

Certified a true and complete copy of the original.

Nicholson, Graham & Jones
Nicholson, Graham & Jones
19/21 Moorgate
London EC2R 6AU

16th December 1987

Ref: TK

DATE 15th September 1987

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THE SHAREHOLDERS OF FREEZWAY PLC

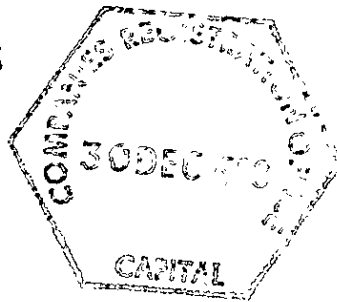
- and -

NORMANS GROUP PLC

SHARE PURCHASE AGREEMENT

NICHOLSON, GRAHAM & JONES

19-21 MOORGATE LONDON EC2R 6AU



THIS AGREEMENT is made B E T W E E N :-

- (1) THE SEVERAL PERSONS whose names and addresses are set out in Column 1 of Part I of the Schedule hereto ("the Vendors")
- (2) NORMANS GROUP PLC whose registered office is at Empire House 123 Kennington Road London SE11 6SF ("the Purchaser")

WHEREAS :-

The Vendors have agreed to sell and the Purchaser has agreed to purchase for the consideration and otherwise upon the terms hereinafter mentioned the whole of the issued share capital of Freezway plc.

NOW IT IS HEREBY AGREED as follows :-

1. Definitions

In this Agreement and in the Schedule hereto unless the context otherwise requires :-

(1) Words importing the singular number only shall include the plural number and vice versa; words importing the masculine gender only shall include the feminine gender; and words importing natural persons shall include also corporations.

(2) References to the Recital Clauses sub-clauses Schedule Parts of the Schedule and Appendices are references to those contained or annexed to this Agreement;

(3) References to "this Agreement" shall be construed as extending also to the Schedule and Appendices.

(4) Definitions of the parties contained in the first page of this Agreement and definitions contained in the operative clauses Schedule Parts of the Schedule and Appendices apply also unless the contrary appears in the remainder of this Agreement.

(5) Any reference to any statutory provision shall be construed as including a reference also to :-

- (a) all statutory re-enactments thereof from time to time in force;

(b) other statutory provisions made applicable thereby including in particular but without limitation schedules to enactments;

(c) (so far as liability thereunder may exist or can arise) include also any past statutory provisions (as from time to time modified extended or re-enacted) which such provision has directly or indirectly replaced; and

(d) all statutory instruments orders rules or regulations made thereunder or applicable thereto from time to time in force and any definitions contained in any statutory provision shall be used as far as may be in construing any part of this Agreement as refers to such or any other relevant statutory provision.

(6) In particular any reference to a member or to a participator in relation to any company shall be deemed to include a reference to any person who is or is liable to be treated as a member or participator for the purposes of any statutory provision.

(7) All warranties representations indemnities and obligations given or entered into by more than one person are given or entered into jointly and severally.

(8) The following expressions shall bear the following meanings :-

| | |
|--------------------------------|---|
| "the Company" | means Freezway plc brief particulars of which are set out in Section I of Part II of the Schedule; |
| "the Subsidiaries" | means those companies whose names and brief particulars of which are set out in Section II of Part II of the Schedule; |
| "the Freezway Group" | means the Company and the Subsidiaries and each and every one of them both individually and collectively; |
| "the Freezway Ordinary Shares" | means the 1,000,000 fully paid Ordinary Shares of 25p each in the capital of the Company which are held by the Vendors in the proportions set out against their respective names in Column 2 of Part I of the Schedule; |

"the Freezway Preference Shares"

means the 500,500 fully paid 5.6% (plus tax credit) Cumulative Convertible Preference Shares of £1 each in the Company which are held by the Vendors in the proportions set out against their respective names in Column 2 of the Part I of the Schedule;

"the Sale Shares"

means the Freezway Ordinary Shares and the Freezway Preference Shares;

"the 1987 Accounts"

means the audited profit and loss accounts of the Company and the Subsidiaries for the period of 52 weeks ended on 31st May 1987 and their audited balance sheets as at such date together with the Directors' and Auditors' reports in relation thereto and including the consolidated profit and loss account and balance sheet of the Company and the Subsidiaries;

"Normans Ordinary Shares"

means ordinary shares of 10p each in the capital of the Purchaser credited as fully paid and ranking pari passu in all respects with the existing issued ordinary shares in the capital of the Purchaser save that they will not rank for the final dividend to be paid in respect of the period of 52 weeks ended on 28th March 1987 but for the avoidance of doubt they will rank for the interim dividend to be declared in respect of the period of 26 weeks ended on 27th September 1987;

"Wallis Frozen Foods"

means Wallis Frozen Foods Limited being a wholly owned Subsidiary of the Purchaser;

"the Service Agreements"

means the Service Agreements to be entered into between Wallis Frozen Foods and Mr. I. D. Steele and Miss J. H. Miller intended to be in the form of the documents marked "A" and "B" respectively;

"Completion"

means completion of the sale and purchase of the Sale Shares as hereinafter provided;

"the Directors"

means the persons listed in the Section I of Part II of the Schedule as directors of the Company;

"the Accounting Date"

means 31st May 1987;

"the Properties"

means the properties briefly described in Part III of the Schedule and includes any part or parts thereof;

"business day"

means a day on which Clearing Banks are open for business in the City of London;

"the Disclosure Letter"

means the letter of even date signed ^{on behalf of} ~~by~~ the ^{Warrantors} Vendors addressed to the Purchaser's Solicitors;

"the Deed of Indemnity"

means the deed in the form set out in Part IV of the Schedule to be executed by the Warrantors, the Purchaser, the Company and the members of the Freezway Group pursuant to Clause 6;

"the 1979 Act"

means the Capital Gains Tax Act 1979;

"the 1970 Act"

means the Income and Corporation Taxes Act 1970;

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|---|--|
| "the Planning Acts" | means the Town and Country Planning Acts and the Town and Country Planning (Scotland) Acts for the time being in force; |
| "the Companies Act" | means the Companies Act 1985; |
| "the Food Act" | means the following statutory provisions :- Food & Drugs (Scotland) Act 1956; Food Act 1984; Food & Environment Protections Act 1985; |
| "the Consumer Protection Acts" | means the following statutory provisions :- Sale of Goods Act 1979 and Supply of Goods (Implied Terms) Act 1973; Hire Purchase (Scotland) Act 1967; Restrictive Trade Practices Acts 1956 to 1977; Fair Trading Act 1973; Consumer Credit Act 1974; Resale Prices Act 1976; Consumer Safety Act 1980; Competition Act 1980; The Data Protection Act 1984; |
| "the Employment Protection Acts" | means the following statutory provisions :- Employment Acts 1980 and 1982; Employment Protection (Consolidation) Act 1978 and Employment Protection Act 1975; Equal Pay Act 1970 and Sex Discrimination Act 1975; Race Relations Act 1976; Health and Safety at Work etc. Act 1974 |

and the relevant statutory provisions within the meaning of Section 53(1) of that Act;

"the Public Health Act"

means the following statutory provisions :-

Public Health (Scotland) Act 1897;

Public Health Act 1936;

Clean Air Act 1956;

Control of Pollution Act 1974;

"FA"

means when followed by a number of a calendar year the Finance Act for that year;

"the Vendors' Solicitors"

means McGrigor Donald of Pacific House
70 Wellington Street Glasgow G2 6SB;

"the Purchaser's Solicitors"

means Nicholson, Graham & Jones of 19-21
Moorgate London EC2R 6AU;

"Claim"

shall include (but without prejudice to the generality of that expression) any notice demand assessment letter direction order counterclaim or other document issued or made or action taken by the Inland Revenue or other Governmental or statutory authority department body or official whereby the Company or any of the Subsidiaries or the Purchaser is or may be placed or sought to be placed under liability to make a payment or deprived of or disallowed relief presently or contingently available or sought to be deprived of or disallowed such relief or otherwise;

"the Retention Letter"

means the letter of even date from the Purchaser's Solicitors to the Vendors'

Solicitors relating to the retention of certain monies in the approved terms;

"the Warrantors" means Mr. V.P. Calder and Mrs. A.K. Calder both of The Stables, Ballagan, Strathblane;

"the Warranties" means the warranties and representations set out in Part V of the Schedule hereto;

"Landlord" includes any Superior or Head Landlord;

"Leases" includes sub-leases, licences or other like contracts for the occupation of the Properties.

A document expressed to be "in the approved terms" means the terms of which have been approved by or on behalf of the parties thereto and a draft of which has been signed for the purpose of identification by or on behalf of the parties hereto and annexed to this Agreement.

2. The Condition

(A) The sale and purchase of the Sale Shares shall be conditional upon the Council of The Stock Exchange having admitted 1,871,832 Normans Ordinary Shares to the Official List ("the Condition").

(B) The Purchaser shall use its best endeavours to procure the satisfaction of the Condition which shall be evidenced by the production of a certified copy of the letter from The Stock Exchange confirming the admission to the Official List of the 1,871,832 Normans Ordinary Shares.

(C) The Condition shall be satisfied no later than 3.00 p.m. on 18th September 1987 failing which this Agreement shall lapse and be of no further effect and none of the parties hereto shall have any claim against any of the others as a result thereof.

3. Sale of Shares

(A) Subject as provided in Clause 2 the Vendors shall sell and the Purchaser shall purchase the Sale Shares with effect from 1st June 1987 free

from all liens charges and encumbrances and together with all rights attaching thereto (including the right to receive all dividends and distributions (if any) declared paid or made in respect of any period commencing on or after 31st May 1987).

(B) The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.

4. Consideration

(A) The consideration for the Sale Shares shall be the issue credited as fully paid up by the Purchaser to the Vendors of 1,879,832 ☒ Normans Ordinary Shares in registered form in the proportions between the Vendors set out against their respective names in the column 3 of Part I of the Schedule.

(B) Of the number of Normans Ordinary Shares to be issued to the Vendors pursuant to the terms of this Agreement 234,979 ☒ shall be issued in consideration of the sale of the Freezway Preference Shares and all other Normans Ordinary Shares to be issued hereunder shall be issued in consideration of the sale of the Freezway Ordinary Shares.

5. Articles

The Vendors hereby waive all rights under the Articles of Association of the Company or otherwise howsoever of a pre-emptive nature in relation to the sale of the Sale Shares hereunder.

