

**COSALT PLC
AND
COSALT INTERNATIONAL LIMITED**

TRANSITIONAL SERVICES AGREEMENT

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THIS AGREEMENT is made on 26 August 2011

BETWEEN:

- (1) **COSALT INTERNATIONAL LIMITED**, a company incorporated in England and Wales (registered no. 553893), whose registered office is at 4 Origin Way, Europarc, Grimsby, South Humberside, DN37 9TZ ("**Supplier**"); and
- (2) **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 ("**Recipient**").

INTRODUCTION:

- (A) The Seller and the Buyer are parties to the Sale and Purchase Agreement.
- (B) The Sale and Purchase Agreement requires the Supplier and the Recipient to enter into this Agreement in order to record the basis on which the Supplier will provide, or procure the provision of, certain services to the Recipient's Group from the Commencement Date. This Agreement sets out the terms and conditions on which those services will be provided.

THE PARTIES AGREE as follows:

1. **INTERPRETATION**

1.1 Unless otherwise defined herein, defined terms used in the Sale and Purchase Agreement shall have the meanings given to them in the Sale and Purchase Agreement when used in this Agreement.

1.2 In this Agreement:

"**Affected Party**" has the meaning given in clause 19.1;

"**Affiliate**" means, in respect of a Party, any member of that Party's Group except the Party itself;

"**Agreement**" means this Agreement including all schedules to it;

"**Breaching Party**" means the Party that is not the Initiating Party;

"**Business Day**" means a day, other than a Saturday, Sunday or public holiday in England and Wales;

"**Buyer**" means Survitec Group Limited;

"**Charge**" means any charge or other fee payable by the Recipient to the Supplier under this Agreement, including any charge set out in respect of a Service in Schedule 1;

"**Commencement Date**" means the date of this Agreement;

"Companies" means (i) Cosalt International Limited, (ii) Cosalt GMBH, (iii) Oceana Air Sea Trading Company B.V., (iv) Cosalt N.V., and (v) Cosalt Seguridad Maritima S.L;

"Comparison Period" means the period of 12 months expiring on the Commencement Date;

"Confidential Information" means all confidential information disclosed (whether in writing, orally or by another means and whether directly or indirectly) by a member of the Supplier's Group to a member of the Recipient's Group, or by a member of the Recipient's Group to a member of the Supplier's Group, following the Commencement Date including information relating to the products, operations, processes, plans or intentions, product information, know-how, design rights, trade secrets, market opportunities or business affairs, of the person making the disclosure or any member of its Group or any of its subcontractors, suppliers, customers, clients or other contacts;

"Data Protection Laws" means the Data Protection Act 1998 and any other applicable data protection or data privacy laws or regulations in any jurisdiction;

"Disclosing Party" means, in respect of any Confidential Information, the Party:

- (a) which discloses that Confidential Information; or
- (b) whose Affiliate discloses that Confidential Information;

"Dispute" means a dispute arising from or connected with this Agreement;

"Exit Plan" means a plan describing the respective rights and obligations of the Supplier and the Recipient to ensure an Exit;

"Exit" means the transition of the provision of the Services from the Supplier to the Recipient or any Successor Supplier;

"Extended Service Period" has the meaning set out in clause 14.2;

"Force Majeure Event" means an event beyond the reasonable control of the Affected Party including any strike, lock-out or labour dispute, act of God, disease, war, riot, civil commotion, malicious damage, compliance with a law or governmental order, rule, regulation or direction, accident, fire, flood and storm;

"Group" means in relation to: (a) the Supplier, the Companies; and (b) the Recipient, the Recipient and its group undertakings from time to time, provided that the Supplier's Group shall not include the Recipient's Group;

"Individual Recipient" means any director, other officer, or employee, of the Receiving Party;

"Infrastructure" means the underlying technical components that constitute a person's systems architecture including hardware, operating systems, network, databases, development environment, user interface and applications;

"Initiating Party" means the Party terminating a Service, or this Agreement, under clause 15.1 or clause 15.5;

"Intellectual Property Rights" means patents, trade marks, rights in respect of logos and get-up, trade names, designs, domain names, copyright, database rights, semi-conductor topography rights, utility models, other intellectual or industrial property rights and any rights therein, in each case whether registered or unregistered and including applications for registration, and all rights or forms of protection having equivalent or similar effect anywhere in the world including any such rights which may now or in the future subsist;

"Notice" means a notice under or in connection with this Agreement;

"Parties" means the Supplier and the Recipient and **"Party"** shall be interpreted accordingly;

"Pre-Completion Equivalent Service" means, in relation to a Service, the equivalent service provided by the Supplier's Group to the Recipient's Group during the Comparison Period;

"Receiving Party" means, in respect of any Confidential Information, the Party:

- (a) to whom that Confidential Information is disclosed; or
- (b) to whose Affiliate that Confidential Information is disclosed;

"Recipient Data" means any data relating to the business of the Recipient's Group that is obtained or created by the Supplier's Group as a result of the provision of the Services under this Agreement;

"Recipient Party" has the meaning set out in clause 12.2;

"Recipient Representative" means the Company Secretary;

"Records" means all data, records, materials and documents in any media or format of the Supplier, to the extent that they relate to the Services;

"Review Meeting" means a meeting held under clause 8.1;

"Sale and Purchase Agreement" means the sale and purchase agreement dated 2011 under which the Seller has agreed to sell, or procure the sale of, all the issued share capital in the Companies to the Buyer;

"Seller" means Cosalt plc;

"Service" means any service described in Schedule 1;

"Service Period" has the meaning set out in clause 14.1;

"Successor Supplier" means any successor supplier who provides a service to the Recipient's Group, which replaces a Service provided, or procured, by the Supplier under this Agreement;

"Supplier Representative" means Brian Stringer, Chief Operating Officer;

"Supplying Party" has the meaning set out in clause 12.2;

"Term" means the duration of this Agreement from the Commencement Date to Termination;

"Termination" means the termination or expiry of this Agreement for any reason whatsoever;

"Third Party" means any third party, other than any member of the Supplier's Group or the Recipient's Group;

"Third Party Agreement" means any agreement with a Third Party that relates to, or is necessary for, the provision of the Services, whether entered into before or after the date of this Agreement;

"Third Party Consent" means any licence, permit, consent or approval necessary for the Supplier to provide, or procure the provision of, any Service to the Recipient's Group under this Agreement;

"Third Party Service" means a service, lease, or licence provided by a Third Party supplier under a Third Party Agreement which is on-provided as a Service by the Supplier to the Recipient;

"VAT" means value added tax imposed by VATA and legislation and regulations supplemental thereto and includes any other tax of a similar fiscal nature whether imposed in the United Kingdom (instead of or in addition to value added tax) or elsewhere from time to time;

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

"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); and

"VATA" means the Value Added Tax Act 1994.

1.3 In this Agreement, a reference to:

1.3.1 a **"group undertaking"** means a **"parent undertaking"** or a **"subsidiary undertaking"**, and those terms shall have the respective meanings given to them in sections 1161 and 1162 Companies Act 2006;

1.3.2 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 Agreement and any subordinate legislation made under the statutory provision (as so modified or re-enacted) before the date of this Agreement;

1.3.3 a document is a reference to that document as modified or replaced from time to time;

- 1.3.4 a person includes a reference to any government, state, state agency, individual, corporation, body corporate, association or partnership;
 - 1.3.5 a person includes a reference to that person's legal personal representatives, successors and permitted assigns;
 - 1.3.6 the singular includes the plural and vice versa (unless the context otherwise requires);
 - 1.3.7 a time of day is a reference to the time in London, unless stated otherwise;
 - 1.3.8 a clause or schedule, unless the context otherwise requires, is a reference to a clause of or schedule to this Agreement;
 - 1.3.9 any reference in this Agreement to any person, when construing any provision in relation to VAT, shall (where appropriate and unless the context otherwise requires) be construed, at any time when such person is treated as a member of a VAT Group, to include a reference to the representative member of such group at such time (so that a reference to x, for example, would read "x or the relevant representative member of the VAT Group of which x is a member (as the case may be)") (the term "representative member" to have the same meaning as for the purposes of the VAT Grouping Legislation); and
 - 1.3.10 the words "**other**", "**includes**", "**including**", "**for example**" and "**in particular**" shall not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.
- 1.4 In the event of any inconsistency between the clauses of this Agreement and the schedules to this Agreement, the clauses of this Agreement shall prevail.
- 1.5 The headings in this Agreement do not affect its interpretation.
- 1.6 Each Party undertakes to the other that it shall, and shall procure that each of its Affiliates shall, comply fully with this Agreement.
- 2. SERVICES TO BE PROVIDED**
- 2.1 In consideration of the Recipient paying the Charges in accordance with this Agreement, the Supplier shall provide, or procure the provision of, the Services to the Recipient, or such other member(s) of the Recipient's Group as the Recipient may from time to time determine from the Commencement Date on the terms set out in this Agreement.
- 2.2 The Recipient shall, in such manner as the Supplier may reasonably require to enable the Supplier to provide, or procure the provision of, the Services in accordance with this Agreement:
- 2.2.1 provide to the Supplier access to and/or use of the Recipient's Group's premises, facilities or personnel provided that the Supplier shall comply with such of the Recipient's Group's standard security, health and safety policies

and other relevant standard policies and procedures as the Recipient shall notify in writing in advance to the Supplier;

