

**DATED 13 January 2022**

**SHARE PURCHASE AGREEMENT**

**between**

**(1) DOUGLAS & GORDON ESTATE AGENTS LIMITED**

**and**

**(2) LOCHLAN HOLDINGS LIMITED**

**relating to the sale and purchase of the entire issued share capital of  
Douglas & Gordon Limited and Douglas & Gordon (2) Limited**

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**THIS AGREEMENT** is made by way of a deed on 13 January 2022

**BETWEEN:**

- (1) **DOUGLAS & GORDON ESTATE AGENTS LIMITED** incorporated with company number 09903325 and registered in England and Wales and having its registered office at Building One, Chiswick Park, 566 Chiswick High Road, London, England, W4 5BE (the "**Seller**") and
- (2) **LOCHLAN HOLDINGS LIMITED** incorporated with company number 13730221 and registered in England and Wales and having its registered office at 212 New Kings Road, London, England SN6 4NZ (the "**Purchaser**").

**BACKGROUND:**

- (A) Douglas & Gordon Limited is a company incorporated in England and Wales with registered number 04385654 and having its registered office at 212 New Kings Road, London, England, SW6 4NZ (the "**Company**") and Douglas & Gordon (2) Limited is a company incorporated in England and Wales with registered number 01420429 and having its registered office at Building One, Chiswick Park, 566 Chiswick High Road, London, England, W4 5BE ("**D&G2**").
- (B) The Company has an issued share capital of £360,000.00 divided into 360,000 ordinary shares of £1.00 each and D&G2 has an issued share capital of £1.00 divided into 1 ordinary share of £1.00 (together the "**Sale Shares**").
- (C) The Seller is the legal and beneficial owner of the Sale Shares. The Seller has agreed to sell its Sale Shares to the Purchaser on and subject to the terms and conditions of this Agreement.
- (D) The Purchaser has agreed to purchase the Sale Shares subject to the terms and conditions of this Agreement.
- (E) On or around the date of this Agreement, the Company has entered into an agreement (the "**Business Transfer Agreement**") to transfer the lettings business of the Company ("**Business**") to the Seller (the "**Business Transfer**").

**IT IS AGREED AS FOLLOWS:**

**1. INTERPRETATION**

1.1. In this Agreement:

- 1.1.1. a reference to a clause, paragraph or schedule is, unless stated otherwise, a reference to a clause or paragraph of, or schedule to, this Agreement;
- 1.1.2. a reference to a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, association, state, state agency, institution or trust (whether or not having a separate legal personality);
- 1.1.3. a reference to a document being in the "**agreed form**" is a reference to a document in the form and terms approved by or on behalf of each party on or before the date

of this Agreement with any alterations that are agreed in writing by or on behalf of each party at any time before Completion;

- 1.1.4. a reference to one gender is a reference to all or any genders;
- 1.1.5. a reference to a particular time of day is, unless stated otherwise, a reference to that time in London, England;
- 1.1.6. a reference to "**including**" or "**includes**" does not limit the scope of the meaning of the words preceding it;
- 1.1.7. the expressions "**subsidiary undertaking**" and "**parent undertaking**" have the meanings given to them by the Companies Act 2006;
- 1.1.8. the expression "**to the extent that**" means "to the extent that" and not solely "if", and similar expressions shall be construed in the same way;
- 1.1.9. the expression "**connected**" with reference to a person or group of persons has the meaning given to it in sections 1122 and 1123 of the Corporation Tax Act 2010;
- 1.1.10. the expressions "**Group**" or "**member of the Group**" means the relevant party and any person which is from time to time a subsidiary undertaking of that party, a parent undertaking of that party or any other subsidiary undertaking or such parent undertaking (or any one of them);
- 1.1.11. the term "**Associate**" means:
  - (a) spouse, civil partner or child;
  - (b) the trustees of any trust of which a person and/or a member of his family is a beneficiary or a discretionary object;
  - (c) a company, the equity securities of which a person and/or a member of his family is interested in such that, together they could:
    - (i) exercise control over 30 per cent. or more of the votes at a general meeting of that company; or
    - (ii) appoint or remove directors having a majority of the voting rights at board meetings of the company; and
  - (d) any partnership in which a person and/or a member of his family is interested such that, together, they would hold or control:
    - (i) a voting interest of greater than 30% in the partnership; or
    - (ii) at least 30% of the partnership;

1.1.12. the terms "**Business Day**", "**Carve-Out Customer**", "**Customer**", "**Employee**", "**Relevant Period**" and "**Restricted Properties**" have the meanings given to them in the Business Transfer Agreement; and

1.1.13. "**Long Stop Date**" means 28 February 2022.