6. Completion

Subject to Clause 2 hereof completion shall take place at Pacific House, 70 Wellington Street, Glasgow G2 6SB on 18th September 1987 or on such other day as the parties may agree when the Vendors shall procure :-

(A) The delivery to the Purchaser of :-

(i) transfers of the Sale Shares duly executed in favour of the Purchaser or its nominees of the Sale Shares together with the Share Certificates therefor;

(ii) the relevant Share Certificates in respect of all issued shares of the Subsidiaries together with duly executed transfers of those shares of the Subsidiaries not registered in the name of the Company or any of its Subsidiaries;

(iii) the written resignations of the Warrantors as directors from their directorships in and all offices or places of profit under the Freezway Group to take effect on the date of Completion with acknowledgments signed by each of them in a form satisfactory to the Purchaser to the effect that each of them has no claim against the Freezway Group for compensation for loss of office or otherwise howsoever except only for any accrued remuneration (it being agreed that the amount of remuneration due to them in aggregate for the period since 1st June 1987 to the date of Completion shall not exceed the rate of £55,000 per annum) and for any reimbursable business expenses incurred down to the date of Completion;

(iv) the written resignations of the secretaries of the members of the Freezway Group to take effect on the date of Completion with acknowledgments signed by each of them in a form satisfactory to the Purchaser to the effect that they have no claim against the Freezway Group for compensation for loss of office or otherwise howsoever except only for any accrued remuneration and for any reimbursable business expenses incurred down to the date of Completion;

(v) the written resignations of the auditors of the Company and its Subsidiaries confirming that they have no outstanding claim of any kind and containing a statement in compliance with Section 390 of the Companies Act;

(vi) a waiver in the form of the document marked 'C' in the approved terms duly signed by Miss J.H. Miller in respect of her outstanding options of 10,000 Freezway Ordinary Shares under the Freezway Group Executive Share Option Scheme 1984;

(vii) the Deed of Indemnity duly executed by the Warrantors, the Purchaser, the Company and the members of the Freezway Group;

(viii) the Statutory Books (duly written up to date) Certificates of Incorporation and Common Seals of the Company and the Subsidiaries;

(ix) all documents of title relating to the Properties which are held by or on behalf of the Company;

(x) such effective powers of attorney, waivers, consents or other documents as the Purchaser may require to substantiate the right of the Vendors to transfer the Sale Shares pursuant to this Agreement and to enable the Purchaser and its nominees to be registered in respect of the Sale Shares;

(B) That all existing authorities to Clydesdale Bank PLC at 27 Douglas Street, Milngavie, Glasgow in respect of the operation of the bank accounts of

the Freezway Group be revoked and that authority be given to such person as the Purchaser may nominate to operate such other accounts with such other bankers as the Purchaser may appoint.

(C) That all monies and liabilities (whether actual or contingent) owed or incurred from or by the Vendors (or any other person firm or company controlled by the Vendors or any trust directly or indirectly controlled or made by them or any of them or in which they or any of them are directly or indirectly interested) to any member of the Freezway Group shall be paid or discharged and shall produce evidence thereof satisfactory to the Purchaser.

(D) That subject to the stamping of share transfers at the Purchaser's expense the Purchaser and its nominees shall be approved for entry in the Register of members of the Company as the holders of the Sale Shares.

(E) That Mr. M. Slocock and Mr. D. Wallis (or two other persons nominated by the Purchaser) shall be appointed directors of the Company with effect from Completion with Mr. M. Slocock being appointed chairman.

(F) That the Directors of Company and each of its Subsidiaries shall pass a resolution at appropriate board meetings to appoint Price Waterhouse of 9 Bond Court, Leeds LS1 2SN as auditors of each such companies and to hold office under Section 384(4) of the Companies Act.

(G) That Mr. I.D. Steele and Miss J.H. Miller shall execute their respective Service Agreements in duplicate and deliver the same to the Purchaser.

(H) That the Accounting Reference Date of the Company and the Subsidiaries shall be changed so as to end on the last Saturday in March in each year.

(I) That the Vendors' Solicitors deliver to the Purchaser's Solicitors a copy of the Retention Letter duly signed by them and each of the Vendors.

7. Purchaser's obligations at Completion

(A) Immediately following completion of all the matters referred to in Clause 6 the Purchaser will deliver to the Vendors' Solicitors :-

(i) Share Certificates in the name of each of the Vendors for the appropriate number of Normans Ordinary Shares as provided for in Clauses 4(A);

(ii) an engrossment of each of the two Service Agreements duly signed by a director of Wallis Frozen Foods;

(iii) an engrossment of the Deed of Indemnity duly executed by the parties thereto;

(B) With effect from Completion the Purchaser shall procure that Mr. I. Steele be appointed a director of Wallis Frozen Foods.

8. Release

The Purchaser shall use its best endeavours to secure the release of the Warrantors from the guarantees listed in the Disclosure Letter and shall in the meantime indemnify them and keep them indemnified against any liability (including costs, damages and expenses) thereunder or which may be incurred in relation thereto.

9. Default

If in any material respect the obligations of the Vendors under Clause 6 (except in relation to Clause 6(G)) are not complied with prior to or on the date set for Completion and provided that the condition set out in Clause 2 has been satisfied then the Purchaser may :-

(A) defer Completion to a date not more than 28 days after the said date of Completion (and so that the provisions of this Clause 9 shall apply to Completion as so deferred); or

(B) proceed to Completion so far as practicable (without prejudice to its rights hereunder); or

(C) if Completion has been deferred once or more under the provisions of this Clause 9 rescind this Agreement.

Provided That the Vendors shall use their best endeavours to procure compliance with their obligations under Clause 6 on any date set for Completion in accordance with this Agreement.

10. Warranties

(A) The Warrantors warrant and undertake with the Purchaser that each of the warranties and undertakings set out in Part V of the Schedule is now and will at Completion be both true and accurate in all material respects.

(B) The said warranties and representations set out in Part V of the Schedule are given subject to matters disclosed in the Disclosure Letter but no other information relating to the Freezeway Group of which the Purchaser has knowledge (actual or constructive) shall prejudice any claim made by the

Purchaser under such warranties and representations or operate to reduce any amount recoverable.

(C) (i) The Warrantors undertake to disclose to the Purchaser in writing any matter occurring prior to Completion which constitutes a breach of or is inconsistent with the following paragraphs of the Warranties forthwith upon becoming aware of the same :-

(B)(5), (E)(3)(a), (E)(4)(b), (G), (J), (N), (O), (S),
(T)(2), (3), (5), (7) and (8)

(ii) In the event of its becoming apparent on or before Completion that the Warrantors are in breach of any of the warranties referred to in Clause (C)(i) above being a breach which would, if it had been known of to any reasonable purchaser of the Sale Shares prior to entering into this Agreement, have caused such purchaser not to enter into this Agreement the Purchaser may rescind this Agreement by notice in writing to the Warrantors but if the breach arises by reason of force majeure or other circumstances beyond the control of the Warrantors the Purchaser shall have no claim for damages or compensation against the Warrantors in respect thereof;

(iii) The Warrantors shall procure that except as may be necessary to give effect to this Agreement no member of the Freezway Group shall at any time prior to Completion without the prior written consent of the Purchaser :-

- (a) procure or allow anything which may cause, constitute or result in a breach of any of the warranties referred to in Clause (C)(i) above; or
- (b) in any way depart from the usual course of business of such member of the Freezway Group as regards its nature, scope or manner.

(D) Notwithstanding anything herein contained :-

(1) the Warrantors shall not be liable in respect of any breach of the Warranties if and to the extent that the Purchaser or any member of the Freezway Group has recovered under the Deed of Indemnity in respect of the matter giving rise to such liability and the Warrantors shall have no liability under the Deed of Indemnity to the extent that the Purchaser has recovered under the Warranties in respect of the matter giving rise to such liability.

(2) the Purchaser shall not be entitled to recover any damages in respect of any breach or breaches of Warranties or under the Deed of Indemnity

unless and then only to the extent that the Vendors' liability to the Purchaser in respect thereof exceeds in aggregate the sum of £10,000.

(3) the Purchaser shall not be entitled to recover any damages at all in respect of any particular breach of any of the Warranties in respect of which the amount does not exceed £1,000.

(4) the maximum aggregate liability of the Warrantors in respect of the Warranties and the Deed of Indemnity shall not exceed the sum of £1,000,000 exclusive of all costs and interest.

(5) no claim in respect of any breach or breaches of the Warranties shall be made to the extent that it is accounted for by way of a provision or reserve or note in the 1987 Accounts or the subject matter thereof is otherwise taken into account or reflected in the 1987 Accounts.

(6) the Warrantors shall not be liable in respect of any breach or breaches of any of the Warranties :-

(a) if such claim would not have arisen but for a change or changes in legislation made after the date hereof (whether relating to taxation, rates of taxation or otherwise or the withdrawal of any extra-statutory concession previously made by the Inland Revenue) and whether or not such change or changes purport to be effective retrospectively in whole or in part;

(b) to the extent that such breach arises as a result of any member of the Freezway Group changing accounting reference dates in terms of Clause 6;

(c) in respect of any matter or thing arising solely by reason of the execution and performance of this Agreement.

(7) the Warrantors shall not be liable for any breach of the Warranties unless on or before 30th June 1989 the Purchaser shall have given written notice to the Vendors of such claim specifying (in reasonable detail) the matter which gives rise to the breach, the nature of the breach and the amount claimed in respect thereof.

(8) the Warrantors shall not be liable in respect of the Deed of Indemnity unless on or before the sixth anniversary (except in respect of any liability arising out of fraud, wilful default or neglect) of the date hereof the Purchaser shall have given written notice to the Vendors' Solicitors of such

liability specifying (in reasonable detail) the matter giving rise to the claim and the amount claimed in respect thereof.

(E) If in respect of any matter which would give rise to a breach of the Warranties the Purchaser or any member of the Freezway Group is entitled to claim under any policy of insurance (or would have been so entitled had they maintained in force their policies of insurance current at completion or policies providing equivalent cover thereof) such claim shall reduce pro tanto or extinguish any such claim for breach of the Warranties but only to the extent of amounts actually received by the Purchaser or any member of the Freezway Group as a result of such claim provided that such claim is conducted and pursued in the correct and proper manner by the Purchaser or any member of the Freezway Group. The Purchaser shall and shall procure that the Freezway Group shall use its best endeavours to recover such claims from the insurers.

(F) (i) In the event of any claim being made by the Purchaser or the Freezway Group in respect of the Warranties and the Deed of Indemnity the Warrantors shall be entitled to set off against the amount of any depletion in or reduction of the value of the assets other than fixed assets of the Freezway Group occasioned by reason of the event to which such claim relates the amount (if any) by which the value of any other of the assets other than fixed assets of the Freezway Group existing at the completion date and valued as at that date on the basis used for the 1987 Accounts is established to have been greater in the case of assets or less in the case of liabilities than the Warrantors shall at their expense be allowed all reasonable access to the books and records of the Company for the purpose of ascertaining such values.

(ii) If the Warrantors shall have made any payment under this Clause 10 or under the Deed of Indemnity and the Purchaser or any member of the Freezway Group shall subsequently receive a benefit which was not taken into account in computing the liability of the Warrantors and would have reduced the same had it been so taken into account (including the receipt of a refund of taxation paid) the Purchaser shall repay to the Warrantors a sum corresponding to the benefit or the refund as the case may be.

(G) In the event of any claim or claims being made or any action taken against the Company or any member of the Freezway Group which (if successful) would result in the Warrantors incurring a liability under the Warranties the Purchaser shall promptly notify the Warrantors accordingly and the Warrantors

shall thereafter be entitled in respect of the same (and subject to their indemnifying the Purchaser against all costs of and in relation to any legal proceedings which may be initiated in respect of such claim) to dispute, defend, appeal against, resist, compromise or settle such claim in the name of the Company or any member of the Freezway Group and to conduct on behalf of the Company or any member of the Freezway Group all negotiations with and proceedings against any third party as they shall reasonably think fit provided that no steps shall be taken by the Warrantors in respect of any claim or action which shall be materially prejudicial to the commercial interests of the Company or any member of the Freezway Group and the Purchaser shall procure that the Company and any member of the Freezway Group shall make available to the Warrantors all such information, documents and facilities as they may reasonably require for that purpose.

(H) The Warrantors shall not be liable in respect of any matter disclosed in the Disclosure Letter or any other matters in respect of which the Purchaser or the Company or any member of the Freezway Group shall have waived its valid and effective rights or otherwise compromised its position in the knowledge that a claim in respect of a related matter was contemplated or existed without the consent of the Warrantors which consent shall not be unreasonably withheld.

(I) (i) The Purchaser warrants to the Vendors that as at the date hereof it has no knowledge of any matter or thing which constitutes a breach of warranty or a claim under the indemnities contained in the Agreement.