- 2.2.2 cooperate with, and assist the Supplier; and
 - 2.2.3 in a timely manner, use its reasonable endeavours to provide complete and accurate information, decisions and data.
- 2.3 The Supplier shall be under no liability for a failure to provide, or procure the provision of, any Service in accordance with this Agreement to the extent that the failure is as a result of:
- 2.3.1 the Recipient's failure to comply with clause 2.2 or any other provision of this Agreement;
 - 2.3.2 any changes in the Recipient's Group's Infrastructure; or
 - 2.3.3 as a result of the Supplier's Group having insufficient resources (whether in terms of assets, employees or agreements) at the Commencement Date to enable it to do so.
- 2.4 The Supplier shall provide the Services up to the volumes required by the Recipient, provided that this Agreement shall not require the provision of services which are greater in scope than, or materially greater in nature, frequency or volume than the Pre-Completion Equivalent Services.
- 2.5 The Supplier may suspend the provision of the Services (or any part thereof) from time to time in order to perform IT maintenance and IT upgrade works. Such suspension shall take place outside of normal business hours unless either:
- 2.5.1 the works are performed pursuant to a planned maintenance programme equally applicable to the Supplier's Group's own use of the relevant Infrastructure, and the Supplier has given the Recipient at least 5 Business Days notice of such works; or
 - 2.5.2 the works are required to be performed in order to correct a material or total failure of a functionality required to provide the Services.
- 2.6 Each party shall be entitled to perform any of the obligations undertaken by it and to exercise any right granted to it under this Agreement through one of its Affiliates, provided that any act or omission of any such Affiliate shall, for all purposes of this Agreement, be deemed to be the act or omission of the Party in question.
- 2.7 Each party agrees to act in utmost good faith in relation to the subject matter of this Agreement.
- 3. INTELLECTUAL PROPERTY RIGHTS**
- 3.1 All Intellectual Property Rights belonging to a Party or its Affiliates prior to the date of this Agreement shall remain vested in that Party or such Affiliates.

- 3.2 If and to the extent that it is not reasonably practicable for the Recipient to exercise its rights under this Agreement or to make use of the Services without the use of any of the Intellectual Property Rights of the Supplier or its Affiliates, the Supplier hereby grants, and shall procure that its Affiliates grant, the Recipient a royalty-free, non-exclusive, non-transferable (save in accordance with clause 25), irrevocable, worldwide licence during the Term to use, adapt, modify, copy and support all Intellectual Property Rights which are owned by the Supplier or its Affiliates as the Recipient may reasonably require for such purpose.
- 3.3 If and to the extent that it is not reasonably practicable for the Supplier to provide or procure the provision of the Services without the use of any of the Intellectual Property Rights of the Recipient or its Affiliates, the Recipient hereby grants and shall procure that its Affiliates grant the Supplier a royalty-free, non-exclusive, non-transferable (save in accordance with clause 25), irrevocable, worldwide licence during the Term to use, adapt, modify, copy and support all Intellectual Property Rights, which are owned by the Recipient or its Affiliates, as the Supplier may reasonably require for such purpose.

4. **SERVICE LEVELS**

- 4.1 Subject to clause 5.1, the Supplier shall use its reasonable endeavours to ensure that in providing a Service:
- 4.1.1 it achieves service level standards which are at least as high as those achieved in performing the same or similar services for its own business; and
- 4.1.2 it achieves the service level standards to which the Pre-Completion Equivalent Services were performed,

but (notwithstanding any other provision of this Agreement), it shall not be obliged to achieve a higher service level standard than that set out in this clause 4.1.

- 4.2 The Recipient acknowledges and agrees that the Supplier (and the relevant Supplier Affiliate) are not in the business of providing the Services as commercial third-party providers and agree that, except to the extent any Service is provided by a Third Party, the Supplier (and the relevant Supplier Affiliate) will not be measured against the same standard as commercial third-party providers would be measured.

5. **THIRD PARTY AGREEMENTS AND CONSENTS**

- 5.1 The Supplier is only obliged to on-provide each Third Party Service to the extent and in the manner that it receives such service from the Third Party in relation to the Recipient's Group. The Supplier shall have no liability to the Recipient for breach of this Agreement to the extent caused by the failure of a Third Party to provide a Third Party Service properly or at all, except to the extent that the Supplier is able to recover, or recovers, compensation in respect of such liability from the relevant Third Party. The Supplier shall use all reasonable endeavours to enforce its rights against any such Third Party in respect of such Third Party's provision of any Third Party Service.

- 5.2 The Supplier shall use its reasonable endeavours to ensure that it obtains and, at all times, maintains, the Third Party Consents.
- 5.3 The Supplier may cease to provide any part of the Services on the termination or expiry of the relevant Third Party Agreement to the extent that:
- 5.3.1 such agreement is required to provide the relevant part of the Services; and
- 5.3.2 such termination or expiry is beyond the Supplier's reasonable control and is not due to the Supplier's default.
- 5.4 The Supplier undertakes to notify the Recipient if it becomes aware of any actual, potential or alleged breach, invalidity, grounds for termination or grounds for rescission of any Third Party Agreement.
- 5.5 The Recipient shall pay for any fees or charges imposed by such Third Party for the provision or maintenance of any such Third Party Consent. Where such Third Party fees are levied in the first instance on the Supplier, the Recipient shall reimburse the Supplier. The Recipient shall reimburse the Supplier for all such Third Party fees within 30 days from receipt of an invoice from the Supplier in respect of such Third Party fees.
- 5.6 At the reasonable request of the Recipient, the Supplier shall provide copies of the documentation evidencing any Third Party Consent and any fee or charge levied for its grant.
- 5.7 The Supplier shall not be obliged to provide, or procure the provision of, any part of the Services, where a Third Party Consent is required in order for the Supplier to do so and either:
- 5.7.1 it has not been obtained; or
- 5.7.2 the relevant Third Party has terminated or revoked.
- 5.8 If the Supplier ceases to provide any part of the Services under clause 5.3 or clause 5.7, there shall be an equitable reduction in the Charges proportionate to any cost savings to the Supplier as a result of such cessation.
- 5.9 To the extent that the Recipient fails to pay or reimburse the Supplier for any Third Party fees in accordance with its obligations in this clause 5, then the Supplier shall be relieved of its obligations to provide the Services to the extent that provision of the Services is dependent on any Third Party Consent or Third Party Service provided by such Third Party.
- 5.10 The Recipient shall comply with the terms of each Third Party Agreement and/ or Third Party Consent to the extent that it is relevant to the receipt of the Services and provided that the Recipient has received prior written notification of the terms of the agreement.

6. INFORMATION TECHNOLOGY

- 6.1 Neither Party shall attempt, except to the extent expressly permitted to do so by this Agreement, to obtain access to, use or interfere with any information technology systems or data used or processed by the other except to the extent reasonably required to do so to receive (in the case of the Recipient) or provide (in the case of the Supplier) the Services.
- 6.2 Each Party shall:
- 6.2.1 ensure that reasonable security measures are maintained to protect its systems from third parties, and in particular from disruption by any "trojan horse", "worm", "virus" or other computer software routine intended or designed to:
 - (i) permit access or use of the Recipient's Group's or the Supplier's Group's information technology systems by a third person other than as authorised by the Recipient or the Supplier; or
 - (ii) disable, damage or erase, or disrupt or impair the normal operation of the Recipient's Group's or the Supplier's Group's information technology systems; and
 - 6.2.2 use its reasonable endeavours not to infect or permit the infection of the other Party's systems with any of the items listed in clause 6.2.1.
- 6.3 The Recipient shall respect all security or audit measures employed by the Supplier and notified to the Recipient. The Recipient shall not permit users, other than those who are specifically authorised by the Recipient to gain access to the Supplier's computer systems or software, to gain such access and shall not authorise destruction, alteration or loss of information contained therein, without the Supplier's express prior written consent.
- 6.4 If at any time the Supplier reasonably determines that any personnel of the Recipient have sought to circumvent or have circumvented the Supplier's security regulations or that an unauthorised person under the control of the Recipient has accessed or would reasonably be expected to access the Supplier's computer systems or software or a Recipient employee has engaged in activities that would reasonably be expected to lead to the unauthorised access, destruction or alteration or loss of data, information or software, upon written notice the Supplier, the Recipient shall:
- 6.4.1 promptly terminate any such person's access to the computer systems or software of the Supplier; or
 - 6.4.2 with the Supplier's prior written consent, implement security controls and other measures to prevent any unauthorised access, destruction or alteration or loss of data, information or software.

