receipt.

10.5 The Buyer covenants with the Seller to procure that the Group Companies take such action (including signing and authorising computations and returns) as is necessary or desirable to give effect to this clause.

10.6 In relation to any action as is referred to in clause 10.1, the Seller shall subject to clause 12:

10.6.1 keep the Buyer fully informed of all material matters relating thereto and deliver to the Buyer copies of all correspondence with Tax Authorities relating thereto;

10.6.2 use as its advisers a firm of internationally recognised accountants (or such other advisers as the Buyer may agree, agreement not to be unreasonably withheld or delayed (and, for these purposes, the Buyer confirms that the Seller's Accountants are acceptable to it)) and take such advice from such advisers as is appropriate;

10.6.3 submit to the Buyer for comments any material correspondence and documents which it intends to submit to a Tax Authority and take into account all such reasonable comments as the Buyer may make;

10.6.4 not submit to a Tax Authority any such material correspondence or documents, or agree any matter in relation to the Relevant Accounting Periods

without the prior written approval of the Buyer, such approval not to be unreasonably withheld or delayed and for the avoidance of doubt:

- (a) the Buyer's approval shall be deemed not to be unreasonably withheld where the Buyer reasonably considers that:
 - (i) such documents or correspondence are not true, accurate and lawful in all respects; or
 - (ii) such documents, correspondence or agreement will on the balance of probabilities materially increase the amount of liability of a Group Company in respect of Tax for which the Seller is not liable under this Deed; and
- (b) the Buyer's approval shall be deemed not to be unreasonably delayed if given within 21 days.

- 10.7 The Seller's rights under this clause cease if the Seller fails to comply in any material way with any of its obligations under this clause 10 or if steps are taken or legal proceedings are started for the Seller's winding up, dissolution, administration or for the appointment of a receiver, administrator, trustee or similar officer of it or of any of its assets (other than for the purposes of any bona fide solvent reorganisation including the dissolution or winding up of any dormant subsidiaries).
- 10.8 This clause 10 shall not impose any obligation on the Buyer if the Seller or a Group Company has committed an act or is responsible for an omission which constitutes either negligent conduct in relation to the preparation of the computations in question or fraudulent conduct.
- 10.9 The Seller will use all reasonable endeavours to agree the Tax matters for which they are responsible under clause 10.1 as soon as reasonably practicable and will deal with such matters promptly and diligently. The Seller will submit to the Buyer those computations required in relation to the Relevant Accounting Periods 28 days prior to the due date for submission. Where such date falls prior to Completion, the Seller will submit such computations as soon as reasonably practicable and, in any event, within four months of Completion. For the avoidance of doubt, this obligation is contingent on the Buyer complying with its obligations under clause 10.3 above.
- 10.10 Subject to clause 12, the Buyer shall have the responsibility for, and the conduct of, preparing, submitting, negotiating and agreeing with the Tax Authorities, the Tax computations and returns of each Group Company for each accounting period current at Completion ("**the Current Accounting Periods**") and each accounting period following such Current Accounting Periods.
- 10.11 The Buyer shall, in respect of the Current Accounting Periods:
 - 10.11.1 keep the Seller fully informed of all material matters relating to the Tax computations and returns of such periods and deliver to the Seller copies of all correspondence with Tax Authorities relating thereto;

10.11.2 submit to the Seller for comment any material correspondence and documents which it intends to submit to a Tax Authority in respect of such periods and take into account all such reasonable comments as the Seller may make;

10.11.3 not submit to a Tax Authority any such material correspondence or documents, or agree any matter in relation to the Current Accounting Periods:

(i) without giving the Seller a reasonable opportunity to make any comments referred to in clause 10.11.2 above; and

(ii) which are not true, accurate and lawful in all respects.