(ii) Save for the Warranties and matters contained or referred to in the Disclosure Letter the Purchaser has not relied in relation to the sale and purchase herein contained on any warranties or representations of any description by the Vendors or the Freezway Group or the agents of any of them in relation to the assets and liabilities of any member of the Freezway Group, their value or amount or the businesses or affairs of any member of the Freezway Group or otherwise.

11. Notices

Any notice or other document to be given hereunder to the Vendors shall be delivered or sent by first class recorded delivery post or telex or facsimile transmission ("fax") to the Vendors' Solicitors and any notice or other document to be given to the Purchaser shall be delivered or sent by first class recorded

delivery post or telex or fax to the Purchaser at its registered office. Any such notice or document shall be deemed to have been served if delivered at the time of delivery or if posted at the expiration of forty-eight hours after the envelope containing the same shall have been put into the post or if sent by telex or fax on sending and in proving such service it shall be sufficient to prove that the delivery was made or that the envelope containing such notice or document was properly addressed and posted as a prepaid first class recorded delivery letter or that the telex or fax was properly addressed and sent as the case may be.

12. Meetings

(A) The Vendors shall procure the convening of all such meetings and the giving or passing of all such waivers resolutions and consents and do or procure all such other acts and things as shall be necessary to give effect to the provisions of this Agreement.

(B) The Purchaser shall use its best endeavours to do all such acts and things within its ability as shall be necessary to give effect to its obligations under this Agreement.

13. Continuation of Provisions

Each of the obligations warranties and undertakings undertaken or given in this Agreement shall (except for any obligation fully performed at Completion) continue in full force and effect notwithstanding Completion taking place.

14. Rescission

Any right to rescission conferred upon the Purchaser hereby shall subject to the provisions of this Agreement be in addition to and without prejudice to all other rights and remedies available to it and no exercise or failure to exercise such a right of rescission shall constitute a waiver by the Purchaser of any such other right or remedy.

15. Amendment

No variation of this Agreement shall be valid unless the same shall be in writing and agreed by the Vendors and the Purchaser.

16. Announcements and Public Documents

Subject to the requirements of The Stock Exchange none of the parties hereto shall make or authorise any press announcement with regard to this Agreement or any of the transactions to be carried out hereunder without the prior written consent of the other (who in the case of the Vendors shall be represented by the Vendors' Solicitors) such approval not to be unreasonably withheld.

17. Binding on Estates

This Agreement shall be binding upon and enure for the benefit of the Vendors' estates and personal representatives but shall not be assignable.

18. Sale of Securities in the Purchaser

(A) Each of the Vendors shall not dispose of more than the number of Normans Ordinary Shares set out against his respective name in Column 4 of the First Schedule in each of two consecutive periods of 12 months from the date of Completion.

(B) In any event (whether as permitted in (A) above or otherwise) none of the Vendors shall dispose of any of the Normans Ordinary Shares to be issued to him at Completion without giving the Purchaser not less than one clear dealing day's notice in writing of his intention so to do with the intent of enabling the Vendors and the Purchaser to ensure an orderly market by a sale or sales thereof being conducted through an agent nominated by the Purchaser (being a firm of stockbrokers of repute); the Purchaser undertakes to the Vendors that in the event of the Vendors (or any of them) so requesting it will within such period of one clear dealing day use its reasonable endeavours to arrange a sale on behalf of such Vendors of the specified number of Normans Ordinary Shares through agents nominated by the Purchaser (being a firm of stockbrokers of repute) and if the Purchaser shall fail to arrange such a sale within such period the Vendor or Vendors in question shall be free to dispose of such number of Normans Ordinary Shares in such manner as he may wish.

19. Lapsing of Agreement

(A) If this Agreement ceases to have effect the Purchaser will release and return to the Freezway Group, and the Vendors will release and return to the Purchaser all documents and papers provided to the other or its professional

advisers in connection with the preparation and negotiation of this Agreement and neither the Vendors nor the Purchaser will use or make available to any person any information which such parties may have received about the other which is not or does not become in the public domain.

(B) If this Agreement ceases to have effect as a result of the non-satisfaction of the Condition set out in Clause 2 hereof then neither party shall have any action or claim or demand against the other as a result thereof.

20. Release of one Vendor

The Purchaser may release or compromise the liability of any of the Vendors hereunder or may grant to any Vendor time or other indulgence without affecting the liability of any other Vendor hereunder.

21. Costs

It is agreed that apart from the amounts set out below the Freezway Group shall have no liability whatsoever (whether in relation to bills delivered or work in progress) to any of Singer & Friedlander, the Vendors' Solicitors and McLachlan & Brown and the Warrantors shall indemnify the Freezway Group against any amount which may prove to be owing by the Freezway Group to any of them but only in respect of such costs incurred in connection with or incidental to the negotiation, preparation and implementation of this Agreement.

| | |
|----------------------|---------------|
| Singer & Friedlander | £40,000 + VAT |
| Vendors' Solicitors | £9,000 + VAT |
| McLachlan & Brown | £10,000 + VAT |

£59,000
+ VAT

22. Governing Law

This Agreement and the rights and obligations of the parties hereunder shall be

governed by and construed in accordance with the laws of Scotland.

IN WITNESS whereof these presents consisting of this and the 18 preceding pages together with the Schedule annexed hereto and dated at London on 15th September 1987 are as executed as follows :-

SIGNED by the said VINCENT PETER CALDER

before these witnesses :-

Witness : Charles Graham Hammond
Witness : Teresa Co

SIGNED by the said AILEEN KENNEDY CALDER

Witness : Charles Graham Hammond
Witness : Teresa Co

SIGNED by ALLAN NICHOLSON and ANTHONY

GORDON being the trustees of the VINCENT
PETER CALDER ACCUMULATION AND

MAINTENANCE TRUST

Witness : Charles Graham Hammond
Witness : Teresa Co

SIGNED by ALLAN NICHOLSON and VINCENT
PETER CALDER and AILEEN KENNEDY CALDER

being the trustees of the MARANATHA
CHARITABLE TRUST

Witness : Charles Graham Hammond
Witness : Teresa Co

SIGNED by the said JANICE HELEN MILLER

Witness : Charles Graham Hammond
Witness : Teresa Co

SIGNED by the said JOHN KENNETH MCGARRITY

Witness : Charles Graham Hammond
Witness : Teresa Co

SIGNED by the said PETER FRANCIS MCCAMBRIDGE

Witness : Charles Graham Hammond
Witness : Teresa Co

SIGNED by the said ERIC J RILEY

Witness : Charles Graham Hammond
Witness : Teresa Co

SEALED with the COMMON SEAL of the said
NORMANS GROUP PLC and signed for and on its
behalf by :

Director N. Norman
Director/Secretary [Signature]

Vincent P. Calder

Vincent P. Calder
attorney for
A & Calder

Vincent P. Calder
attorney for
The Trustees

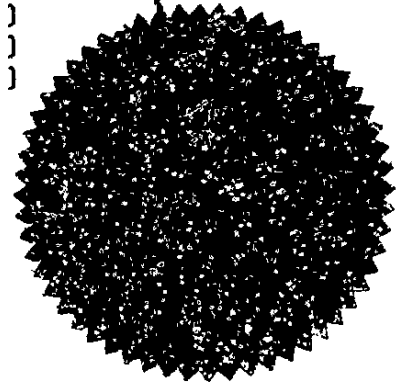
Vincent P. Calder
attorney for
The Trustees

Vincent P. Calder
attorney for S & M Miller

Vincent P. Calder
attorney for S & M Grant

Vincent P. Calder
attorney for P & M Cambridge

Vincent P. Calder
attorney for E & S Riley



THE SCHEDULE

PART I

| Names & Addresses of Vendors | Number of Sale Shares | | Number of Normans Ordinary Shares | Number of Normans Ordinary Shares subject to restrictions on sale |
|--|-----------------------|----------------------|--|--|
| | Ordinary Shares | Preference Shares | | £ |
| Vincent P. Calder The Stables Ballagan Strathblane G63 9AE | 639,273 | 490,490 | ✓ 1,275,466 | ✓ 592,948 |
| Mrs. Aileen K. Calder The Stables Ballagan Strathblane G63 9AE | 60,000 | - | ✓ 99,817 | ✓ 46,443 |
| Allan Nicholson and Anthony Gordon (Trustees of the Vincent P. Calder Accumulation and Maintenance Trust), 70 Wellington Street Glasgow | 250,000 | - | ✓ 416,007 | ✓ 193,351 |
| Allan Nicholson, Vincent P. Calder and Aileen K. Calder (Trustees of the Maranatha Charitable Trust) 70 Wellington Street Glasgow | 50,000 | - | ✓ 83,277 | ✓ 38,600 |
| Janice H. Miller 16 Orchard Grove | 182 | 2,503 | ✓ 1,316 | Nil |

PART I (continued)

| 1 | 2 | 3 | 4 |
|--|-----------------------|----------------------|---|
| Names & Addresses of Vendors | Number of Sale Shares | | Number of Normans Ordinary Shares subject to restrictions on sale £ |
| | Ordinary Shares | Preference Shares | |
| J. Kenneth McGarrity 28B Westermains Avenue Kirkintilloch Glasgow | 182 | 2,503 | 1,316 <i>MS</i> NII |
| P. McCambridge 25 Glen Tennet St. Leonards East Kilbride | 182 | 2,503 | 1,316 <i>MS</i> NII |
| E.J. Riley 24 Millersneuk Avenue Lenzie Glasgow | 181 | 2,501 | 1,315 <i>MS</i> NII |
| | <u>1,000,000</u> | <u>800,500</u> | <u>1,879,832</u> <i>MS</i> <u>871,342</u> <i>MS</i> |

THE SCHEDULE

PART II

SECTION I

Details of the Company

| | | | |
|--------------------------|---|--|---|
| Authorised Share Capital | : | 25,000,000 510,000 | Ordinary 25p 5.6% (plus tax credit) Cum.Conv.Pref. £1 |
| Issued Share Capital | : | 1,000,000 500,500 | Ordinary 25p 5.6% (plus tax credit) Cum.Conv.Pref. £1 |
| Directors | : | V.P. Calder A.K. Calder J.H. Miller I.D. Steele | |
| Secretary | : | V.P. Calder | |
| Registered Office | : | Unit 4, West Mains Industrial Estate, Grangemouth FK3 8YE | |
| Company Number | : | 75428 | |
| Date of Incorporation | : | 29th June 1981 | |

SECTION II (continued)

Name : Freezway Frozen Food Centres Limited

Authorised Share Capital : 100 Ordinary £1.