1.2. The headings in this Agreement do not affect its interpretation.

## **2. SALE AND PURCHASE OF SALE SHARES**

2.1. Subject to the completion of Business Transfer in accordance with the Business Transfer Agreement, and on the terms and subject to the conditions in this Agreement, the Seller shall sell and the Purchaser shall purchase the Sale Shares with full title guarantee and free from all liens, charges and encumbrances but together with all rights attached or accruing to them at Completion, including (but not limited to) respectively, the right to receive all unpaid dividends, and interest.

2.2. The Seller hereby waives all rights of pre-emption or other restrictions on transfer held by the Seller in respect of the transfer of the Sale Shares to the Purchaser.

## **3. CONSIDERATION**

3.1. The total consideration (the "**Consideration**") payable by the Purchaser to the Seller for the sale and purchase of the Sale Shares shall be the aggregate of:

3.1.1. in respect of the Sale Shares in the Company (the "**Company Shares**"), an amount of £1.00; and

3.1.2. in respect of the Sale Shares in D&G(2) (the "**D&G(2) Shares**"), the amount of £1.00.

3.2. The Consideration shall be paid by the Purchaser to the Seller in cash at Completion.

## **4. COMPLETION**

4.1. The completion of the sale and purchase of the Sale Shares ("**Completion**") is conditional upon:

4.1.1. completion of the Business Transfer Agreement; and

4.1.2. receipt by James Evans of written confirmation (which may be by e-mail) from Chris Hough (in his capacity as a director of Foxtons Group plc ("**Foxtons**")) that the approval of the transactions contemplated by this Agreement has been given by the shareholders of Foxtons, as required under Chapter 11 of the Financial Conduct Authority Listing Rules,

(together, the "**Conditions**") and shall occur, subject to clause 4.4, immediately following satisfaction of the Conditions.

- 4.2. On or before Completion, the Seller shall deliver to the Purchaser:
- 4.2.1. share certificate indemnities in respect of the Sale Shares in the Agreed Form; and
- 4.2.2. the following documents duly executed in the Agreed Form:
- (a) stock transfer forms in favour of the Purchaser in respect of the Sale Shares;
  - (b) director resignation letters from Nic Budden, Patrick Franco and Richard Harris in respect of the Company and D&G(2); and
  - (c) board resolutions of the Company and D&G(2) approving the registration of the transfer of the Sale Shares to the Purchaser and other related matters.
- 4.3. The Seller and the Purchaser acknowledge and agree that the certificates of incorporation and statutory books of the Company and D&G(2) and shall be deemed delivered by the Seller to the Purchaser at the date of Completion.
- 4.4. If the Conditions are not satisfied on or before midnight on the Long-Stop Date, this Agreement shall automatically terminate, save that the rights and liabilities of the parties which have accrued prior to termination shall continue to subsist.
- 4.5. If this Agreement terminates in accordance with clause 4.4, or any other provision of this Agreement, it will immediately cease to have any further force or effect except for clauses 1, 4.3, 8, 9, 15 and 16.
- 4.6. Neither the Seller nor the Purchaser shall be obliged to complete the sale or purchase of any of the Sale Shares unless all of the Sale Shares are sold and purchased simultaneously.
- 4.7. The provisions of this Agreement shall remain in full force and effect notwithstanding Completion insofar as they remain to be observed or performed.