7. REPRESENTATIVES

- 7.1 With effect from the Commencement Date, the Supplier and the Recipient shall appoint a Supplier Representative and a Recipient Representative respectively, who shall act as the principal points of contact between the Parties in relation to matters arising under this Agreement.

- 7.2 Either Party shall be entitled to replace their respective Representative at any time, but shall give the other Party as much notice as reasonably practicable of such replacement.
- 7.3 Each Party shall bear their own costs for the organisation of, and attendance at, any meetings (including, without limitation, Review Meetings) between the Representatives.
- 7.4 If at any time the Recipient considers that the Supplier is failing to meet its service level commitments under this Agreement, its Representative shall notify the Supplier's Representative. The Representatives will work with one another so that the Supplier can resolve any such failure as soon as is practicable.

8. REVIEW OF AND CHANGES TO THE SERVICES

- 8.1 The Parties shall hold Review Meetings, at least, once every calendar month to discuss the provision of Services under this Agreement, and/or as otherwise agreed, at which they shall be represented by the Supplier Representative and the Recipient Representative, respectively.
- 8.2 If either Party wishes to change the nature, frequency, or the volume of the Services provided under this Agreement in any material way, that Party shall make a request to the other Party in writing at least five Business Days prior to the next Review Meeting setting out in as much detail as reasonably possible the change required and the reason for requesting the change. That request shall be considered at the next Review Meeting. The other Party shall consider the request with a view to implementing it if it can reasonably do so.

9. EMPLOYEES

- 9.1 The Parties agree that given the nature of the Services they do not anticipate, and it is not their intention, that the expiry or termination in whole or in part of any of the Services shall have the effect of transferring to any member of the Recipient's Group, the contract of employment of any employee of the Supplier's Group or any subcontractor of any member of the Supplier's Group (or any collective agreement in respect of those employees) pursuant to the Transfer Legislation or any other provision of law.
- 9.2 However, the Parties agree that if, in the Supplier's reasonable opinion, it becomes clear that the Transfer Legislation may apply on expiry or termination in whole or in part of any of the Services, then the relevant member of the Supplier's Group or subcontractor may re-deploy any of its employees who are wholly or mainly engaged in the provision of a Service prior to the date of expiry or termination in whole or in part of that Service.
- 9.3 If any employee of any member of the Supplier's Group or any subcontractor of any member of the Supplier's Group asserts or establishes at any time that his employment (or liability for any act or omission) has transferred to or been incurred by any member of the Recipient's Group as a consequence of the Transfer Legislation in respect of the expiry or termination in whole or in part of any of the Services, then:

- 9.3.1 if the relevant member of the Recipient's Group does not wish to employ that individual, the Supplier shall (or shall procure that a member of the Supplier's Group or the relevant subcontractor shall) within 5 Business Days of being so advised make to that employee an offer in writing to employ him under a new contract of employment to take effect on the date such offer is made on terms and conditions, which when taken as a whole, do not differ in any material way from the terms and conditions of employment of that employee immediately before the making of such offer; and
- 9.3.2 in the event that within that 5 Business Day period such an offer is not made or is made but is not accepted, then the Recipient shall, or shall procure that its relevant Affiliate shall, terminate the employment of the employee concerned and the Supplier shall discharge and shall indemnify the Recipient against all losses, liabilities, obligations, costs (including legal costs), claims and demands incurred by the Recipient or its Affiliate, arising directly or indirectly out of both the employment of that employee until such termination and the termination of such employment.

10. PAYMENT AND PAYMENT TERMS

- 10.1 The Recipient shall pay the Charges to the Supplier for the provision of the Services.
- 10.2 If the Recipient extends the Service Period in relation to a given Service pursuant to clause 14.2, the monthly Charges payable by the Recipient to the Supplier in respect of that Service shall be increased by: (i) 30% during the first month of the Extended Service Period, (ii) 60% during the second month of the Extended Service Period, and (iii) 90% during the third month of the Extended Service Period.
- 10.3 The Recipient shall reimburse on demand the Supplier, or such party as the Supplier directs, for all:
- 10.3.1 out-of- pocket costs and expenses; and
- 10.3.2 travel costs and other reasonable expenses of the Supplier's employees or employees of another member of the Supplier's Group,
- reasonably incurred in the performance of the Services, subject to the Supplier having obtained the prior consent of the Recipient before incurring such costs and expenses.
- 10.4 The Supplier shall invoice the Recipient in respect of sums due under this Agreement monthly in arrears and within 14 days of the end of the month in which the Services were provided.
- 10.5 Invoices sent to the Recipient are payable within 30 days of receipt of the invoice by the Recipient.
- 10.6 Notwithstanding any other rights or remedies of the Supplier, if the Recipient fails to pay a sum by the due date for payment, the Supplier may charge the Recipient interest at the rate of 2 per cent each year over the base rate from time to time of NatWest Bank Plc on that sum from the due date for payment until the date upon which the obligation of the Recipient to pay the sum is discharged, whether before or after judgment.

11. RECORDS AND AUDIT

- 11.1 The Supplier shall maintain full and accurate Records.
- 11.2 The Supplier shall give the Recipient and/or the Recipient's duly authorised representatives access to the Records to the extent necessary to enable the Recipient to:
- 11.2.1 fulfil any legal, statutory or reporting obligations or obligations to its shareholders;
 - 11.2.2 determine the accuracy of any amounts invoiced under clause 10; and
 - 11.2.3 verify the Supplier's compliance with the Supplier's obligations under this Agreement.
- 11.3 The Supplier agrees to provide the Recipient and/or its duly authorised representatives with reasonable assistance in exercising the Recipient's right of audit under clause 11.2.
- 11.4 The Recipient shall use its, and shall ensure that its duly authorised representatives shall use their, reasonable endeavours not to cause any material disruption to the Supplier's business when carrying out such an audit.
- 11.5 The parties shall bear their own costs in relation to any audit carried out pursuant to this clause 11.
- 11.6 If any such audit reveals that any invoices rendered to the Recipient under clause 10 were for amounts materially in excess of those properly due in accordance with the terms of this Agreement the Supplier shall in respect of any overpayment, repay to the Recipient a sum equal to the amount by which the Recipient has overpaid and the Recipient's reasonable costs in relation to the audit carried out.

12. VAT

- 12.1 All sums set out in this Agreement or otherwise payable by any Party to any other Party pursuant to this Agreement shall be deemed to be exclusive of any VAT which is chargeable on the supply or supplies for which such sums (or any part thereof) are the whole or part of the consideration for VAT purposes.
- 12.2 Where, pursuant to the terms of this Agreement, any Party (the "**Supplying Party**") makes a supply to any other Party (the "**Recipient Party**") for VAT purposes and VAT is or becomes chargeable on such supply, the Recipient Party shall, subject to the receipt of a valid VAT invoice in respect of such supply, pay to the Supplying Party (in addition to and at the same time as any other consideration for such supply) a sum equal to the amount of such VAT.
- 12.3 References in this Agreement to any cost or expense incurred by any Party and in respect of which such Party is to be reimbursed or indemnified by any other Party under the terms of, or the amount of which is to be taken into account in any calculation or computation set out in, this Agreement shall include such part of such cost or expense as represents any VAT but only to the extent that such first Party is

not entitled to credit or repayment in respect of such VAT from any relevant tax authority.

13. WARRANTY AND LIABILITY

13.1 Subject to clause 4.1 and without prejudice to clause 5.1, the Supplier warrants to the Recipient that:

13.1.1 it will use reasonable skill and care in providing the Services to the Recipient; and

13.1.2 it will perform the Services substantially in accordance with the provisions set out in Schedule 1.

13.2 Except as set out in this Agreement, all conditions, warranties and representations, expressed or implied by: (i) statute; (ii) common law; or (iii) otherwise, in relation to the provision of the Services are excluded to the extent permitted by applicable law.

13.3 Neither Party nor any member of its Group is liable under or in connection with this Agreement to the other Party or any member of its Group, whether for negligence, breach of contract, misrepresentation or otherwise, for:

13.3.1 loss or damage incurred by the other Party or its Group as a result of third party claims;

13.3.2 loss of profit, goodwill, business opportunity or anticipated saving suffered by the other Party or its Group; or

13.3.3 indirect or consequential loss or damage suffered by the other Party or its Group.

13.4 The entire liability of each Party under or in connection with this Agreement in respect of each Service identified in Schedule 1, whether for negligence, breach of contract, misrepresentation or otherwise, is limited to the total Charges payable by the Recipient to the Supplier under this Agreement (assuming that no Service Period is extended under clause 14.2).