Issued Share Capital : 2 Ordinary £1

Registered Shareholders : Freezway plc 1
V.P. Calder 1
2

Directors : V.P. Calder
A.K. Calder
J.H. Miller
I.D. Steele

Secretary : V.P. Calder

Registered Office : Unit 4, West Mains Industrial Estate
Grangemouth FK3 8YE

Company Number : 76704

Date of Incorporation : 18th December 1981

SECTION II (continued)

Name : Freezway (Cold Store) Limited

Authorised Share Capital : 100 Ordinary £1

Issued Share Capital : 2 Ordinary £1

Registered Shareholders : Freezway plc
V.P. Calder $\frac{1}{2}$

Directors : V.P. Calder
A.K. Calder
J.H. Miller

Secretary : V.P. Calder

Registered Office : Unit 4, West Mains Industrial Estate
Grangemouth FK3 8YE

Company Number : 77665

Date of Incorporation : 22nd February 1982

SECTION II (continued)

Name : Freezway (Financial Services) Limited

Authorised Share Capital : 100 Ordinary £1

Issued Share Capital : 2 Ordinary £1

Registered Shareholders : Freezway plc 1
V.P. Calder 1
2

Directors : V.P. Calder
A.K. Calder
J.H. Miller

Secretary : V.P. Calder

Registered Office : Unit 4, West Mains Industrial Estate
Grangemouth FK3 8YE

Company Number : 79066

Date of Incorporation : 11th June 1982

SECTION II (continued)

| | | | |
|--------------------------|---|---|---|
| Name | : | Freezway (PRW) Limited | |
| Authorised Share Capital | : | 100 | Ordinary £1 |
| Issued Share Capital | : | 2 | Ordinary £1 |
| Registered Shareholders | : | Freezway plc V.P. Calder | $\begin{array}{r} 1 \\ 1 \\ \hline 2 \end{array}$ |
| Directors | : | V.P. Calder A.K. Calder J.H. Miller | |
| Secretary | : | V.P. Calder | |
| Registered Office | : | Unit 4, West Mains Industrial Estate Grangemouth FK3 8YE | |
| Company Number | : | 75429 | |
| Date of Incorporation | : | 29th June 1981 | |

SECTION II (continued)

| | | | |
|--------------------------|---|---|---|
| Name | : | Freezway (Airdrie) Limited | |
| Authorised Share Capital | : | 100 | Ordinary £1 |
| Issued Share Capital | : | 2 | Ordinary £1 |
| Registered Shareholders | : | Freezway plc V.P. Calder | $\begin{array}{r} 1 \\ 1 \\ \hline 2 \end{array}$ |
| Directors | : | V.P. Calder A.K. Calder J.H. Miller | |
| Secretary | : | V.P. Calder | |
| Registered Office | : | Unit 4, West Mains Industrial Estate Grangemouth FK3 8YE | |
| Company Number | : | 75944 | |
| Date of Incorporation | : | 1st September 1981 | |

SECTION II (continued)

Name : Dumbarton Road Nominees No.1 Limited

Authorised Share Capital : 100 Ordinary £1

Issued Share Capital : 2 Ordinary £1

Registered Shareholders : Freezway plc 1
V.P. Calder 1
2

Directors : V.P. Calder
A.K. Calder
J.H. Miller

Secretary : V.P. Calder

Registered Office : Unit 4, West Mains Industrial Estate
Grangemouth FK3 8YE

Company Number : 75945

Date of Incorporation : 1st September 1981

SECTION II (continued)

Name : Dumbarton Road Nominees No.2 Limited

Authorised Share Capital : 100 Ordinary £1

Issued Share Capital : 2 Ordinary £1

Registered Shareholders : Freezway plc 1
V.P. Calder 1
2

Directors : V.P. Calder
A.K. Calder
J.H. Miller

Secretary : V.P. Calder

Registered Office : Unit 4, West Mains Industrial Estate
Grangemouth FK3 8YE

Company Number : 77545

Date of Incorporation : 11th February 1982

SECTION II (continued)

Name : Dumbarton Road Nominees No.3 Limited

Authorised Share Capital : 100 Ordinary £1

Issued Share Capital : 2 Ordinary £1

Registered Shareholders : Freezway plc 1
V.P. Calder 1
2

Directors : V.P. Calder
A.K. Calder
J.H. Miller

Secretary : V.P. Calder

Registered Office : Unit 4, West Mains Industrial Estate
Grangemouth FK3 8YE

Company Number : 78019

Date of Incorporation : 22nd March 1982

SECTION II (continued)

Name : Dumbarton Road Nominees No.4 Limited

Authorised Share Capital : 100 Ordinary £1

Issued Share Capital : 2 Ordinary £1

Registered Shareholders : Freezway plc 1
V.P. Calder 1
2

Directors : V.P. Calder
A.K. Calder
J.H. Miller

Secretary : V.P. Calder

Registered Office : Unit 4, West Mains Industrial Estate
Grangemouth FK3 8YE

Company Number : 77681

Date of Incorporation : 24th February 1982

SECTION II (continued)

Name : Dumbarton Road Nominees No.5 Limited

Authorised Share Capital : 100 Ordinary £1

Issued Share Capital : 2 Ordinary £1

Registered Shareholders : Freezway plc 1
V.P. Calder 1
2

Directors : V.P. Calder
A.K. Calder
J.H. Miller

Secretary : V.P. Calder

Registered Office : Unit 4, West Mains Industrial Estate
Grangemouth FK3 8YE

Company Number : 80200

Date of Incorporation : 29th September 1982

SECTION II (continued)

Name : Dumbarton Road Nominees No.6 Limited

Authorised Share Capital : 100 Ordinary £1

Issued Share Capital : 2 Ordinary £1

Registered Shareholders : Freezway plc 1
V.P. Calder 1
2

Directors : V.P. Calder
A.K. Calder
J.H. Miller

Secretary : V.P. Calder

Registered Office : Unit 4, West Mains Industrial Estate
Grangemouth FK3 8YE

Company Number : 80201

Date of Incorporation : 29th September 1982

SECTION II (continued)

Name : Dumbarton Road Nominees No.7 Limited

Authorised Share Capital : 100 Ordinary £1

Issued Share Capital : 2 Ordinary £1

Registered Shareholders : Freezway plc 1
V.P. Calder 1
2

Directors : V.P. Calder
A.K. Calder
J.H. Miller

Secretary : V.P. Calder

Registered Office : Unit 4, West Mains Industrial Estate
Grangemouth FK3 8YE

Company Number : 80202

Date of Incorporation : 29th September 1982

THE SCHEDULE

PART III

SHORT PARTICULARS OF THE PROPERTIES

LEASEHOLDS

| Address | Date of Lease | Rent | Term | Present Landlord | Authorised Use |
|--|-------------------------|--------------------------------|--------------------------|---|---|
| 6 Princes Street East Kilbride | 10.2.84 and 29.2.84 | £35,000 p.a. | 25 years from 11.1.84 | Ravenseft Properties Limited | Retail frozen foods |
| 51 Dougrie Drive Castlemilk Glasgow | 25.5.67 and 19.6.67 | £950 p.a. | 21 years from 29.9.66 | Estates & Agency Holdings plc | Retail frozen and non- frozen foods |
| Unit 1 1878A Paisley Road West | 30.12.81 and 13.1.82 | £7,500 p.a. | 21 years from 24.7.81 | P.A.R.S. Properties Limited | Sale of frozen and bulk non-frozen foods |
| Unit 2 1878A Paisley Road West Glasgow | 3.2.82 and 12.2.82 | £5,000 p.a. | 21 years from 3.11.81 | P.A.R.S. Properties Limited | Sale of frozen and bulk non-frozen foods |
| 78/80 Graham Street Airdrie | 7.10.81 and 15.10.81 | £8,000 p.a. | 20 years from 31.8.81 | Confederation Life Insurance Company | Retail frozen and bulk non-frozen foods |
| 15 Cumberland Arcade Gorbals, Glasgow | | £4,750 p.a. | | Estate Agency Holdings plc | |
| 32/34 Gov gate Kirkintilloch | 4.3.82 and 31.3.82 | £17,000 p.a. (under review) | 20 years from 8.2.82 | Sterling Estates (Scotland) Limited | Retail frozen and bulk non-frozen foods |
| 722/4 Anniesland Road Knightwood, Glasgow | 1.10.85 and 11.10.85 | £15,000 p.a. | 25 years from 3.9.83 | Stakis PLC | retail frozen and non- frozen foods |

| Address | Date of Lease | Rent | Term | Present Landlord | Authorised Use |
|--|---------------------------------------|--------------------------------|------------------------------------|--------------------------------------|---|
| 358 Byres Road Glasgow | 28.7.82 and 3.8.82 | £14,000 p.a. (under review) | 22 years from 11.5.82 | B.C. Shops (Glasgow) Limited | Sale of frozen foods |
| 47 Burleigh Street Govan, Glasgow | 25.4.73 and 27.4.73 | £7,600 p.a. | 21 years from 14.6.82 | City of Glasgow District Council | Retail frozen and bulk non-frozen foods |
| 46 Main Street Coatbridge | 17.3.83 and 22.3.83 and 14.6.83 | £20,400 p.a. | 22½ (approx) years from 15.9.82 | Clydesdale Retail Limited | Retail frozen and bulk non-frozen foods |
| 20 Dunkenny Square Drumchapel, Glasgow | 22.11.82 and 8.12.82 | £11,000 p.a. (under review) | 20 years from 29.9.82 | Byrom Properties Limited | Retail frozen and bulk non-frozen foods |
| Unit 2, The Mall, Township Centre Easterhouse, Glasgow | 1.8.73 and 30.10.73 | £9,700 p.a. | 21 years from 25.3.73 | City Wall (Holdings) Limited | Sale of frozen foods |
| 101 High Street Dumbarton | 16.5.85 and 30.5.85 | £23,000 p.a. | 25 years from 21.5.85 | Dwyer Property Limited | Retail frozen and non- frozen foods and retail shop |
| 41 Causeyside Street Paisley, Renfrewshire | 14.4.83 and 25.4.83 | £11,000 p.a. | 20 years from 5.4.83 | Robertsons Rainwear Shops Limited | Sale of frozen foods and retail shop |
| 45 Main Street, Wishaw | 13.2.84 and 16.2.84 | £4,500 p.a. | 20 years from 22.8.83 | A.B.F. Properties Limited | Sale of frozen and non- frozen goods |
| 30/32 West Blackhall Street, Greenock | | | | | |

| Address | Date of Lease | Rent | Term | Present Landlord | Authorised Use |
|--|--------------------------|--------------|---------------------------|---|--|
| 32 Thistle Centre Stirling | 24.8.82 and 29.10.82 | £24,650 p.a. | 25 years from 1.9.76 | Standard Life Assurance Company | Retail sale of frozen foods |
| Units 2 and 3 32/36 High Street Falkirk | 28.10.84 and 10.10.84 | £31,000 p.a. | 24 years from 30.4.84. | Pensbury Investments Limited | Retail shop |
| 82/84 High Street Kirkcaldy | 17.10.84 and 6.11.84 | £20,000 p.a. | 25 years from 29.8.84 | Scottish Metropolitan Property PLC | Sale of frozen and bulk non-frozen and and retail shop |
| Unit 29 Grandfare Store Cambridge Street Arcade Glasgow | 15.11.84 and 20.11.84 | £18,000 p.a. | 20 years from 5.11.84 | John E. Harrison Limited | Retail sale of frozen and non-frozen foods and retail shop |
| Units 12/14 Bridgewater Place (formerly Unit 11 Bridgewater Shopping Centre), Erskine | 7.11.85 and 29.10.85 | £12,500 p.a. | 25 years from 5.11.84 | County Properties (Northern) Limited | Sale of frozen and non frozen foods |
| 6 Bridgewater Square Irvine | 6.1.84 and 23.1.84 | £12,000 p.a. | 25 years from 11.12.82 | Prudential Nominees Limited | Retail shop |
| 11 Cowgate, Dundee | 18.6.85 and 6.8.85 | £30,500 p.a. | 25 years from 9.4.85 | Co-Operative Wholesale Society Limited | Sale of frozen and non frozen foods and retail shop |

| Address | Date of Lease | Rent | Term | Present Landlord | Authorised Use |
|--|-------------------------|--------------|---------------------------|--|---|
| Unit 3, William Street Johnstone | 23.12.85 and 6.1.86 | £16,500 p.a. | 21 years from 24.12.85 | Strathforth Limited | Sale of frozen and non- frozen foods |
| 22, 24 and 26 Main Street Milingavie | 22.11.85 and 20.1.86 | £16,500 p.a. | 25 years from 28.10.85 | McNeil Properties (Glasgow) Limited | Sale of frozen and non- frozen foods |
| 44 High Street, Dumbarton | 14.4.83 and 22.4.83 | £11,250 p.a. | 25 years from 31.3.83 | Westmoreland Properties Limited | Retail sale of frozen food |
| Unit 4 and Ground at West Mains Industrial Estate, Grangemouth | 15.7.84 and 27.7.84 | £1 p.a. | 99 years from 1.6.84 | Central Regional Council | Warehousing building incorporating cold storage |
| Block 2 Unit E West Mains Industrial Estate, Grangemouth | 24.4.86 and 30.9.86 | £4,100 p.a. | 5 years from 31.3.86 | Central Regional Council | Office accommodation |