11. RECORDS AND INFORMATION

11.1 For a period of seven years after the Completion Date, the Seller shall, to the extent permitted by law and on written request, provide to the Buyer or its representatives (or shall procure the provision to them of), during normal business hours and on reasonable notice:

11.1.1 access to books, records, manuals, and information relating to any of the Group Companies and retained by a Seller's Group Undertaking in accordance with either paragraph 21 of Schedule 18 to Finance Act 1998 or section 386 of the Companies Act 2006; and

11.1.2 reasonable assistance relating to any of the Group Companies (to the extent within the control of a Seller's Group Undertaking),

in each case to the extent reasonably necessary for any matter related to Taxation.

11.2 If a Seller's Group Undertaking wishes to dispose of any books, records, manuals or other information related to the Taxation of a Group Company and previously retained in accordance with either paragraph 21 of Schedule 18 to Finance Act 1998 or section 386 of the Companies Act 2006 prior to the expiration of the period referred to in paragraph 11.1, then the Seller shall, prior to doing so, give the Buyer or its representatives a reasonable opportunity to segregate and remove such books, records, manuals or other information as may be reasonably necessary in relation to any Taxation matter as the Buyer (or its representative) may select.

11.3 Until 30 days after every cash and share based bonus, commission, profit sharing, share option, share incentive or other incentive or reward or similar arrangement awarded to any Employee under any share incentive, share option, profit sharing, gain sharing, bonus or other incentive or reward plan or similar arrangement operated/entered into by a Seller's Group Undertaking (or any other person) before or at Completion has been paid/delivered/exercised or lapsed, the Seller undertakes to provide the Buyer with sufficient information to enable a Group Company or any other relevant Buyer's Group Undertaking to satisfy its obligations to make such deductions and recoveries and to account within the appropriate time limits for any amounts payable to a Tax Authority in connection with any share incentive, share option, profit sharing, gain sharing, bonus or other incentive or reward plan or similar arrangement operated/entered into by a Seller's Group Undertaking (or any other person) for the Employees before or at Completion (being Pay-As-You-Earn,

withholding tax, National Insurance Contributions, social security contributions, social tax liabilities and similar contributions payable to a Tax Authority) and to enable a Group Company or any other relevant Buyer's Group Undertaking to comply with a Tax Authority's reporting and/or disclosure requirements in connection with any share incentive, share option, profit sharing, gain sharing, bonus or other incentive or reward plan or similar arrangement operated/entered into by a Seller's Group Undertaking (or any other person) for the Employees before or at Completion.

12. SURRENDER OF GROUP RELIEF

12.1 The Buyer shall and shall procure that the Company and/or such other Group Company or Group Companies (the "**Relevant Group Company**") as the Seller may from time to time direct:

12.1.1 make any claims and elections and give any consents (including any provisional or final claims to accept or consent to any Surrender of Group Relief in respect of any Relevant Accounting Period) and comply with all reasonable procedural requirements in respect of the making or giving of returns and such elections or consents as the Seller may reasonably direct in writing, in relation to any Surrender of Group Relief in respect of any Relevant Accounting Period;

12.1.2 both the Buyer and the Relevant Group Company shall use commercially reasonable best efforts not to do anything after Completion which could reasonably be expected to affect the ability of the Relevant Group Company or a member of the Seller's Group to make a Surrender of Group Relief in respect of any Relevant Accounting Period; and

12.1.3 neither the Buyer nor the relevant Group Company shall amend, disregard, withdraw or disclaim any elections or claims under Chapter 2, Part 5 CTA 2010 (previously section 402 of ICTA (group relief)) in respect of any Relevant Accounting Period unless it is required to do so by law or agreed with the Seller in writing.

12.2 To the extent permitted by law, each member of the Seller's Group shall be entitled to make a Surrender of Group Relief (or a number of such claims or surrenders) to or from the Relevant Group Company in respect of any period prior to Completion and clauses 12.1.1, 12.1.2 and 12.1.3 shall apply as if any such period were a Relevant Accounting Period.

12.3 In relation to any outstanding corporation tax liability of a Group Company for a Relevant Accounting Period or a Current Accounting Period (whether provided for in the Completion Accounts or otherwise), it is agreed that, where legally possible, a Seller's Group Undertaking will surrender losses to the Relevant Group Company to reduce that Relevant Group Company's corporation tax liability to nil.