## 5. **WARRANTIES**

- 5.1. The Seller warrants to the Purchaser that, as at the date of this Agreement, the following warranties ("**Warranties**") are true and accurate and not misleading:
- 5.1.1. it is the sole beneficial owner and registered holder of the Sale Shares to be sold by them pursuant to this Agreement and has the right to exercise all voting and other rights over the Sale Shares;
  - 5.1.2. the Company Shares comprise the whole of the issued and allotted share capital of the Company, have been properly and validly issued and allotted and are each fully paid or credited as fully paid;

- 5.1.3. the D&G(2) Shares comprise the whole of the issued and allotted share capital of D&G(2), have been properly and validly issued and allotted and are each fully paid or credited as fully paid;
  - 5.1.4. it is entitled to sell and transfer the full legal and beneficial ownership of the Sale Shares to be sold by it on the terms of this Agreement, without the requirement to obtain the consent of any third party;
  - 5.1.5. there is no encumbrance on, over or affecting any of the Sale Shares held by it, or its right to transfer the Sale Shares;
  - 5.1.6. no person has the right (whether exercisable now or in the future and whether contingent or not) to call for the allotment, conversion, issue, registration, sale or transfer or repayment of any share or loan capital or any other security giving rise to a right over, or an interest in, the Sale Shares under any option, agreement or other arrangement (including conversion rights and rights of pre-emption).
  - 5.1.7. this Agreement, once executed, will constitute valid and binding obligations on it;
  - 5.1.8. it is not bankrupt, insolvent, or unable to pay his debts as they fall due within the meaning of section 123 of the Insolvency Act 1986;
  - 5.1.9. entry into this Agreement shall not constitute a breach of any law, order, judgment, or agreement with a third party, by which it is bound.
- 5.2. The Seller further warrants that the Warranties will be true, accurate and not misleading at Completion in all material respects as if they had been repeated at Completion and on the basis that any express or implied reference to such Warranty to the date of this Agreement shall be considered a reference to the Completion Date.
- 5.3. Without prejudice to the Buyer's other rights under this Agreement, if any fact, matter or event arising after the date of this Agreement and prior to the Completion Date constitutes a breach of any of the Warranties which will still exist at Completion then the Purchaser shall be entitled by notice in writing to the Seller to terminate this Agreement with immediate effect.
- 5.4. The Purchaser warrants to the Seller at the date of this Agreement and as at Completion that it is a single member company and that its sole shareholder is James Evans and its sole director is James Evans.
- 5.5. The Purchaser warrants to the Seller that as at the date of this Agreement and at Completion, neither James Evans (nor any of his Associates) holds shares, or options over shares, in Foxtons Group plc.

## **6. COVENANTS**

- 6.1. The Purchaser shall procure compliance by the Company with all terms set out in the Business Transfer Agreement and covenants with the Seller that it shall not:

- 6.1.1. at any time during the period of 12 months following Completion, offer employment to, enter into a contract for the services of, or attempt to entice away from any member of the Seller's Group, any Employee, save with the consent of the Seller or Foxtons Limited; or
  - 6.1.2. at any time during the Relevant Period, deal with any Customer (whether or not in relation to any business which would be in competition with all or any part of the Business), provided that this restriction shall not apply to the Purchaser dealing with Carve-Out Customers in relation to properties other than the Restricted Properties; or
  - 6.1.3. at any time during the Relevant Period, canvass, solicit or otherwise seek the custom of any Customer (whether or not in relation to any business which would be in competition with all or any part of the Business), provided that this restriction shall not apply to the Purchaser canvassing, soliciting or otherwise seeking the custom of a Carve-Out Customer in relation to a property other than the Restricted Properties; or
  - 6.1.4. at any time during the Relevant Period, deal in any way with any owner or landlord of any Restricted Property; or
  - 6.1.5. at any time during the Relevant Period, induce or attempt to induce a Customer to cease or refrain from conducting business with, or to reduce the amount of business conducted with or to vary adversely the terms upon which it conducts business with the Seller or any member of the Seller's Group, or do any other thing will to have such an effect; or
  - 6.1.6. at any time during the Relevant Period, induce or attempt to induce a supplier to the Business to cease or refrain from conducting business with, or to reduce the amount of business conducted with the Seller or any member of the Seller's Group, or do any other thing which has such an effect; or
  - 6.1.7. at any time after Completion, use in the course of any business the word "Foxtons" or present itself or permit itself to be presented as connected in any capacity with the Business; or
  - 6.1.8. at any time after Completion, do or say anything which may be harmful to the reputation of the Business.
- 6.2. The Purchaser shall procure that the Company complies with its obligations under clause 13 (Retained Cash Clawback) of the Business Transfer Agreement and covenants to pay promptly on demand any amounts due under clause 13 (Retained Cash Clawback) of the Business Transfer Agreement should the Company fail to do so for whatever reason within the required period.
- 6.3. The Seller shall ensure that in the period between the date of this Agreement and Completion the business of the Company is operated in the ordinary course, without material interruption and without alteration in nature or scope, and in particular decisions shall be made in respect