FRESHOLD

Address Registered Proprietor

Authorised Use

1967 Dumbarton Road, Glasgow

Freezeway (Holdings) Limited (now the Company)

Retail shop/office

ENGLISH PROPERTIES

60B Beveridge Way
Newton Aycliffe
Durham

11/13 High Street
West Wallsend
Northumberland

161 Kirkwood Drive
Kenton
Newcastle-Upon-Tyne

48/50 Newgate Street
Bishop Auckland

50/51 High Street
Stockton-on-Tees
Cleveland

3/4 Bedford Street
North Shields
Tyne and Wear

44, 46 and 48 Grange Way
Preston Grange Estate
Tynemouth
Northumberland

Unit 43
Hill Street Centre
Middlesbrough

PART IV

- (1) THE PERSONS whose names and addresses are set out in Part I of the Schedule hereto ("the Covenantors")
- (2) NORMANS GROUP PLC whose registered office is at Empire House, 123 Kennington Road, London SE11 6SF ("the Purchaser")
- (3) FREEZWAY PLC whose registered office is at Unit 4, West Mains Industrial Estate, Grangemouth FK3 8YE ("the Company")
- (4) THE COMPANIES whose names and registered offices are set out in Part II of the Schedule hereto ("the Subsidiaries")

(A) By an agreement ("the said Agreement") dated the _____ day of _____ 1987 and made between the Covenantors and the Purchaser the Covenantors agreed to sell and the Purchaser agreed to purchase on the terms therein mentioned their shareholdings being a proportion of the whole of the issued share capital of the Company.

(C) Completion of the said Agreement has taken place this day and the Covenantors are entering into this Deed accordingly.

1. Words and expressions used in this Deed shall bear the meanings ascribed to them in the said Agreement (unless specifically defined herein).

IV-1

failure to make sufficient distributions to avoid an apportionment of income under Schedule 16 to the Finance Act 1972.

(b) "Tax" or taxation" shall (without prejudice to the generality of the meaning of that expression) include :-

(i) income tax surtax corporation tax advance corporation tax profits tax and special charge;

(ii) capital gains tax;

(iii) customs and other import duties excise duty purchase tax value added tax and car tax;

(iv) stamp duty and stamp duty reserve tax and capital duty;

(v) estate duty capital transfer tax or inheritance tax;

(vi) selective employment tax;

(vii) betterment levy under the Land Commission Act 1967 development gains tax development land tax and development charge;

(viii) general rates rating surcharge excess rates poor rates water rates and drainage rates;

(ix) any levy under the Industrial Training Act 1964;

(x) National Insurance and Graduated Pension Scheme contributions;

(xi) any amounts expressed by the Inland Revenue to be equivalent to taxation;

(xii) any other tax levy impost or duty whether similar to the foregoing or not and whether imposed by the UK or any other taxing authority; and

(xiii) all charges penalties and interest incidental to any claim relating thereto.

(c) Reference to income or profits or gains earned accrued or received shall include income or profits or gains deemed to have been or treated as or regarded as earned accrued or received for the purposes of any legislation.

(d) Reference to any Claim for taxation shall include any claim whether made before or after the date of Completion whether satisfied or unsatisfied at the date of Completion and shall also include :-

(i) the loss of any relief allowance or credit granted by or pursuant to any legislation or otherwise for taxation purposes which would (were it not for the claim in question) have been available to the Company and member of the Freezeway Group;

(ii) the nullifying or cancellation of right to repayment of taxation see earlier guarantee claim which would have been so available;

and in such a case the amount of the relief allowance or credit so lost or the amount of repayment which would otherwise have been obtained shall be treated

as an amount of taxation for which a liability has arisen.

(e) Reference to the result of events on or before the date of Completion shall include the combined result of two or more events the first of which only shall have taken place on or before the date of Completion.

(f) "distribution" bears the meanings attributed to it by Sections 233-237 inclusive and S.284 of the 1970 Act.

(g) The covenants given by the Covenantors are expressly given hereunder to each member of the Freezway Group and may be enforced against the Covenantors by each and every member of the Freezway Group acting jointly or severally.

2. The Covenantors hereby severally covenant with the Purchaser and the members of the Freezway Group to indemnify each of them and keep them indemnified against :-

(a) any Claim for any taxation resulting from or by reference to any actual or deemed income profit gain distribution receipt payment or transfer made or had earned accrued or received or transaction undertaken or effected or asset (or its value capital or annual) owned or enjoyed by the members of the Freezway Group or their participators on or before the date of Completion or any event on or before the date of Completion whether alone or in conjunction with other circumstances and whether or not such taxation is chargeable against or attributable to any other person firm or company (and so that this indemnity shall cover all reasonable costs and expenses properly payable by any of the members of the Freezway Group or the Purchaser in connection with any Claim); and

(b) all penalties surcharges additional assessments interest costs charges and expenses which may be payable or incurred by the members of the Freezway Group or the Purchaser in relation to any claim or liability against which the members of the Freezway Group and the Purchaser are hereby indemnified.

3. The indemnity given by Clause 2 does not cover any Claim for taxation and the Covenantors shall be under no liability in respect thereof :-

(a) to the extent that provision or reserve has been made for such taxation or to the extent that payment or discharge of such claim has been taken into account in the 1987 Accounts; or

(b) to the extent that such claim arises solely as a result of the appropriate provision or reserve in the 1987 Accounts being insufficient by reason of any increase in rates of taxation made after the date of the Agreement;

(c) which would not have arisen but for a voluntary act, transaction or omission carried out or affected other than in the ordinary course of business by the Purchaser or any subsidiary or any member of the Freezway Group after Completion;

(d) to the extent that such claim would not have arisen but for the withdrawal of any extra-statutory concession made previously to completion by the Inland Revenue;

(e) to the extent that such claim arises as a result of a change or changes after completion in the accounting bases upon which any member of the Freezway Group values its assets;

(f) to the extent that such claim arises as a result of any member of the Freezway Group changing its accounting reference date.

4. Subject to the provisions of Clause 6 of this Deed in the event that any claim the subject of an indemnity hereunder is or has been discharged (whether by payment or by the loss of any relief allowance credit or right to repayment of taxation) or suffered by the members of the Freezway Group the indemnity given hereunder shall take effect as a several covenant by the Covenantors to reimburse the Company any amount so discharged or suffered or to compensate them for any such loss of relief allowance credit or right to repayment so suffered.

5. In respect of any payment due from the Covenantors under Clause 2, the members of the Freezway Group may if they are satisfied that they will be or have been subject to a Claim to taxation calculate and demand in writing from the Covenantors from time to time such amount as will ensure that the net receipt to them (after taxation) in respect of the payment is the same as it would have been were the payment not subject to taxation in the hands of the recipient of such payment.

6. (1) In the event of the Purchaser the Company or any of the Subsidiaries becoming aware of any Claim hereunder the Purchaser or the Company against which such claim is made shall give notice to the Covenantors in accordance with the provisions therefor in the said Agreement and shall permit the Covenantors to take such action in the name of the Company and/or any of the Subsidiaries as the Covenantors shall decide to avoid, dispute, resist, compromise, defend or appeal against the Claim, but subject to the company against which such claim is made being indemnified and secured by the Covenantors to its reasonable satisfaction against all losses, costs, damages and expenses thereby incurred or likely to be incurred and provided further that :-

(a) the Covenantors shall make no settlement of such claim nor agree any matter in the course of disputing such claim likely to affect the amount of the future taxation liability of the Company or the relevant subsidiary or of the Purchaser without the prior approval of the Company or relevant Subsidiary or the Purchaser as may be appropriate; and

(b) the Covenantors shall keep the Purchaser fully and regularly informed of all matters relevant to the Claim in question and shall promptly forward or procure to be forwarded to the secretary of the Purchaser copies of all correspondence and other written communications pertaining thereto.

(2) For the purposes of sub-clause (1) of this Clause the Covenantors shall if so requested by the Purchaser appoint a representative who may make or authorise the making of requests as to any action to be taken and the Covenantors may by not less than 7 days written notice to the Purchaser withdraw the authority of one representative and appoint another in his place. The Purchaser and the members of the Freezway Group shall be entitled to have regard only to the requests made or authorised by the said representative from time to time and shall not be responsible for the consequences of or incur any liability to the Covenantors as a result of acting on requests so made. If at any time there is no such representative appointed or if no such requests are made the Purchaser or the members of the Freezway Group (as the case may be) may take such action in connection with the Claim for taxation as they in their absolute discretion shall determine.

7. The provisions of Clause 10 of the said Agreement shall apply mutatis mutandis to the provision of this Agreement.

8. Any notice to be given hereunder shall save as otherwise expressly provided herein be given in accordance with Clause 11 of the said Agreement.

9. This Deed shall be binding on the Covenantors and their respective successors and personal representatives.

10. This Deed shall be construed in accordance with and governed by the Laws

of Scotland.

IN WITNESS whereof these presents consisting of this and the 5 preceding pages together with the Schedule annexed hereto and dated at
on 1987 are as executed as follows :-

SIGNED by the said VINCENT PETER CALDER before these
witnesses :-

Witness :

Witness :

SIGNED by the said AILEEN KENNEDY CALDER

Witness :

Witness :

SEALED with the COMMON SEAL of the said NORMANS GROUP PLC and signed for and on its behalf by :

Director

Director/Secretary

SEALED with the COMMON SEAL of the said FREEZWAY PLC and signed for and on its behalf by :

Director

Director/Secretary

SEALED with the COMMON SEAL of the said FREEZWAY FROZEN FOOD CENTRES LIMITED and signed for and on its behalf by :-

Director

Director/Secretary

SEALED with the COMMON SEAL of the said FREEZWAY (COLD STORE) LIMITED and signed for and on its behalf by :

Director

Director/Secretary

SEALED with the COMMON SEAL of the said FREEZWAY (FINANCIAL SERVICES) LIMITED and signed for and on its behalf by :

Director

Director/Secretary

SEALED with the COMMON SEAL of the said FREEZWAY (PRW) LIMITED and signed for and on its behalf by :

Director

Director/Secretary

SEALED with the COMMON SEAL of the said FREEZWAY (AIRDRIE) LIMITED and signed for and on its behalf by:

Director

Director/Secretary

SEALED with the COMMON SEAL of the said DUMBARTON ROAD NOMINEES NO.1 LIMITED and signed for and on its behalf by :

Director

Director/Secretary

SEALED with the COMMON SEAL of the said DUMBARTON ROAD NOMINEES NO.2 LIMITED and signed for and on its behalf by :

Director

Director/Secretary

SEALED with the COMMON SEAL of the said DUMBARTON ROAD NOMINEES NO.3 LIMITED and signed for and on its behalf by :

Director

Director/Secretary

SEALED with the COMMON SEAL of the said DUMBARTON ROAD NOMINEES NO.4 LIMITED and signed for and on its behalf by :

Director

Director/Secretary

SEALED with the COMMON SEAL of the said DUMBARTON ROAD NOMINEES NO.5 LIMITED and signed for and on its behalf by :

Director

Director/Secretary

SEALED with the COMMON SEAL of the said DUMBARTON ROAD NOMINEES NO.6 LIMITED and signed for and on its behalf by :