12.4 The Relevant Group Company shall not be liable to give any consideration in respect of any Surrender of Group Relief pursuant to this clause 12.

12.5 In the event that any Surrender of Group Relief pursuant to clause 12 is ineffective to reduce or eliminate the liability giving rise to the Seller's liability under this Tax Deed

then, to the extent that such surrender has been ineffective, the Seller's liability under this Deed remains unaffected by such purported surrender except to the extent that the surrender is ineffective because of the failure of the Buyer to comply with its obligations under clauses 10 or 12.

13. VAT

13.1 As soon as reasonably practicable after the date of this Deed, the Seller shall procure that (if not already made) an application shall be made to HMRC pursuant to section 43B of VATA for the exclusion of each Group Company from the Seller VAT Group (to the extent that such Group Company is a member of the Seller VAT Group) and for such exclusion to have effect from the beginning of the Completion Date.

13.2 If at any time on or after the Completion Date, a Group Company is treated as a member of the Seller VAT Group, the Buyer shall procure that, in relation to each relevant Prescribed Accounting Period of the Seller VAT Group ending on or after the Completion Date, each Group Company shall pay to the Seller an amount equal to:

13.2.1 any VAT chargeable on any taxable supply (or deemed supply), or any importation or acquisition, made by such Group Company (or would have been made by such Group Company if it was registered for VAT in its own name) (in each case, being VAT for which the Representative Member is required to account to HMRC) on or after the Completion Date for VAT purposes during such Prescribed Accounting Period; less

13.2.2 any VAT chargeable on any taxable supply (or deemed supply), or any importation or acquisition, made to such Group Company (or would have been made to such Group Company if it was registered for VAT in its own name) on or after such date for VAT purposes during such Prescribed Accounting Period to the extent that such Group Company would have been entitled to recover such VAT from HMRC (by way of credit or repayment) if it was registered for VAT in its own name,

such amount to be paid at least 5 Business Days before the last day (the "**Payment Date**") on which the Representative Member can account to HMRC for such amount without incurring any interest or penalties (such day to be notified to the Buyer in writing at least 5 Business Days in advance of such day) PROVIDED THAT if the amount determined under clause 13.2.2 exceeds the amount determined under clause 13.2.1 in relation to such Prescribed Accounting Period for such Group Company, the Seller shall pay to the relevant Group Company an amount equal to such excess by no later than the Payment Date (or the date which would have been the Payment Date had the Representative Member been required to account for VAT to HMRC in relation to such Prescribed Accounting Period).

13.3 The Seller and the Buyer shall following receipt of reasonable written notice procure the provision to each other in a timely manner of such information (including reasonable access to the books, accounts, correspondence, invoices and documentation in the other's possession or in the possession of the Buyer's Group Undertakings or the Seller's Group Undertakings, as applicable) and assistance which each may reasonably require (i) of the other in relation to the VAT affairs of the

Group Companies or (ii) to prepare, submit and/or agree with HMRC all VAT returns relating to the Group Companies.

14. CORPORATION TAX GROUP PAYMENT ARRANGEMENTS

14.1 The Seller shall as at Completion ensure that all Group Companies are immediately removed from all group payment arrangements under section 59F of the Taxes Management Act 1970.

14.2 The Buyer shall, or shall procure that the Group Company which is a member of the existing group payment arrangement made pursuant to section 36 of the Finance Act 1998 (the "GPA") shall, contribute to the Seller within ten Business Days of written demand by the Seller (or, if later, two Business Days before the amount becomes due and payable to the Tax Authority), an amount equal to any instalment of corporation tax which is required to be or has properly been discharged by the Seller on behalf of the Relevant Group Company in question pursuant to the GPA provided that no such contribution shall be required of a Group Company to the extent that:

14.2.1 a contribution in respect of the relevant instalment of corporation tax was actually made prior to or on Completion; or

14.2.2 such contribution was reflected as a liability in the Completion Accounts,

provided that nothing in this clause 14.2 shall affect the ability of the Buyer to make a claim under this Deed.