13.5 Nothing in this Agreement shall operate to exclude or restrict either Party's liability for:

13.5.1 death or personal injury resulting from negligence;

13.5.2 breach of the obligations arising from section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or

13.5.3 fraud and/or deceit.

13.6 The invalidity, illegality or unenforceability of a provision of this clause does not affect or impair the continuation in force of the remainder of this clause.

13.7 Each Party shall use all reasonable endeavours to mitigate any loss and damage incurred by it or any member of its Group as a result of any breach by the other Party of its obligations under this Agreement.

13.8 Where the Recipient (or any of its Affiliates) has more than one claim under or in connection with this Agreement and/or any other agreement, the Supplier and the other members of its Group shall only be liable to the Recipient (or any of its Affiliates) once in respect of the same fact or circumstances.

14. **TERM**

14.1 This Agreement shall commence on the Commencement Date and (subject to clause 14.2) shall continue in force in respect of each Service for the period set out for that Service in Schedule 1 (each a "**Service Period**"), unless terminated earlier pursuant to clauses 15 or 19.

14.2 The Recipient may extend the Service Period for any Service for a further period as is set out for that Service in Schedule 1 by giving the Supplier a written notice of not less than the period specified in Schedule 1 before the end of the initial Service Period (each an "**Extended Service Period**").

15. **TERMINATION**

15.1 For the avoidance of doubt, each Service shall automatically terminate at the end of the Service Period specified (or the Extended Service Period if relevant) without the need for the Recipient to give notice to the Supplier.

15.2 The Recipient may terminate the supply of any Service under this Agreement before the end of the relevant Service Period or the relevant Extended Service Period (as the case may be) by giving not less than 30 days' written notice to the Supplier. There shall then be an equitable reduction in the Charges proportionate to any cost savings to the Supplier as a result of such cessation.

15.3 The Initiating Party may terminate this Agreement to the extent that it relates to a particular Service with immediate effect by written notice to the Breaching Party if the Breaching Party is in material and/or persistent (whether or not a repudiatory breach) breach of its obligations in relation to that Service and, if the breach is capable of remedy, fails to remedy the breach within 15 days starting on the day after receipt of written notice from the Initiating Party giving details of the breach and requiring the Breaching Party to remedy the breach; for the purposes of this clause 15.1 a breach is capable of remedy if time is not of the essence in performance of the obligation and if the Breaching Party can comply with the obligation within the 30 day period.

15.4 This Agreement shall terminate automatically on the date on which it has been terminated in relation to all of the Services.

15.5 The Initiating Party may terminate this Agreement with immediate effect by written notice to the Breaching Party on or at any time after the occurrence of an event specified in clause 15.6 in relation to the Breaching Party.

15.6 The events are:

Breach

15.6.1 the Breaching Party being in material and/or persistent breach (whether or not a repudiatory breach) of this Agreement which is incapable of remedy or, if the breach is capable of remedy, failing to remedy the breach within 30 days starting on the day after receipt of written notice from the Initiating Party giving details of the breach and requiring the Breaching Party to remedy the breach; for the purposes of this clause 15.6.1 a breach is capable of remedy if time is not of the essence in performance of the obligation and if the Breaching Party can comply with the obligation within the 30 day period;

Corporate insolvency

15.6.2 the Breaching Party passing a resolution for its winding up or a court of competent jurisdiction making an order for the Breaching Party's winding up or dissolution;

15.6.3 the making of an administration order in relation to the Breaching Party or the appointment of a receiver over, or an encumbrancer taking possession of or selling, an asset of the Breaching Party;

15.6.4 the Breaching Party making an arrangement or composition with its creditors generally or making an application to a court of competent jurisdiction for protection from its creditors generally; or

15.6.5 any procedure equivalent to any of the events in clauses 15.6.2 to 15.6.4 (inclusive) occurs in any other jurisdiction with respect to the Breaching Party.

15.7 Termination of this Agreement shall not prejudice any of the Parties' rights and remedies which have accrued as at termination.

16. EXIT AND EXIT ASSISTANCE

16.1 To the extent the parties have not agreed an Exit Plan in accordance with the Sale and Purchase Agreement, the Recipient shall, as soon as reasonably practicable and in any event within 2 weeks after the Commencement Date, submit to the Supplier, for the Supplier's approval, comment and input, a draft Exit Plan which shall as a minimum include those matters set out in Schedule 2. The Supplier shall consider the provisions of the draft Exit Plan and notify the Recipient in writing of any comments that it may have on the draft Exit Plan. The Parties shall discuss in good faith, and use reasonable endeavours to agree as soon as possible, the Exit Plan. Once agreed, the Exit Plan shall be signed by both Parties. If the Parties are unable to agree the provisions of the Exit Plan within 10 Business Days after its submission under this clause 16.1 (or such longer period of time as is agreed by them, if they are in the process of discussing an Exit Plan), the parties shall refer that Exit Plan for Dispute Resolution under clause 28.

16.2 The Supplier shall maintain the Exit Plan so as to ensure that it is reasonably capable from time to time of being implemented promptly. The Exit Plan may be revised from time to time with the agreement of the Parties should any material changes justify such amendment.

- 16.3 The Parties shall perform their respective obligations as stated in the Exit Plan.
- 16.4 The Recipient shall reimburse the Supplier for any costs it incurs in complying with its obligations under the Exit Plan within 30 days from receipt of an invoice from the Supplier in respect of such costs.
- 16.5 Except as otherwise stated in the Exit Plan, the obligations on the Parties in the Exit Plan shall be in addition to, and not in substitution for, the provision of the Services and the Supplier's Group shall continue to provide and the Recipient's Group shall continue to receive the Services on the terms and conditions of this Agreement during any Exit (up to Termination).

17. ARRANGEMENTS ON TERMINATION

- 17.1 This clause 17 applies on Termination and is subject to the terms of any Exit Plan.
- 17.2 The Supplier shall promptly return to the Recipient after Termination all documents, manuals, statements and other materials (including all copies), supplied under or in connection with its performance of this Agreement which contain confidential information of the Recipient and shall, if so requested by the Recipient, certify that it has fully complied with this obligation.
- 17.3 Termination of this Agreement does not affect a Party's accrued rights and obligations at the date of termination.
- 17.4 Each Party's further rights and obligations shall cease immediately on termination except that any term which is expressed or by its nature intended to survive termination of this Agreement, including terms governing liability of the Parties, termination consequences of this Agreement, confidentiality, governing law, and the interpretation of this Agreement, shall survive termination of this Agreement and shall continue in full force and effect.

18. DATA PROTECTION

- 18.1 Terms defined in the Data Protection Act 1998 have the same meanings when used in this clause 18.
- 18.2 To the extent that the Services include the processing by the Supplier or its Affiliates of any Personal Data belonging to the Recipient or its Affiliates, Supplier or its Affiliates will act as data processor to the Recipient or its Affiliates and will process that Personal Data only in accordance with the Recipient or its Affiliates' written instructions.
- 18.3 Each Party shall comply with the Data Protection Laws applicable to it in connection with this Agreement.
- 18.4 Neither Party is responsible for facilitating the other Party's compliance with its obligations under the Data Protection Laws.

19. **FORCE MAJEURE**

19.1 If a Party ("**Affected Party**") is prevented, hindered or delayed from or in performing any of its obligations under this Agreement (other than a payment obligation) by a Force Majeure Event:

19.1.1 the Affected Party's obligations under this Agreement are suspended while the Force Majeure Event continues and to the extent that it is prevented, hindered or delayed;

19.1.2 as soon as reasonably possible after the start of the Force Majeure Event the Affected Party shall notify the other Party in writing of the Force Majeure Event, the date on which the Force Majeure Event started and the effects of the Force Majeure Event on its ability to perform its obligations under this Agreement;

19.1.3 the Affected Party shall use its reasonable endeavours to mitigate the effects of the Force Majeure Event on the performance of its obligations under this Agreement; and

19.1.4 as soon as reasonably possible after the end of the Force Majeure Event the Affected Party shall notify the other Party in writing that the Force Majeure Event has ended and resume performance of its obligations under this Agreement.

19.2 If the Force Majeure Event continues for more than 30 days starting on the day the Force Majeure Event starts, the other Party may terminate this Agreement by giving not less than 30 days' written notice to the Affected Party.

20. **CONFIDENTIALITY**

20.1 During the term of this Agreement and indefinitely thereafter the Receiving Party:

20.1.1 may not use Confidential Information for a purpose other than the exercise of its rights or performance of its obligations under this Agreement;

20.1.2 may not disclose Confidential Information to a person except with the prior written consent of the Disclosing Party or in accordance with clauses 20.3 and 20.4; and

20.1.3 shall make every effort to prevent the use or disclosure of Confidential Information other than in accordance with clauses 20.1.1 and 20.1.2.