Director

Director/Secretary

SEALED with the COMMON SEAL of the said DUMBARTON ROAD NOMINEES NO.7 LIMITED and signed for and on its behalf by :

Director

Director/Secretary

THE SCHEDULE

PART I

(Names & Addresses of Covenantors)

Vincent P. Calder

Mrs. Aileen K. Calder

both of :

The Stables, Ballagan, Strathblane, G63 9AE

THE SCHEDULE

PART II

| <u>Name</u> | <u>Registered address</u> |
|---|------------------------------|
| Freezway Frozen Food Centres Limited) | |
| Freezway (Cold Store) Limited) | |
| Freezway (Financial Services) Limited) | |
| Freezway (PRW) Limited) | |
| Freezway (Airdrie) Limited) | Unit 4 |
| Dumbarton Road Nominees No.1 Limited) | West Mains Industrial Estate |
| Dumbarton Road Nominees No.2 Limited) | Grangemouth FK3 8YE |
| Dumbarton Road Nominees No.3 Limited) | |
| Dumbarton Road Nominees No.4 Limited) | |
| Dumbarton Road Nominees No.5 Limited) | |
| Dumbarton Road Nominees No.6 Limited) | |
| Dumbarton Road Nominees No.7 Limited) | |

THE SCHEDULE

PART V

Warranties and Undertakings

- I. The following representations and warranties are true as at the date of this Agreement and will be true at Completion.
- II. The said representations and warranties form the basis of the sale and purchase to be made under this Agreement.
- III. None of the paragraphs of this Schedule shall be limited or restricted by reference to or inference from the terms of any other of those paragraphs or by any sub-headings or by anything in this Agreement or the Schedules or any of the documents in the approved terms save as specifically set out in the Disclosure Letter or in this Agreement.
- IV. In this Schedule the expression "the Company" shall mean each individual member of the Freezway Group so that each warranty in this Schedule shall apply to and be deemed to be given in respect of each of the members of the Freezway Group.
- V. All matters stated below are correct in all material respects save as disclosed in the Disclosure Letter or as otherwise provided in this Agreement :-

(A) Accuracy of information supplied

(1) The particulars set out in Parts I, II and III of the Schedule to this Agreement are true complete and accurate in all material respects.

(2) A copy of the Memorandum and Articles of Association of the Company has been supplied to the Purchaser and such copy is true and up to date.

(3) Any disclosures representations and statements which form part of the Disclosure Letter are :-

(1) insofar as they are statements of fact true and accurate in all material respects and not misleading in the context in which they appear; and

(2) insofar as they are statements of opinion and expectation are (in the context of the sale of the Sale Shares on the terms herein contained) opinions and expectations honestly and carefully made after due and careful enquiry.

(B) The Accounts and Accounting Records

(1) All accounts records ledgers and financial records of whatsoever kind of the Company :-

(i) have been properly and accurately maintained and are written up to date;

(ii) do not contain or reflect any inaccuracies or discrepancies of a material nature;

(2) The 1987 Accounts :-

(a) comply with the Companies Act and other applicable statutory provisions;

(b) were prepared on a recognised accounting basis consistent with that of the statutory accounts of the Company for the past three years and with good accounting practice and current accounting standards;

(c) properly give a true and fair view of the affairs of the Company at the date thereof and of the activities and profits of the Company for the period thereof;

(d) set out correctly and accurately the nature of the assets and the liabilities of the Company and the amounts thereof;

(e) accord with the books of account of the Company;

(f) are not affected by any material unusual items or items not in the ordinary course of business which are not shown in or disclosed by the 1987 Accounts.

(3) In the 1987 Accounts the following accounting policies and bases have been employed :-

(a) Full disclosure of or full provision or reserve is made in accordance with recognised accounting practices for :-

(i) all known or anticipated liabilities of the Company actual or contingent or unquantified or disputed at the date thereof;

(ii) bad and doubtful debts owed to the Company;

(iii) all taxation (whether deferred or otherwise) payable by or liable to be assessed on or for which the Company is accountable in respect of or by reference to income profits or gains (including gains and amounts not yet received or realised) earned made or accrued or loans or distributions made or provided for or shortfalls in

distributions made or any excess of relevant income over distributions made or transactions effected up to the date thereof including in particular (but without limitation) any amounts under the following Sections :-

Sections 233 and 234 of the 1970 Act

Sections 232 and 286 of the 1970 Act

Section 94 and Schedule 16 of the Finance Act 1972

Income Tax deductible under the PAYE regulations

National Insurance contributions deductible under regulations;

(iv) all encumbrances and capital commitments (both contracted for or not) in existence or under negotiation as at the date thereof.

(b) All expenditure whether actual or deferred attributable to :-

(i) maintenance repairs insurance management rent rates and other outgoings;

(ii) taxation;

(iii) marketing; and

(iv) other ordinary or recurrent expenditure;

has been treated as an operating expense written off against income.

(c) Redundant obsolete excessive slow moving or bad stock of the Company has been written off or written down as appropriate.

(d) The value attributed to each fixed asset of the Company does not exceed the current replacement value thereof as at the year end.

(4) The book debts owed to the Company on the Accounting Date have realised or in the course of collection are expected to realise the nominal amount thereof less any specific reserve for bad or doubtful debts included in the 1987 Accounts.

(5) To the best of the Warrantors' knowledge and belief, no event has occurred since the Accounting Date which if then known would have led to a material change in the amount attributed to any material item in the 1987 Accounts at that date or would have resulted in the making of additional reserves or provision.

(C) Employees

In this section the expression "employee" includes any director or secretary of the Company.

(1) The Company has complied with the provisions of The Employment Protection Acts and in particular (without prejudice to the generality of the foregoing) those relating to the giving of written statements setting out the terms of employment to its employees.

(2) The Company has no agreements (formal or informal) with Trade Unions and other bodies incorporated or unincorporated representing employees and the employees are not affected by any such.

(3) The Disclosure Letter sets out the names of all officers and employees of the Company whose remuneration exceeds £8,500 per annum ("Relevant Employees") showing their terms of office and employment and is true and complete in all material respects and there is not :-

(a) any service agreement or other contract of employment of any Director officer or Relevant Employee of the Company in existence or in contemplation save as disclosed in the Disclosure Letter; nor

(b) any liability or practice of the Company entitling any Relevant Employee of the Company to a commission or remuneration of any other kind calculated wholly or partly by reference to the whole or part of the turnover or profits or sales of the Company; nor

(c) any liability or practice of the Company entitling any Director or Relevant Employee or any member of their families to receive any money or benefit (other than salary as stated in the Disclosure Letter and reimbursement of out-of-pocket expenses properly incurred and paid out by him in the course of his duties to the Company) or to benefit from the receipt of any such money or benefit by any company or trust directly or indirectly controlled by them or any of them or in which they or any of them are directly or indirectly interested; nor

(d) any liability of the Company to any other person howsoever arising in respect of any past employment of such person by the Company.

(4) All subsisting contracts of service to which the Company is a party or affecting any employee are determinable on three months' notice or less without compensation (other than compensation in accordance with The Employment Protection Acts).

(5) the Company has not since the Accounting Date done or agreed to do any of the following acts or things :-

(a) appoint or remove any Director or Managing Director or other officer or increase any salary or alter the terms of engagement of any Director or Executive Officer or senior employee (as defined in paragraph 3 (c) above);

(b) pay to its Directors or Officers or any of them any remuneration or other emoluments or benefits whatsoever other than those which have been disclosed.

(6) No employee of the Company has notified the Company of any claim or grounds for a claim against the Company under The Employment Protection Acts nor are the Vendors or the Company or the Directors of any of them aware of any likelihood of or grounds for such a claim being made.

(7) No employee has or is interested directly or indirectly in any contract with the Company except his contract of employment particulars of which have been supplied to the Purchaser under paragraph (3) above.

(8) No employee of the Company is interested directly or indirectly in any assets owned by the Company or which have been acquired or disposed of by or leased to or by or are proposed to be acquired or disposed of or leased to or by the Company.

(9) (a) Save for the pension schemes referred to in the Disclosure Letter ("the Schemes") the Company is not under any legal or moral liability or obligation or a party to any ex-gratia arrangement or promise to pay pensions, gratuities, super-annuation allowances or the like, or otherwise to provide "relevant benefits" within the meaning of FA 1970 s 26 to or for any of its past or present officers or employees or their dependants; and there are no retirement benefit, or pension or death benefit, or similar schemes or arrangements in relation to or binding on the Company or to which the Company contributes;

(b) The Schemes are governed exclusively by the deeds and documents listed in the Disclosure Letter and no others.

(c) Contributions due in respect of any period expiring before the date of this Agreement have been paid and no sums are currently outstanding from the Company in respect of its obligations under the trust deed and rules of the Schemes.

(d) None of the employees of the Company enjoy any special terms of membership of the Schemes.

(e) The Company has not taken out any policies with any insurance company in respect of any employee of the Company (or any relative or dependant of such a person) which has not been listed in the Disclosure Letter nor paid any premium in respect of such policies for any person and will at Completion have no liability to keep any such policies in being whether by the payment of any premium or otherwise.

(f) No guarantees or representations have been given to any employee of the Company as to the continuance of the Schemes or the enhancement of the benefits provided thereunder.

(g) Each Scheme is an exempt approved scheme within the meaning of FA 1970 s 21(1) and to the best of the Warrantors' knowledge and belief there is no reason why such approval may be withdrawn.

(D) Returns

(1) The Company has complied with the Companies Act and in particular has made all returns required to be made thereunder or pursuant thereto.

(2) The Company has complied with the provisions of Section 204 of the 1970 Act and the regulations made thereunder made all returns to be made thereunder and under Section 15 Taxes Management Act 1970 and has deducted and accounted to the appropriate authority for all tax to be paid thereunder.

(3) The Company has complied with all enactments and regulations appertaining to National Insurance contributions and has made all deductions required or authorised to be made thereunder and has accounted to the appropriate authority for all such contributions.

(4) (a) The Company has complied with all enactments and regulations relating to value added tax and has made within the requirements as to time all returns required to be made thereunder and duly and properly accounted to the appropriate authority for all value added tax.

(b) The Company is a member of the Freezway Group registration for value added tax purposes.

(c) the Company is not required to give any security for value added tax.

(5) All returns made to the Companies Registry the Inland Revenue the Department of Health and Social Security the Customs and Excise Department or other governmental or statutory department or agency have been correct and made on a proper basis.

(6) the Company has not done or omitted to do any act or thing which could result in all or any part of any loan or grant made to the Company by any Government department or local or public authority or similar payment made or due to be made to it becoming repayable or being forfeited or withheld.

(7) the Company has made all returns required of it under Schedules 14 and 20 FA 1972 and Section 10 and 11 Taxes Management Act 1970.

(E) Finance .

(1) (a) Full details of all limits on the Company's bank overdraft facilities are accurately set out in the Disclosure Letter.

(b) As at Completion the total amount borrowed by such Company from its bankers does not exceed its respective overdraft facilities.

(c) The total amount borrowed by such Company (as determined in accordance with the provisions of the relevant instrument) does not exceed any limitation on its borrowing powers contained in its articles of association, or in any debenture or other deed or document binding upon it.

(d) No Company has outstanding, or has agreed to create or issue, any loan capital; nor has it factored any of its debts, or engaged in financing of a type which would not require to be shown or reflected in the 1987 Accounts, or borrowed any money which it has not repaid, save for borrowings not exceeding the amounts shown in the 1987 Accounts.

(e) No Company has, since the Accounting Date, repaid, or become liable to repay, any loan or indebtedness in advance of its stated maturity.