15. GENERAL

15.1 A variation of this Deed is valid only if it is in writing and signed by or on behalf of each party.

15.2 The failure to exercise or delay in exercising a right or remedy provided by this Deed or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Deed or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

15.3 The rights and remedies of the Buyer contained in this Deed are cumulative and not exclusive of rights or remedies provided by law.

15.4 If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair:

15.4.1 the legality, validity or enforceability in that jurisdiction of any other provision of this Deed; or

15.4.2 the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Deed.

15.5 A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

16. **ASSIGNMENT**

The Buyer may assign the whole or any part of the benefit of this Deed.

17. **NOTICES**

17.1 A notice or other communication under or in connection with this Deed (a "Notice") shall be:

17.1.1 in writing;

17.1.2 in the English language; and

17.1.3 delivered personally or sent by first class post, pre-paid recorded delivery (and air mail if overseas) or by fax to the party due to receive the Notice to the address set out in clause 17.3 or to an alternative address, person, telex or fax number specified by that party by not less than 7 days' written notice to the other party received before the Notice was despatched.

17.2 Unless there is evidence that it was received earlier, a Notice is deemed given if:

17.2.1 delivered personally, when left at the address referred to in clause 17.3;

17.2.2 sent by mail, except air mail, two Business Days after posting it;

17.2.3 sent by air mail, five Business Days after posting it; and

17.2.4 sent by fax, when confirmation of its transmission has been recorded by the sender's fax machine.

17.3 The relevant addressee, address and facsimile number of each party for the purpose of this Deed, subject to any notice given under clause 17.4 are:

Name of Party	Address	Facsimile No.	Marked for the attention of
Survitec Group Limited	Kingsway Dunmurry Belfast BT17 9AF	02890 606128	David Wilman, Chief Financial Officer With a copy to: Joanne Estell Survitec Group Limited Head Office 16th Floor City Tower 40 Basinghall Street London EC2V 5DE

			Fax: +44 (0)207 256 9008
Cosalt Plc	4 Origin Way Europarc Grimsby South Humberside DN37 9TZ	01472 725185	The Chief Executive Officer

17.4 A party may notify the other of a change to its name, relevant addressee, address or facsimile number for the purpose of clause 17.3 provided that such notification shall only be effective on:

- (a) the date specified in the notification as the date on which the change is to take place; or
- (b) if no date is specified or the date specified is less than five clear Business Days after the date on which notice is given, the date falling five clear Business Days after notice of any such change has been given.

18. GOVERNING LAW AND JURISDICTION

18.1 This Deed is governed by English law.

18.2 The courts of England have exclusive jurisdiction to hear and decide any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Deed (respectively, "**Proceedings**" and "**Disputes**") and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England.

18.3 Each party irrevocably waives any objection which it might at any time have to the courts of England being nominated as the forum to hear and decide any Proceedings and to settle any Disputes and agrees not to claim that the courts of England are not a convenient or appropriate forum.

18.4 Process by which any Proceedings are begun in England may be served on the Seller by being delivered in accordance with the preceding clause. Nothing contained in this clause affects the right to serve process in another manner permitted by law.

19. COUNTERPARTS


This Deed may be executed in any number of counterparts each of which when executed and delivered is an original, but all the counterparts together constitute the same document.

20. DELIVERY

This Deed is delivered on the date written at the start of this Deed.

EXECUTED and delivered by the parties as a deed

Executed and delivered as a deed by)
COSALT PLC)



Signature of director

M. LGSIDAN

Name of director



Signature of director/secretary

N R CARRICK

Name of director/secretary

Executed and delivered as a deed by)
SURVITEC GROUP LIMITED)



Signature of director

DOUGLAS BARTER

Name of director



Signature of director/secretary

Brian Springer

Name of director/secretary