20.2 During the term of this Agreement the Receiving Party may disclose Confidential Information to any Individual Recipient to the extent that disclosure is reasonably necessary for the purposes of this Agreement.

20.3 The Receiving Party shall ensure that the Individual Recipient is made aware of and complies with the Receiving Party's obligations of confidentiality under this Agreement as if the Individual Recipient was a party to this Agreement.

20.4 Clauses 20.2 to 20.3 do not apply to Confidential Information which:

20.4.1 is at the date of this Agreement, or at any time after that date becomes, publicly known other than by the Receiving Party's or Individual Recipient's breach of this Agreement; or

20.4.2 can be shown by the Receiving Party to the Disclosing Party's reasonable satisfaction to have been known by the Receiving Party before disclosure by the Disclosing Party to the Receiving Party.

20.5 The Supplier shall at the request of the Recipient permit access to the premises, Records and employees engaged in the performance of the Services to any representative of any regulatory authority with jurisdiction over the Recipient.

21. ANNOUNCEMENTS

21.1 Subject to clause 21.2, neither Party may make or send a public announcement, communication or circular concerning this Agreement unless it has first obtained the other Party's written consent (not to be unreasonably withheld or delayed).

21.2 Clause 21.1 does not apply to a public announcement, communication or circular to be made or sent by either Party if it is required by law, a regulation of a stock exchange or the Panel on Takeovers and Mergers.

22. COSTS

Except where this Agreement provides otherwise, each Party shall pay its own costs relating to the negotiation, preparation, execution and implementation by it of this Agreement and of each document referred to in it.

23. FURTHER ASSURANCE

Each Party shall (at its cost) do and execute, or arrange for the doing and executing of, each necessary act, document and thing reasonably within its power to implement this Agreement.

24. GENERAL

24.1 This Agreement, the Sale and Purchase Agreement and any document referred to in it constitute the entire agreement, and supersede any previous agreements, between the Parties relating to the subject matter of this Agreement.

24.2 Each party acknowledges that it has entered into this Agreement in reliance only on the representations, warranties, promises and terms contained in this Agreement and, save as expressly set out in this Agreement, neither party shall have any liability in respect of any other representation, warranty or promise made prior to the date of this Agreement unless it was made fraudulently.

24.3 A variation of this Agreement is valid only if it is in writing and signed by or on behalf of each Party.

- 24.4 A failure to exercise or delay in exercising a right or remedy provided by this Agreement 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 Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.
- 24.5 Except where this Agreement provides otherwise the rights and remedies contained in this Agreement are cumulative and not exclusive of rights or remedies provided by law.
- 24.6 No provision of this Agreement creates a partnership between the Parties or makes a Party the agent of the other Party for any purpose. A Party has no authority or power to bind, to contract in the name of, or to create a liability for the other Party in any way or for any purpose.
- 24.7 No provision in this Agreement creates or is intended to create a tenancy or any interest or right in land.

25. **ASSIGNMENT**

- 25.1 A Party may not assign, transfer, create any trust in respect of or otherwise dispose of, or purport to assign, transfer, create any trust in respect of or otherwise dispose of, a right or obligation under this Agreement without having first obtained the other Party's written consent, which may not be unreasonably withheld or delayed.

26. **NOTICES**

26.1 Any Notice:

26.1.1 shall be in writing;

26.1.2 shall be in the English language; and

26.1.3 shall be 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 specified in clause 26.2 or to another address, person or fax number specified by that Party by not less than seven days' written notice to the other Party received before the Notice was despatched.

26.2 The address referred to in clause 26.1.3 is:

26.2.1 in the case of the Supplier:

Address: Survitec Group Limited
City Tower, 16th Floor
40 Basinghall Street
London
EC2V 5DE

Fax: +44(0)20 7183 2356

Marked for the attention of: Brian Stringer

with a copy to:

Survitec Group Limited
Kingsway
Dunmurry
Belfast
BT17 9AF

Fax: +44(0)28 9060 6128

Marked for the attention of: David Wilman

26.2.2 in the case of the Recipient:

Address: Cosalt Plc
Origin 4
Genesis Park
Origin Way
Grimsby
DN37 9TZ

Marked for the attention of Denise Robinson;

26.3 Notice is deemed given:

26.3.1 if delivered personally, when left at the address referred to in clause 26.1;

26.3.2 if sent by post, except air mail, two Business Days after posting it;

26.3.3 if sent by air mail, six Business Days after posting it; and

26.3.4 if sent by fax, on successful completion of its transmission.

27. **THIRD PARTY RIGHTS**

27.1 A person who is not a party to this Agreement has no right to enforce any provision of this Agreement.

27.2 Notwithstanding clause 27.1, the Parties agree that any losses suffered or claims made in respect of any Affiliate of the Recipient under the terms of this Agreement shall be brought by the Recipient only and shall, for such purpose, be considered as a loss to the Recipient to the same extent and in an equivalent amount. The Supplier shall be liable to the Recipient for any losses suffered or claims made by the Recipient in relation to the Recipient's Affiliates in relation to and in accordance with the terms of this Agreement. The Recipient shall at all times be responsible and liable for all acts and/or omissions of its Affiliates and the Supplier shall have the right to exercise any right it may have under this Agreement against the Recipient for such act or omission of any Affiliate of the Recipient. Each Party shall procure that no claim is made by any of its Affiliates directly against the other Party (or any of the other Party's Affiliates) in respect of the other Party's (or the other Party's Affiliates) acts or omissions in relation to this Agreement.

28. DISPUTE RESOLUTION

28.1 Any Dispute shall be determined in accordance with this clause.

28.2 The Parties will attempt to resolve any Dispute informally using the following procedure:

28.2.1 Either Party may refer a Dispute to the Representatives by giving written notice to the Representatives and to the other Party.

28.2.2 Where the Representatives have been unable to resolve the Dispute within 10 Business Days of the Dispute having been referred to them, either Party may refer the Dispute to the Chief Financial Officer of the Supplier and the Chief Financial Officer of the Recipient.

28.2.3 Where the parties in clause 28.2.2 have been unable to resolve such Dispute within five Business Days of the Dispute having been referred to them, either Party may refer such dispute to the Chief Executive Officer of the Seller and the Chief Executive Officer of the Buyer for resolution by giving written notice to the other Party, for discussion for no more than five Business Days.

Discussion between the parties during the procedure set out in this clause 28.2 and documents exchanged during or immediately preceding such process will be solely for the purposes of resolving the Dispute and will be "without prejudice".

28.3 Neither the provisions of this clause 28 nor clause 29 shall restrict the right of either Party to obtain interlocutory or injunctive relief.

29. GOVERNING LAW AND JURISDICTION

29.1 This Agreement and all matters arising from or connected with it are governed by English law.

29.2 If the Parties have not resolved the Dispute by the end of the period of five Business Days set out in clause 28.2.3 the courts of England have exclusive jurisdiction to settle the Dispute.

29.3 The Parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

30. COUNTERPARTS

30.1 This Agreement may be executed in any number of counterparts, each of which is an original and all of which together evidence the same agreement.

SCHEDULE 1 SERVICES

In this Schedule, the following expressions have the corresponding meanings:

"Cosalt PLC" means the Cosalt PLC division located in Grimsby;

"Cosalt" means the people remaining post separation that are included in the CWE, Cosalt PLC and Offshore businesses;

"CWE" means the Cosalt Wind Energy Division located in Grimsby;

"Data Centre" means the marine systems located in Hull;

"Europarc PLC" refers to the occupancy by CWE and Cosalt PLC divisions of the ground floor of the Origin 4 building, located in Europarc, Grimsby, DN37 9TZ;

"IT" or the **"IT team"** means the existing IT team at Cosalt which will be transferred to the buyer. This includes (3 Full time members of staff, (Greg Oxley-Powell, Kay Pein, Nathan Shird) and 2 Part time members of staff, (Mandy Torrance and Pauline Gale)); and

"Marine" means Cosalt International Limited and the Companies;

"Offshore" means the Cosalt Offshore division located in Aberdeen; and

"Aberdeen" means the offices of Cosalt Offshore at the Denmore Road site in Aberdeen.

The TSA is valid on the basis that the server and user equipment remains in the build state and configuration as at the point of completion. Up until the point of Separation Completion any modification to the location, configuration, or software load & status of the existing systems must be implemented only after full consultation and agreement with the IT Team.

Any reasonable expenses incurred throughout delivery of IT services to the Cosalt Plc, CWE and Offshore business (travel, accommodation etc) will be charged on directly at cost.

Special information for emergency out of business hours cover

In emergencies and outside these hours the IT team can provide the Cosalt businesses with an emergency contact service. This should only be used by designated contacts from CWE, Cosalt PLC and Offshore. The emergency can be logged via an email or a call to an emergency contact number that will be forwarded to the on call engineer.