(f) No company has received notice (whether formal or informal) from any lenders of money to any member of the Freezway Group requiring repayment thereof or intimating the enforcement by any such lender of any security it may hold over any assets of the Company; and there are no circumstances likely to give rise to any such notice.

(2) No Company has lent any money which has not been repaid to it, or owns the benefit of any debt (whether or not due for payments, other than debts which have arisen in the ordinary course of its business; and no Company has made any loan or quasi-loan contrary to the Companies Acts.

(3) (a) There are no liabilities (including contingent liabilities) which are outstanding on the part of any Company other than those liabilities disclosed in the 1987 Accounts or incurred, in the ordinary and proper course of trading, since the Accounting Date.

(b) There has been no exercise, purported exercise or claim for any charge, lien, encumbrance or equity over any of the fixed assets of any Company; and there is no dispute directly or indirectly relating to any such fixed assets.

(c) No Company has been the tenant of, or a guarantor in respect of, any leasehold property other than the Properties.

(4) (a) A statement of the bank accounts of the Company, and of the credit or debit balances as at a date not more than [seven days] before the date of this Agreement, has been supplied to the Purchaser.

(b) Since such statement, there have been no payments out of any such accounts, except for payments in the ordinary course of business.

(F) Compliance with Legislation

(1) Compliance has been made with all legal requirements in connection with the formation of the Company and all issues and grants of shares debentures notes mortgages charges or other securities of the Company.

(2) As far as the Warrantors are aware the Company has not in the last 12 months committed any breach of the provisions of any of the following Acts namely:-

The Companies Act

The Road Traffic Acts 1960 et seq.

The Consumer Protection Acts

The Employment Protection Acts

and so far as the Warrantors are aware no officer or employee of the Company has committed any breach of the aforesaid Acts for which the Company could be vicariously liable.

(3) The Company is not party to any agreement or arrangement which is subject to registration under the Consumer Protection Acts.

(4) The Company has and had at all material times all necessary licences permits authorities permissions and consents (public and private) to enable it to own use or deal with its assets and carry on its business as now carried on and the same are in full force and effect and will not be terminable as a result of the sale of the Sale Shares to the Purchaser and there is no reason why any of them should be suspended cancelled revoked or not renewed.

(5) The Company has conducted its business in all material respects in accordance with all applicable laws and regulations of the United Kingdom.

(6) The Company is not obligated to apply for registration under the Data Protection Act and has duly complied with all relevant requirements of the Data Protection Act.

(G) Litigation

(1) The Company is not directly or through any Director or employee for which it may be vicariously liable engaged in any legal action proceeding or

arbitration and is not being prosecuted for any criminal offence whether as defendant or otherwise and there are no circumstances (so far as the Warrantors are aware) which might reasonably be expected to result in the Company becoming involved in any legal action proceeding arbitration or transaction and no cause of action is alleged or threatened or capable of arising against the Company at the date hereof.

(2) There are no unsatisfied judgments against the Company.

(3) There is no matter unresolved or disputed in any material respect with the Inland Revenue the Department of Health and Social Security the Department of Trade the Customs and Excise Department or any other government or statutory department authority body or agency and there is no fact known or which might reasonably be expected to be known to the Warrantors the Company or the directors of the Company which might be the cause of any dispute or claim for taxation (other than corporation tax on the profits or gains of the Company arising as a result of its carrying on its business in the ordinary course) or any other charge duty rate levy assessment contribution impost toll fee or outgoing.

(4) (i) There exists no dispute between the Company and any tenant or landlord of the Company or the owner or occupier of any other property and none is anticipated to arise out of any action or default of the Company prior to or on the date hereof; and

(ii) there are no circumstances known to the Warrantors which may give rise to any such default hereafter.

(5) There are no material disputes between the Company and any of its customers or suppliers.

(6) The Company is not a party to any undertaking or assurance given to any Court or government agency which is still in force.

(7) The Company has not materially defaulted under any of the provisions of any agreement or arrangement to which it is a party and has not done or suffered to be done anything whereby nor omitted to do or suffered to be omitted anything as a result of which omission any such agreement or arrangement may be terminated or rescinded by any other party or whereby the terms thereunder may be worsened or the Company may be prejudiced.

(H) Properties

(1) The Properties are the only premises owned occupied or used by the Company or in which it has an interest. The Company has a good and marketable leasehold or feudal title thereto and is the beneficial owner thereof or of the tenant's interest therein as the case may be.

(2) True and accurate copies of all material documents relating to the Company's title to the Properties so far as situated in Scotland have been duly supplied to the Purchaser or its professional advisers.

(3) The Company has exclusive occupation of the Properties free from any lease, sub-lease, licence or other right of occupation in favour of a third party and also free from any security (fixed or floating), mortgage charge lien encumbrance or other third party right of any kind whatsoever.

(4) There are no conditions, covenants, restrictions, reservations, burdens, stipulations, obligations or outgoings affecting the Properties which are of an onerous or unusual nature or conflict with the present or continued user of the said Properties or any part or parts thereof or adversely affect the value thereof. All such conditions, covenants and others (including those relating to repair and insurance have been duly complied with and no claims or allegations of breach have been made in respect thereof).

(5) (a) So far as the Warrantors are aware the current user of the Properties is both authorised under or pursuant to the Planning Acts or any orders, permissions or approvals made thereunder and any relevant bye-laws, building regulations and other relevant legislation and is permanent and not subject to onerous conditions and the Company has not received any notice or complaint from any party of any alleged breach of the Planning Acts.

(b) During the Company's period of ownership no development has been carried out in relation to the Properties which would require any consent permission or approval under or by virtue of the Planning Acts or any bye-law, or building regulations or other relevant legislation without such consent having been properly obtained and any conditions or restrictions imposed therein have been fully observed and performed.

(c) So far as the Warrantors are aware no breach of the Planning Acts or of any relevant bye-laws, building regulations or other legislation has been committed in relation to the Properties.

(d) There are no outstanding enforcement notices enforcement proceedings or appeals.

(6) The Properties are not affected by any of the following matters :-

(i) any order or proposal of which written notice has been received by the Company for the compulsory acquisition or requisition of the whole or any part thereof or the modification of any planning permission or the discontinuance of any use or the removal of any building;

(ii) so far as the Warrantors are aware any other proposal for compulsory acquisition of any of them or any part thereof or which would adversely affect the use or value of them or any part thereof;

(iii) any agreement with the planning authority regulating the use or development thereof;

(iv) any act or thing giving rise to liability for a development charge or betterment levy development gains tax or development land tax not already paid or provided for in the Accounts;

(v) so far as the Warrantors are aware any caution arrestment inhibition or notice;

(vi) so far as the Warrantors are aware any closing order, demolition order or clearance order;

(vii) any compensation received consequent upon a refusal of any planning consent or the imposing of restrictions on any planning consent;

(viii) any road widening or road improvement proposal within 800 metres of any Property;

(ix) the designation of any Property or the building in which it is situated as a building of special architectural or historic interest;

(x) the designation of any area in which a Property is situated as a conservation area;

(xi) so far as the Warrantors are aware, all Properties are connected directly to the public sewer and to the water mains and gas and electricity supplies.

(7) The Company has received no notice affecting the Properties from any local or other competent authority or from any third party (including any Landlord or Superior or Head Landlord) which has not been complied with and there is not current and has not been during the Company's occupation of any Property any dispute between the Company and any such authority or any owner tenant or occupier of neighbouring property and none is anticipated nor is the Company aware of any circumstances is likely to give rise to a dispute.

(8) All necessary documents to prove the title of the Company to the Properties are in the possession or under the control of the Company or its bankers.

(9) All documents to which the Company is a party which relate to the Company's title to the Properties have been properly stamped and duly registered or are in course of adjudication or registration.

(10) A valid fire certificate exists for each Property and the conditions thereof have at all times been wholly complied with. All recommendations made by the appropriate fire authority to the Company in respect of the Properties have been fully complied with and details thereof have been disclosed to the Purchaser in writing.

(11) Pending Completion the Warrantors shall procure that none of the terms of leases of the Properties shall be varied and that no surrenders or agreements affecting the Properties or relating to the acquisition of other properties will be entered into other than in accordance with this Agreement or with the prior written consent of the Purchaser. Full disclosure of all current or pending rent review negotiations has been made to the Purchaser in writing.

(12) In relation to the English Properties the Company has received no notice of the registration of any local land charges in respect of the Properties.

(13) (a) No claims have been made or breaches alleged by or against the Company in respect of any lease of the Properties.

(b) There are no circumstances known to the Vendor which would entitle the Landlord to claim damages or interest from the Company or to exercise any powers of re-entry or forfeiture or to terminate possession in respect thereof.

(c) No notice in relation to the English Properties has been received or served by the Company under the Landlord and Tenant Act 1954 as amended by the Law of Property Act 1969.

(d) All the conditions, covenants, stipulations, restrictions, reservations and obligations on the part of the Company (including any covenants of insurance) contained in the leases or otherwise affecting or relating to the Properties and any fixture or fittings or equipment therein and all conditions attaching to any landlord's consent to the assignment, change of use or alteration of any Property have in all material respects been duly complied with.

(14) The Company has received no adverse surveyors', engineers' or other professionals' reports in respect of the Properties.

(15) Full details of any insurance policies effected by the Company in relation to the Properties have been disclosed to the Purchaser in writing. There is no fact or matter which could lead to any such policy of insurance being vitiated or repudiated.

(16) No agreements or options to renew or extend the Lease of any Property have been entered into or granted.

(I) Assets

(1) All of the major fixtures fittings plant and equipment and motor vehicles owned by the Company or used in its business are :-

(a) listed in the books of account of the Company;

(b) to the best of the Warrantors' knowledge and belief in sufficiently good and safe state of repair and condition for proper and efficient use in the business of the Company; and

(c) in its absolute ownership possession and control free from any third party rights or claims.

(2) The assets owned by the Company, together with assets held under the hire purchase, leasing or rental agreements listed in the Disclosure Letter, comprise all assets necessary for the continuation of the business of such Company as now carried on.

(3) (a) The stock of frozen food and ancillary products now held are not excessive and are adequate in relation to the current trading requirements of the business of the Company and except as provided for in the 1987 Accounts none of such stock is obsolete, slow moving, unusable, unmarketable or inappropriate or of limited value in relation to the current business of such Company; and no contracts are outstanding which are likely to result in the foregoing not being true.

(b) The stock-in-trade of the Company is in good condition and is capable of being sold by such Company, in the ordinary course of its business, in accordance with its current price list, without rebate or allowance to a purchaser.

(4) No Company has purchased any stock, goods or materials from any of its suppliers on terms that property in it does not pass until full payment is made or all indebtedness discharged.

(J) Insurance

(1) All the assets of the Company of an insurable nature are and have at all material times been insured in amounts representing the full replacement or reinstatement value thereof against fire and other risks normally insured against by persons carrying on the same classes of business as those carried on by the Company.

(2) The Company is now and has at all material times been adequately covered against all other risks normally covered by insurance by such persons as aforesaid (including but without limiting the foregoing employer's liability public liability third party loss and loss of profits).

(3) All such insurance is currently in full force and effect and nothing has been done or omitted to be done and there are no special circumstances which would make any policy of insurance void or voidable or lead to an increase in the premiums.

(4) There are no claims under such insurance at present outstanding or requiring to be made nor any circumstances known to the Vendors likely to give rise to a claim.

(K) Trade Secrets, Know-How and Other Industrial Property

(1) No disclosure has been made to any person other than the Purchaser of any of the commercial know-how or the financial or trade secrets of the Company save in the ordinary and proper course of business of the Company and upon the Company having secured the confidential nature of any such disclosure where appropriate.