of the Company in the same way as such decisions are usually made as at the date of this Agreement.

- 6.4. The Seller shall, and shall procure that any member of its Group shall, cease to carry on any business using the names "Douglas & Gordon", "D&G" and "Roystons" or any similar name provided that (for the avoidance of doubt) the incidental use of "Douglas & Gordon" on the basis that the contracts of the Business remain in the name of the Company shall not be a breach of this clause 6.3.

## **7. POWER OF ATTORNEY**

Until the registration of the Purchaser as the legal owner of the Sale Shares, the Seller hereby irrevocably appoints any director of the Purchaser as the Seller's duly authorised agent and attorney to do all such things, execute all documents and to exercise all rights in relation to the Sale Shares registered in the Seller's name which are capable of exercise by the Seller in the capacity of registered holder of the Shares as the Purchaser in its absolute discretion sees fit.

## **8. ASSIGNMENT**

- 8.1. Subject to the further provisions of this clause 8, neither party shall assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over, or deal in any other manner with any or all of its rights and obligations under this agreement (or any other document referred to in it).
- 8.2. Each party confirms it is acting on its own behalf and not for the benefit of any other person.
- 8.3. Each party may assign or subcontract any or all of its rights and obligations under this agreement to:
- 8.3.1. another member of their Group. The assigning party shall procure that such assignee (or any subsequent assignee within their Group) assigns such rights back to it in accordance with this clause 8 or to such other member of the Group as the assigning party may nominate immediately before it ceases to be a member of the Group; or
  - 8.3.2. in respect of the Seller, any person to whom the Business (or any assets of the Business) is sold or transferred by the Purchaser following Completion.
- 8.4. The Seller may, with the prior written permission of the Purchaser, grant security over, or assign by way of security, any or all of its rights under this agreement for the purposes of, or in connection with, the financing (whether in whole or in part) by the Seller of the Business Transfer or any of its working capital or other requirements. On the enforcement of any security of a kind referred to in this clause 8.4, the Purchaser, or any administrative receiver of the Purchaser or any person having the benefit of such security may assign any or all of the relevant rights to any person, but the Seller's liability to any assignee in respect of those rights shall not be greater than if no assignment had taken place.

## **9. CONFIDENTIALITY**

- 9.1. Except so far as may be required by law, and in such circumstances only after prior consultation with the other party:

- 9.1.1. the Purchaser and the Seller each undertake to the other that they shall (and shall procure that the members of their respective Group's shall):
- (a) keep confidential the terms of this Agreement; and
  - (b) not disclose any of the information referred to in clause 9.1.2 in whole or in part to any third party;
- 9.1.2. the Purchaser undertakes to the Seller that it shall (and shall procure that the members of its Group shall):
- (a) keep confidential all confidential information and trade secrets in its possession concerning the business, affairs, customers or suppliers of the Business and any member of the Seller's Group; and
  - (b) not make use of any confidential information or trade secrets concerning the Business, save to the extent required in order for it to comply with its obligations under this Agreement;
- 9.1.3. the Seller undertakes to the Purchaser that it shall (and shall procure that the members of its Group shall):
- (a) keep confidential all confidential information and trade secrets in its possession concerning the business, affairs, customers or suppliers of the Company; and
  - (b) not make use of any confidential information or trade secrets concerning the Company, save to the extent required in order for it to comply with its obligations under this Agreement.