Part A: IT Services

Name: Network Support

The various network circuits between sites will require ongoing administration of their secure connections to support the connectivity of sites within each Group both during and post separation.

Description of Service	<p>To provide day to day management and maintenance of the data lines which are installed in Aberdeen and Europarc PLC (once commissioned).</p> <p>Monitoring tools will be installed and managed by the IT team which will aid in diagnosing potential issues and allow for preventative maintenance.</p> <p>This support includes:</p> <ul style="list-style-type: none"> • Managing the VPN access into the systems held at the Aberdeen site for CWE, Cosalt PLC and Offshore; and • WIFI hotspot codes will be changed and managed by IT <p>This cover will not include development or changes to the system away from its handover setup, which will be as per configuration in Aberdeen (day 1), and Europarc PLC (once installed).</p>
Service Period	9 Months
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	Fixed Price see Schedule 3
Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays).
Name and date of third party contract	Not applicable.

Other Comments

Name: PC/Desktop and Printer Support

The PCs, thin client desktop devices and printer will require ongoing administration of their configuration both during and post separation.

Description of Service	To provide day to day management and maintenance of the PC/Printers located in Aberdeen and Europarc PLC. This includes access to centralised systems located at the data centre pre separation and post separation when the new system has been configured and installed in Aberdeen. This will not include development or changes to the system away from its existing setup and configuration.
Service Period	9 Months
Extended Service Period	3 months if no suitable candidates could be employed in time for this to be handed over.
Renewal Notice Period	1 month
Service Charge	Fixed Price. See Schedule 3.
Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays).
Name and date of third party contract	
Other Comments	This will not include the cost of any consumables required and all third party costs incurred in the repair will be covered by the Recipient.

Name: Wintel Server support

The Windows Intel (Wintel) servers will require ongoing administration of their configuration for both the Cosalt and Marine sites within each group both during and post separation.

Description of Service	<p>To provide day to day management and maintenance of the core servers in the Marine data centre (pre separation) and the new system (post separation) located in Aberdeen for all staff within the CWE, Cosalt PLC and Offshore businesses.</p> <p>The Supplier shall make available a suitable member of IT staff to attend site (Aberdeen) within an agreed timescale between the two parties. Dependant on the severity of the situation this should not extend beyond 1 week (<i>subject to travel arrangements</i>).</p> <p>General maintenance is described as software patch updates, ensuring that the system is stable and functional, maintenance of user credentials and permissions, and the core services of mail, file and backup services are running (<i>subject to any unforeseen event</i>).</p> <p>This will not include major development or upgrades to systems.</p> <p>The servers included in this remit are: Core Active Directory, Windows printing, IFS printing services, proxy internet control, Storage, Forefront, AV, and backup services.</p>
Service Period	9 Months
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	Fixed Price. See Schedule 3.
Hours of operation of Service	Monday to Friday 8.30 am to 5pm (excludes UK bank holidays)
Name and date of third party contract	

Other Comments

Name: SUN Server support

The IFS SUN server will require ongoing administration of their configuration both during and post separation. This assumes that a SUN platform is selected for the Plc IFS installation ahead of a Wintel platform.

It is assumed that SUN will be the preferential platform to deliver the core ERP system for the Cosalt business ongoing.

Description of Service	Hardware maintenance will be covered by an agreement held between the supplier (WTL and SUN) and the purchaser (Cosalt PLC) where a next business day on-site engineer will be available. The management of these agreements will be conducted by the IT team acting on behalf of Cosalt PLC throughout the term of the TSA.
Service Period	3 Months
Extended Service Period	N/A
Renewal Notice Period	N/A
Service Charge	Fixed Price. See Schedule 3.
Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays).
Name and date of third party contract	SUN – once agreed contract will be in the name of Cosalt
Other Comments	Whilst Cosalt remain on the existing SUN platform (asset sold to buyer), the cost is included in schedule 3. Once separation and Cosalt have their own SUN platform (3 months from sale), as part of the purchase, they will be required to purchase a SUN server maintenance contract. Cost circa £5,000 per annum.

Name: IFS Support

The IFS application packages will require ongoing administration of their configuration both during and post separation.

Description of Service	<p>Cosalt user support to be provided by existing staff currently located in Aberdeen.</p> <p>IT shall use all reasonable endeavours to liaise with IFS to provide Cosalt with a dedicated IFS support login. This will be for the sole use of Cosalt where they will be able to register bugs and request assistance directly with IFS support services (third party).</p> <p>Additional support to be provided by IT, however only by email from a named user list to control requirements. List to be agreed.</p> <p>Partcode creation and basic admin tasks will be undertaken by Cosalt IT support based in Aberdeen.</p> <p>The IT team shall use all reasonable endeavours to provide install patches, releases and development modifications in line with the IFS release schedule. It is assumed that the IT team will deploy these into the IFS test environment and that it becomes the responsibility of Cosalt to ensure that all updates and patch fixes received from IFS are fully tested. These patches, releases, and modifications will only be deployed into the live environment upon IT receiving an email of acceptance from an approved authoriser List of authorisers will be supplied by the Recipient.</p> <p>IFS report writing and in-house modifications of triggers and procedures will be provided by IT on an individual price basis. A full detailed specification will need to be provided by Cosalt and agree an individual price for these services.</p>
Service Period	9 months
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	Fixed Price. See attached Schedule 3
Hours of operation of Service	Monday to Friday 9am to 3pm (excludes UK bank holidays)

Name and date of third party contract	
Other Comments	

Name: Citrix Support

The Citrix server farms will require ongoing administration of their configuration both during and post separation.

Description of Service	<p>The IT team will provide support and maintenance of the Citrix farm system which will be located in Aberdeen. This system is utilised to access the core systems within Cosalt.</p> <p>The support and maintenance includes patches and updates as required on the existing version.</p> <p>User support of all software delivered using Citrix, and support for the hosted Citrix online service including the profiles server, the IIS server, the farm head + 3 other user accessible servers.</p> <p>This support does not include upgrades to the core system or the software installed at delivery. Support and installation services will also not be provided for new software to be installed.</p>
Service Period	9 months
Extended Service Period	3 months if no suitable candidates could be employed in time for this to be handed over.
Renewal Notice Period	1 month
Service Charge	Fixed Price. See Schedule 3.
Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays)
Name and date of third party contract	
Other Comments	

Name: E-mail Support (including Blackberry)

The e-mail systems and their users will require ongoing administration of their configuration both during and post separation.

Description of Service	<p>The IT team will provide server support for mail and blackberry services. This includes the management of email addresses, the delivery of remote mail and local mail for all users required in Cosalt. It will also cover for mail redirection for the cosalt.co.uk addresses to the Cosalt businesses, and from cosalt.com mail address to the marine business.</p> <p>Blackberry services will be delivered using the server express version, and the IT team will provided management of this for mail delivery (not to include the mobile phone contract, and dependant on BES services being enabled on the users tariff).</p> <p>A dedicated MailController service owned by Cosalt PLC will be managed and maintained by the IT team for mail redirections and mail SPAM management.</p>
Service Period	9 months
Extended Service Period	3 months if no suitable candidates could be employed in time for this to be handed over
Renewal Notice Period	1 month
Service Charge	Fixed Price. See Schedule 3.
Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays)
Name and date of third party contract	
Other Comments	

Name: Security support – logical (firewalls, antivirus etc)

The network firewalls and MS antivirus software tools will require ongoing administration of their configuration both during and post separation.

Description of Service	Firewalls and AV. Support and maintenance of the ASA routers located at both Aberdeen and Europarc PLC (once installed). This will also cover the maintenance and management of the proxy service located in Aberdeen for policy control and changes. It is expected that an hour per week is deemed a reasonable amount of configuration changes. However any changes will need approval from Cosalt's Head of Business Improvement, CFO or Company Secretary
Service Period	9 months
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	Fixed Price. See Schedule 3
Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays).
Name and date of third party contract	
Other Comments	

Name: Security support – physical (door and floor access)

With the physical segregation of some of the offices (such as Grimsby HQ), the physical security systems that get implemented (e.g. door access systems) will require ongoing administration of their configuration both during and post separation.

Description of Service	Physical security access will be in place from date of completion. From that date, for a period of up to 9 months (with a possible further extended period of 3 months) a member of the IT department will need access to the ground floor offices for the purposes of providing IT & telephony support services. This may be during normal working hours or in some cases outside of normal working hours. The access will only be for the purposes of providing IT or telephony services or maintaining the integrity of the IT or telephony system.
Service Period	9 months
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	Nil Cost
Hours of operation of Service	Normally during office hours (8.30am to 5pm Monday to Friday) but may be outside of these hours in an emergency.
Name and date of third party contract	
Other Comments	

Name: Management of Hosted Web Services

The web services provided by Bray Leino and hosted out of a Rackspace machine room facility will require ongoing administration of their configuration. The Sirius website, which is driven by data fed from the IFS system held by the Recipient/Offshore is hosted in Kingston and would need to relocate to Aberdeen with the Recipient IFS platform. The Sirius platform would also require ongoing administration and configuration.

Description of Service	<p>Hosted web services for the cosalt.com domain will be maintained by a third party (Bray Leino). The gtcgroup.co.uk website located in Aberdeen will NOT be supported ongoing as this was a third party installation and IT do not know enough to commit themselves to support this. The Supplier will use all reasonable commercial endeavours to aid any issues that Cosalt have with this system if it is still in place post sale.</p> <p>The physical server hosting clientcentre.cosalt.co.uk (Sirius) will be maintained by the IT team, including the data feed from IFS. The data feed from TAMS is not yet installed. Once installed the TSA will only cover the upload of files to the client centre system.</p> <p>This TSA does not include any development associated with this system away from its existing functional state.</p>
Service Period	9 months
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	Fixed Price. See Schedule 3.
Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays)
Name and date of third party contract	
Other Comments	

Name: Management of Hosted IT services

The third party hosting contract with Kingston Technologies for systems supporting both the Recipient and Supplier sites within each group will need to be managed both during and post separation. This will only apply until there are no further Recipient/Offshore systems supported out of the Kingston datacentre, i.e. once the systems have been re-commissioned in Aberdeen.

Description of Service	The IT team will provide access to the existing systems for CWE, Cosalt PLC and Offshore until the new system has been built in Aberdeen and acceptance handover received.
Service Period	9 months
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	Fixed Price. See Schedule 3.
Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays).
Name and date of third party contract	
Other Comments	

Name: Management of database services (IFS/Oracle)

The IFS Oracle databases will require ongoing administration of their configuration both during and post separation. There is also the option of using a remote 3rd party DBA service provided by PRO-DBA to provide this service, although it would be desirable to have in-house Recipient skills to hand.

Description of Service	3 rd Party support for the Oracle database held on the SUN IFS server.
Service Period	3 months
Extended Service Period	N/A
Renewal Notice Period	N/A
Service Charge	Fixed Price. See Schedule 3.
Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays)
Name and date of third party contract	
Other Comments	Whilst Cosalt remain on the existing SUN platform (asset sold to buyer), the cost is included in schedule 3. Once separation and Cosalt have their own SUN platform (3 months from sale), they will require a 3 rd party resource to manage this. As a recommendation PRO-DBA have always been very accommodating. Cost £11,000 per annum.

Name: Management of third parties (IFS, Oracle, other suppliers) to install, clone and secure separate instances of IFS

A key project is the cloning and secure separation of the IFS system into two instances. This will require careful project management by the Supplier IT staff on behalf of both the Recipient and Supplier, including management and direction of the IFS and Oracle resources undertaking the technical work on the system. Cosalt must authorise any instructions given to third parties

Description of Service	To provide management of existing IT suppliers for the duration of the separation project and the length of the TSA. Until Cosalt have employed a suitable candidate, the IT team shall seek authorisation for contract commitments or purchases in the name of Cosalt from a director or the Company Secretary of the Cosalt business.	
Service Period	9 months	
Extended Service Period	3 months	
Renewal Notice Period	1 month	
Service Charge	Fixed Price. See Schedule 3.	
Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays)	
Name and date of third party contract		
Other Comments		

Name: Cross-training of any new Recipient IT staff to manage and operate the residual Recipient systems

Description of Service	To provide adequate training to the IT staff recruited by the Recipient which will provide support for CWE, Cosalt PLC and Offshore after the TSA finishes. The time spent handing over the management of all IT services must be reasonable and should cover support, management, legislative and projects. This element of the TSA requires signoff from both sides on completion.
Service Period	9 months
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	Fixed Price. See Schedule 3.
Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays)
Name and date of third party contract	
Other Comments	

Name: Provision of Content Management Services from Workwear Division to Buyer

The content management of the group websites is managed by a single individual. This individual is identified as being a Supplier employee, and continued content management should continue to be provided to the Recipient provided that the Supplier wishes to continue use of these websites.

Description of Service	Content management for this will be maintained by <i>Theresa Fitzgerald</i> whilst this is handed over to designated individuals in CWE, Cosalt PLC and Offshore. The ownership of the <i>cosalt.com</i> website shall remain with Cosalt, and the trained individuals are: Tina Newton (CWE); Andy Hart (Workwear); and Debbie McGregor (Plc).
Service Period	3 Months
Extended Service Period	3 months
Renewal Notice Period	
Service Charge	Fixed Price. See Schedule 3.
Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays)
Name and date of third party contract	
Other Comments	

Part B: other services

Name: Payroll and HR

As regards payroll and HR, our understanding is that the 2 relevant employees will transfer with the Marine Business.

Description of Service	To provide full payroll services and full HR services for Cosalt Plc, Cosalt Workwear and CWE. This is to include all benefits administration, payroll administration, pensions administration, HR administration and HR advice and assistance and to audit any payroll data regarding the Transferring Employees if requested by the Recipient. It will also include training/handover/ to the relevant Cosalt Plc person during the period. It will also include assistance with year-end payroll and PAYE processes such as P11Ds, PSA and year end reporting. This will include access to any archive records as necessary
Service Period	6 months
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	£8,580 for the Service Period .This is a fixed charge that the Supplier will invoice monthly.
Hours of operation of Service	8.30am to 5pm Monday to Friday
Name and date of third party contract	
Other Comments	After the Service Period, this will continue to include any reasonable requests for information in order to meet legal/regulatory requirements. If the Recipient's requests (taken together) are likely to result in excess of 3 hours work, then a price would be agreed in advance

Name: Accounting for CWE

Purchase ledger, cash book and sales ledger work for CWE is currently provided by employees of the Marine Business. There will need to be a short period post-completion where the transferred employees provide this service to the Recipient.

Description of Service	This is to provide purchase ledger, cash book and sales ledger services which will include the registering of purchase invoices from suppliers, matching off the purchase invoices to a goods receipt note, authorization of the purchase invoice for payment and paying them.
Service Period	3 months
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	£520 for the Service Period. This is a fixed charge that the Supplier will invoice monthly.
Hours of operation of Service	8.30am and 5pm Monday to Friday
Name and date of third party contract	n/a
Other Comments	None.

Name: Recipient Tax Returns

Employees transferring with the Marine Business will need to provide assistance to the Recipient in the preparation of the next tax returns.

Description of Service	Assistance and support in the completion of corporation tax computations to be filed with HMRC. Also assistance with any reasonable queries. This service will only be provided and charged for if requested by the Recipient.
Service Period	From completion date until computations for 2010 are filed.
Extended Service Period	N/A
Renewal Notice Period	N/A
Service Charge	<i>Nil cost as this is provided for under the Tax Deed.</i>
Hours of operation of Service	8.30am until 5pm Monday to Friday
Name and date of third party contract	
Other Comments	After the Service Period, this will continue to include any reasonable requests for information in order to meet legal/regulatory requirements. If the Recipient's requests (taken together) are likely to result in excess of 3 hours work, then a price would be agreed in advance.

Name: Recipient statutory accounts

Employees transferring with the Marine Business will need to provide assistance to the Recipient in the preparation of the next statutory accounts.

Description of Service	Assistance and support (and to meet deadlines where applicable) in the completion of statutory financial statements to be filed at Companies House. This service will only be provided and charged for if requested by the Recipient.
Service Period	Completion date until statutory accounts are filed (year end of 31/12) which shall be no earlier than the date which falls six (6) months from the completion date.
Extended Service Period	
Renewal Notice Period	
Service Charge	£840 if required. This is a one-off fixed cost.
Hours of operation of Service	8.30am until 5pm Monday to Friday
Name and date of third party contract	
Other Comments	After the Service Period, this will continue to include any reasonable requests for information in order to meet legal/regulatory requirements. If the Recipient's requests (taken together) are likely to result in excess of 3 hours work, then a price would be agreed in advance.

Name: Website links

The website of Marine to have a placeholder statement and a link to the website of Cosalt Plc

Description of Service	Website of Marine is to have a placeholder statement stating that "Cosalt Marine is now no longer a part of the Cosalt Group. If you are looking for Cosalt Plc please click on the following link". Link to be included.
Service Period	12 months
Extended Service Period	N/A
Renewal Notice Period	N/A
Service Charge	<i>Nil cost as reciprocal.</i>
Hours of operation of Service	24/7
Name and date of third party contract	
Other Comments	

Name: Recipient purchase ledger and general accounting for Offshore

Employees within the Marine Business will need to provide assistance to the Recipient in handing over the administration and management of purchase ledger, sales ledger, cash posting and cash book services for the Offshore division.