## **10. VAT DEGROUING**

- 10.1. Pending the taking effect of the VAT group applications referred to in paragraph 2 of Schedule 1 of the Business Transfer Agreement and for so long thereafter as may be necessary, the Purchaser and the Seller shall reciprocally furnish such information as may be required to enable the continuing representative member of each of the VAT groups in question to make all the returns required of it in respect of the group and the party being or controlling (as defined in Section 43(8) VATA) that representative member shall make or procure it to make such returns accordingly.
- 10.2. On and following Completion:
- 10.2.1. if the Seller becomes liable to HMRC for VAT arising by reference to supplies of goods or services actually made by a member (other than the Seller) of the D&G VAT Group (as defined in the Business Transfer Agreement), in respect of any prescribed accounting period or part thereof during which the Seller was a member of the D&G VAT Group, the Purchaser will procure that an amount equal to such VAT is paid to the Seller forthwith upon the Seller's written demand;

10.2.2. if a member (other than the Seller) of the D&G VAT Group becomes liable to HMRC for VAT arising by reference to supplies of goods or services actually made by the Seller, in respect of any prescribed accounting period or part thereof during which the Seller was a member of the D&G VAT Group, the Seller will procure that an amount equal to such VAT is paid to the Purchaser forthwith upon the Purchaser's written demand,

but no payments shall be made by the Purchaser or the Seller under this clause 10.2 in respect of any supplies of goods or services made on or before Completion if to do so would result in a double benefit or double recovery for the recipient.

10.3. The liability of the Purchaser and the Seller under this clause shall not be limited.

## **11. ENTIRE AGREEMENT**

This Agreement (together with the documents referred to in it) constitutes the entire agreement between the parties and supersedes and extinguishes all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

## **12. VARIATION AND WAIVER**

12.1. No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

12.2. No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy. A waiver of any right or remedy under this Agreement or by law is only effective if it is in writing.

12.3. Except as expressly provided in this Agreement, the rights and remedies provided under this Agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

## **13. NOTICES**

13.1. A notice given to a party under or in connection with this Agreement shall be in writing and shall be delivered by hand or by pre-paid first-class post, recorded delivery or special delivery, in each case to that party's registered office, or by email to the following email addresses:

13.1.1. for the Seller: [REDACTED]; and

13.1.2. for the Purchaser: [REDACTED]

13.2. Delivery of a notice is deemed to have taken place if delivered by hand, at the time the notice is left at the address, or if sent by email, at the time of transmission, or if sent by post on the second Business Day after posting, unless such deemed receipt would occur outside business

hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), in which case deemed receipt will occur when business next starts in the place of receipt (and all references to time are to local time in the place of receipt).

- 13.3. This clause 13 does not apply to the service of any proceedings or other documents in any legal action.

#### **14. SEVERANCE**

If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

#### **15. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

#### **16. THIRD PARTY RIGHTS**

No one other than a party to this Agreement shall have any right to enforce any of its terms.

#### **17. GOVERNING LAW AND JURISDICTION**

- 17.1. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

- 17.2. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

**IN WITNESS** whereof this Agreement has been executed and delivered as a deed on the date stated at the beginning of it.

**The Purchaser**

SIGNED and DELIVERED as a DEED by  
**LOCHLAN HOLDINGS LIMITED** acting by  
James Evans, a director, in the presence  
of:

DocuSigned by:  
  
26686E8EFA2146B...

**Director**



Witness (signature)

Witness (full name)

Address

**The Seller**

SIGNED and DELIVERED as a DEED by  
**DOUGLAS & GORDON ESTATE**  
**AGENTS LIMITED,** acting by  
Richard Harris, a director

in the presence of:

DocuSigned by:  
*Richard Harris*  
B3E83E486F6246D...  
**Director**

DocuSigned by:  
*Chris Hough*  
B18B40C573A54E1...  
\_\_\_\_\_ Witness (signature)

Chris Hough  
\_\_\_\_\_ Witness (full name)

Foxtons Group plc  
Building 1 \_\_\_\_\_ Address  
Chiswick Park  
566 Chiswick High Road  
London \_\_\_\_\_