Description of Service	To provide purchase ledger, sales ledger, cash posting and cash book services for the Offshore business. Services also to include supply statement reconciliation and some PAYE processing. To assist with a timely handover.
Service Period	3 months
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	£20,953 for the Service Period. This is a fixed charge that the Supplier will invoice monthly.
Hours of operation of Service	8.30am until 5pm Monday to Friday
Name and date of third party contract	
Other Comments	

Name: Post and General Admin at Head Office in Grimsby

Employees within the Marine Business will need to provide assistance to the Recipient in handling incoming post, faxes, emails, deliveries and any incoming telephone calls.

Description of Service	To sort out and forward the incoming post for Cosalt PLC, CWE and Cosalt Offshore. Post will be left in the Foyer within 1 hour of the general post being delivered. Any incoming faxes, emails and deliveries to be forwarded/notified as quickly as possible. Incoming telephone calls will be handled in a timely and courteous manner and the relevant telephone number will be given out.
Service Period	6 months
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	£1,950 for the Service Period. This is a fixed charge that the Supplier will invoice monthly.
Hours of operation of Service	8.30am until 5pm Monday to Friday
Name and date of third party contract	
Other Comments	

Name: Mobile and Blackberry Provision

Description of Service	<p>The current mobile agreement that serves Cosalt Marine, Offshore, CWE and PLC, runs from May 2009 until April 2012. The agreement is in the name of Cosalt International Ltd and will novate to the buyer once the Marine business has been sold.</p> <p>The PLC, Offshore and CWE businesses wish to retain their existing numbers with the exception of Neil Carrick who is the only member of staff on the current separate Cosalt Workwear contract. IT will help Cosalt find and start a new contract prior to April 2012, migrate the numbers onto this and aid in the day to day management of these services. IT will also ensure that blackberry mail services remain to be delivered to those users on the new contract. For period to April 2012, Plc, Offshore and CWE will be charged a direct proportional cost for the mobiles used.</p>
Service Period	11 months.
Extended Service Period	3 months
Renewal Notice Period	1 month
Service Charge	Relevant proportion of 3 rd party costs to cover: calls, rental of mobiles used and all other chargeable services.
Hours of operation of Service	
Name and date of third party contract	
Other Comments	

Name: IT Separation Project

Description of Service	<p>The project of separating the Marine and Cosalt business will take around 80 days from Completion.</p> <p>At the signing of the SPA, Recipient will begin interviewing candidates for the IT positions to be based in Aberdeen. They will be employed as from Completion, and will aid in the delivery of the systems in Aberdeen that will host the Cosalt business post separation.</p> <p>After the initial 80 days (which includes on the job training), the IT systems will be handed over once the new employee(s) are confident to be able to manage them going forward, but in any event no later than the Term of this Transitional Services Agreement.</p> <p>Key areas include:</p> <ul style="list-style-type: none"> ● Network and infrastructure; ● Domain including AD; ● Mail Services including blackberry; ● Security; ● Citrix; ● IFS; and ● Report Writing (Streamserve, SQL and Crystal). <p>Once all the systems are handed over to the new IT team, it needs to be agreed between both parties that the Cosalt business is comfortable to stand alone. This is a period of up to 9 months from Completion, and the TSA can then be terminated.</p>
Service Period	9 months
Extended Service Period	None
Renewal Notice Period	N/A
Service Charge	Fixed Price. See Schedule 3.

Hours of operation of Service	Monday to Friday 8.30am to 5pm (excludes UK bank holidays)
Name and date of third party contract	
Other Comments	

SCHEDULE 2

Minimum Content of Exit Plan

The exit plan will need to make provision for the following: IT, payroll and HR, accounting/purchase ledger, tax returns, website links, post and general administration, mobile and blackberries, health insurance and medical insurance cover, company secretarial services and security support.

Further detail on IT is as follows:

At the point of the SPA being signed, a planning meeting between the Seller and the Buyer will be setup. At this point, the parties will agree an exit plan in more detail.

- Day 1 task - Perform system level security controls by segregating users from viewing the two separate businesses data
- Build a new domain called 'cosalt.com' for Cosalt Plc
- Create a top level trust between "cosalt.com" and "cosalt.co.uk" (this is to allow cosalt.com users to continue to use IFS and Citrix services provided by the Supplier until the new system is operational)
- Migrate the 15 users of PLC from the "cosalt.co.uk" (marine) domain to the new "cosalt.com" domain
- Migrate the child domain "offshore.cosalt.co.uk" from under the marine domain to the new cosalt.com domain
- Migrate the "workwear.cosalt.co.uk" from under the marine domain to the new cosalt.com domain
- Install a new IFS system, Citrix farm and other fundamental systems into cosalt.com, and move the users to use these services
- Remove the trust between domain as cosalt.com users operate on their own system
- Provide support services whilst new staff are trained to manage the Cosalt system

This will deliver:

- **Marine System**, which should retain the **cosalt.co.uk** domain *internally* until such time that the Buyer wishes to rebrand to its own name. Note that the external facing reference can be changed very quickly to the Buyer's requirement once a decision is made on which domain/email addresses they wish the new business to use
- **PLC System**, this will be delivered on the new **cosalt.com** domain with their own systems to operate independently called Cosalt

Basic timing details

System level segregation	5 days	
Build of new domain	3 days	* includes building top level trust between cosalt.co.uk and cosalt.com
Migrate PLC Users	5 days	* dependant on access to users equipment
Migrate Child Domains	30 days	* dependant on access to users equipment
Install new IFS & system.	20 days	* dependant on lead time from external resource (IFS)
Data Migration	2 days	
Testing & Cleanup	10 days	* dependant on access to users equipment
Contingency	25 days	* allowing for holidays, resource conflicts etc
TOTAL:	100 days	

Tasks already completed

Build of new domain	3 days	* includes building top level trust between cosalt.co.uk and cosalt.com
Migrate of child domain	10 days	of the 30 have already been completed (pre-separation)
Contingency	7 days	of 25 have already been completed in the setup of the infrastructure in Aberdeen to accommodate the new system

It is worth noting the following:

- a further estimated 30 days will be required to separate out the Cosalt business in Europarc onto its own dedicated data line as long lead times are expected
- an additional 6 months support services will need to be provided to the Cosalt business to allow for system handover to their new IT department.

**SCHEDULE 3
Fixed Costs for IT Services**

	TSA (Marine to Cosalt)	FTE	Period	Cost
1	Statutory Accounts	5	To completion	£840
2	IT - Network support	3	9m	
3	IT - PC & Printer support	3	9m	
4	IT - Wintel Server support	3	9m	
5	IT - Sun server support	3	3m	
6	IT - IFS support	3	9m	
7	IT - Citrix support	3	9m	
8	IT - Email support	3	9m	139,960
9	IT - security support	3	9m	
10	IT - management of hosted web services	3	9m	
11	IT - management of hosted IT services	3	9m	
12	IT - management of database services (IFS/Oracle)	3	3m	
13	IT - separation project	3	9m	
14	IT - management of 3rd parties	3	9m	
15	IT - cross training	3	9m	
16	IT - content management from Workwear	3	3m	
17	Payroll & HR	2	6m	£8,580
18	Physical security support at HO	3	9m	Nil cost
19	Accounting for CWE	5	3m	£520
20	Purchase ledger & accounting for Offshore	3	3m	£20,953
21	Website link	1	12m	Nil cost
22	Tax Returns	5	To completion	£560
23	HO Post and admin	20	6m	£1,950

combined cost for all IT (split into monthly charges - see below)

£173,363

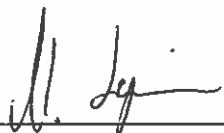
	Reverse TSA (Cosalt to Marine)	FTE	Period	Cost
1	Statutory Accounts	4	Feb-12	£2,400
2	Payroll & HR	1	6m	£800
3	Physical security support at HO	1	Perm	Nil cost
4	IT - IFS support	2	9m	£40 ph

5	Employee benefits (x3)	1	renewal	Direct costs
6	Website - link	1	12m	Nil cost
7	Tax Returns	4	T completion	£4,800
8	Services of Driver/Facilities supervisor	1	Perm	Time
9	Co Sec services - leases, insurance DP etc	2	6m	£800
10	Archive access	1	Perm	Time
11	HO Post and admin	8	6m	£975
12	Aberdeen admin	8	6m	390

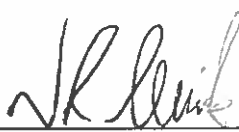
£10,165

EXECUTED by the parties

Signed by)
a duly authorised)
representative of)
COSALT PLC)


_____) Signature

Signed by)
a duly authorised)
representative of)
COSALT INTERNATIONAL LIMITED)


_____) Signature