(2) The Company does not carry on business under any name other than its corporate name or use on its letterheads, in its advertising or otherwise any other names.

(3) The Company is not a party to any agreements or other arrangements for the acquisition use or licensing of know-how (whether patentable or not) patents trade marks copyrights registered designs or the like and no such intellectual properties or rights are used or required to be used by the Company in the course of its business.

(L) Franchise Agreements

(1) The Company has no franchises commission or other agencies concession and distributorship agreements.

(M) Agreements Governing Business of Company

(1) Other than in the ordinary course of its business no person is authorised by the Company to act as agent for the Company or otherwise to bind the Company otherwise than the Directors and the Secretary of the Company.

(2) There are no agreements and understandings (whether legally enforceable or not) between the Company and any person who is a shareholder or director or the beneficial owner of any interest in the Company relating to the management of the business of the Company or the appointment or removal of Directors or the ownership or transfer of ownership or supply manufacture letting or purchase or use of goods services copyrights designs patents trade marks or names or other facilities to or by the Company or otherwise howsoever relating to the Company and its affairs.

(3) There are no agreements in force restricting the freedom of the Company to supply and take goods and services by such means and from and to such persons as it may from time to time think fit.

(4) Neither the execution nor delivery of this Agreement nor compliance with the terms hereof does now or will hereafter conflict with or result in the breach of any of the terms conditions or provisions of any agreement or instrument to which the Company is now a party or constitute a default or relieve the other party to a contract with the Company of its obligations thereunder or enable termination of such contract or result in the creation or imposition of any lien charge or encumbrance of any nature whatsoever upon any of the property or assets of the Company.

(N) Other Interests

The Company :-

(i) is not the holder or beneficial owner of any class of the share or other capital of any other company (whether incorporated in the United Kingdom or elsewhere) other than the Subsidiaries and securities held for investment dealing purposes only;

(ii) is not a member of any partnership or other unincorporated association (other than recognised trade associations);

(iii) has not and never has had a branch outside the United Kingdom and no permanent establishment (as that expression is defined in the respective Double Taxation Relief Orders current at the date hereof) outside the United Kingdom.

(C) Share Capital Securities and Contingent Liabilities

(1) The Company has not received notice of any application or intended application under the provisions of the Companies Act for the rectification of its register of members.

(2) No share or loan capital of the Company is under option and the Company is not a party to any agreement to create or issue or put under option any share or loan capital which has not been fully performed or for the grant of any right to convert any share or securities into share or loan capital.

(3) The Company has not granted or agreed to grant conditionally or otherwise or allowed to arise or subsist any option or right of pre-emption or any form of debenture mortgage charge lien or encumbrance over any of the Properties or its other assets nor created any debenture stock or other loan capital.

(4) The Company has not since the Accounting Date done or agreed to do any of the following acts or things other than in accordance with this Agreement namely :-

(a) sub-divide or consolidate or vary any rights of any shares in the Company;

(b) pass any resolution by its members in general meeting or any class of its members in separate general meeting or make any alteration of the provisions of its Memorandum or Articles of Association;

(c) repay or discharge in whole or in part any mortgages charges debentures or other securities or any funded indebtedness or (excluding fluctuations in overdrawn current accounts with bankers) any loans or overdrafts;

(d) increase the facility for the amount borrowed or raised by the Company;

(e) exceeded any limitation on borrowings contained in its Articles of Association or in any instrument to which it is a party or applying to it.

(5) No bill of exchange or promissory or loan note has been drawn made accepted or endorsed by the Company except in the ordinary course of business of the Company and as recorded in the books of the Company.

(6) No hire or hire purchase or deferred payment or conditional sale or conditional purchase agreements have been entered into by the Company under which there is any continuing liability on the part of the Company other than in the ordinary course of its business.

(7) Since the Accounting Date no loan or loan capital of the Company has become liable to be repaid.

(8) The Company is not a party to any bond guarantee or indemnity except in the ordinary course of its business nor to any bond guarantee indemnity for the benefit of any party other than a member of the Freezway Group.

(9) The Company has not discounted or assigned any debt to a third party on terms which might lead to a claim against the Company.

(P) Transactions Reducing Asset Value

(1) Since the Accounting Date :-

(a) no obligations to the Company have been written off or written down or have proved to any extent irrecoverable or are now regarded as irrecoverable;

(b) there has not been nor is there any release or agreement for the release of any person under any liability to the Company;

(c) no dividends bonuses or distributions as defined in Sections 233 to 237 inclusive or 284 of the 1970 Act have been declared made or paid.

(Q) Transactions Affecting Profitability

The Company is not a party to any long term or abnormal or onerous contract or to a contract of uncertain magnitude and in particular there are no contracts for the purchase or taking or hiring of assets or services by the Company or for the sale or letting of assets or the provision of services by the Company at prices above or below market prices ruling at the time the contract was entered into.

(R) Taxation

In this paragraph (R) :-

(I) where the context so admits the words "taxation" or "tax" bear the meaning ascribed to them in the Deed of Indemnity;

(II) the sub-headings have been inserted for convenience only and shall not limit or affect the construction of any of the warranties given hereunder :-

Tax administration

The Company has properly :-

(1) (a) made all returns and provided all information required for tax purposes and none of such returns is disputed by the Inland Revenue or any other authority concerned;

(b) paid all tax which it has become liable to pay and is under no liability to pay any penalty or interest in connection with any claim for tax.

(2) Full provision or reserve has been made in the 1987 Accounts for all tax liable to be assessed on the Company or for which it is accountable in respect of income profits or gains earned accrued or received on or before the Accounting Date including distributions made down to such date or provided for in the Accounts and proper provision has been made in the Accounts for deferred taxation in accordance with generally accepted accounting principles.

(3) No time limit within which any election which should have been made by the Company for the purpose of reducing its tax liabilities (other than liabilities already settled) has expired nor is any such time limit due to expire within six months from the date of Completion.

(4) The Company is not the subject of any back duty investigation by the Inland Revenue and there are no known facts which may be discovered by the Inland Revenue which may give rise to a claim.

Deduction at source

(5) All payments by the Company to any person which ought to have been made under deduction of tax have been so made and the Company has (if required by law to do so) accounted to the Inland Revenue for the tax so deducted.

Anti-avoidance

(6) The Company has not without the prior consent of the Treasury entered into or agreed to enter into any of the transactions specified in S.482 of the 1970 Act (Migration etc. of Companies).

(7) The Company has not been a party to or otherwise involved in any transactions scheme or arrangement to which any of the following provisions could apply :-

| | |
|---------------|------------------------------|
| 1970 Act | SS.469-481, 486-496 |
| FA1971 | Sch.8 para.3 |
| FA1972 | S.76 |
| | S.92(9) (Group income) |
| FA1973 | S.26 |
| | SS.29, 30, 31 (Group relief) |
| F(No.2)A 1975 | S.58 |
| FA1976 | S.41, Sched.5, para 22 |
| FA1978 | SS.31, 32 |

| | |
|----------|------------------|
| 1979 Act | SS.25, 26 |
| FA1980 | SS.42, 64, 66 |
| FA1981 | Sched.9, para 22 |
| FA1982 | S.70. |

(8) The Company has not been a party to or otherwise involved in any transaction scheme or arrangement to which any of the following provisions have been or could be applied other than transactions in respect of which all necessary clearances have been obtained on the basis of full and accurate disclosure to the Inland Revenue and/or the Special Commissioners of all material facts and considerations relating thereto material to be known to them :-

| | |
|--------------|------------|
| the 1970 Act | S.267 |
| | SS.460-468 |
| | S.488 |
| the 1979 Act | SS.85-88. |

(9) The Company has not been concerned in any exempt distribution within FA1980 Sched.18 within five years prior to the date hereof.

(10) The Company has not redeemed, repaid or purchased or agreed to redeem, repay or purchase any of its own shares

Groups of Companies

(11) No elections have been made by the Company under S.256 of the 1970 Act and the Company has not paid any dividend without advance corporation tax or made any payment without deduction of income tax in the circumstances specified in sub-section (4) of that section.

(12) There are no arrangements and agreements relating to group relief (as defined by S.258 of the 1970 Act) to which the Company is or has been a party and no claims have been made by the Company for group relief and the Company has not paid nor is liable to pay for group relief.

(13) There are no arrangements and agreements to which the Company is or has been a party relating to the surrender of advance corporation tax made or received by the Company under S.92 Finance Act 1972 and the Company has not paid nor is liable to pay for the benefit of any advance corporation tax which is or may become incapable of set off against the Company's liability to corporation tax.

(14) The Company has not acquired any asset (past or present) from any other company then belonging to the same group of companies as the Company within the meaning of S.272 of the 1970 Act.

(15) No tax is or may become payable by the Company pursuant to S.277 1970 in respect of any chargeable gain which accrued or will accrue prior to Completion and the Company will at no time within the two years ending at Completion have transferred any assets other than trading stock to any company which at the time of disposal was a member of the same group (as defined in S.272 1970 Act).

Disposal of assets/capital gains

(16) If each of the capital assets of the Company were disposed of for a consideration equal to the book value of that asset in or adopted for the purpose of the 1987 Accounts no material liability to corporation tax on chargeable gains or balancing charge under the Capital Allowances Act 1968 would arise over and above the amount provided in the 1987 Accounts by way of liability for deferred tax (and for this purpose there shall be disregarded any relief and allowances available to the Company other than amounts falling to be deducted from the consideration receivable under S.32 of the 1979 Act).

(17) The Company has made no claim under SS.111A or 115 to 121 (inclusive) of the 1979 Act or S.276 of the 1970 Act and no such claim has been made by any other company which affects or could affect the amount or value of the consideration for the acquisition of any asset by the Company taken into account in calculating liability to corporation tax on chargeable gains on a subsequent disposal (roll-over relief).

(18) No gain chargeable to corporation tax will accrue to the Company on the disposal of any debt owing to the Company not being a debt on a security.

(19) (a) No loss which might accrue on the disposal by the Company of any share in or security of any company is liable to be reduced by virtue of any depreciatory transaction within the meaning of S.280 and S.281 of the 1970 Act nor is any expenditure on any share or security liable to be reduced under S.75 of the 1979 Act.

(b) The Company is not entitled to any capital loss to which S.62 (3) of the 1979 Act will apply (transactions between connected persons).

(c) The Company has not made any disposals to which section 29A of the 1979 Act will apply.

(20) No asset owned by the Company is subject to a deemed disposal and reacquisition under paragraph 11, 14 or 16 of Schedule 5 of the 1979 Act (assets held on 6.4.65.).

(21) The Company has not acquired benefits under any policy of assurance otherwise than as original beneficial owner.

(22) The Company has made no claim under any of the following :-

- (A) S.13 of the 1979 Act (assets situated outside the United Kingdom);
- (B) S.21 of the 1979 Act (compensation and insurance money);
- (C) S.22(2) of the 1979 Act (assets of negligible value);
- (D) S.40 of the 1979 Act (tax on chargeable gains payable by instalments);
- (E) S.254 (surplus franked investment income) or S.418 (unremitted income arising outside the United Kingdom) of the 1970 Act.

Stamp Duty

(23) The Company has not obtained relief from stamp duty under any statutory provision.

Close companies

(24) Clearances have been obtained under Schedule 16 of the FA 1972 for all accounting periods of the Company ended prior to Completion and the information and particulars supplied to the Inspection of Taxes for such clearances made full and accurate disclosure of all material facts.

(25) The Company has not expended or applied any sum liable to be regarded as income available for distribution pursuant to paragraph 12 of Schedule 16 of the Finance Act 1972 and is not bound (contingently or otherwise) to expend or apply any such sum.

(26) The Company has not made (and will not be deemed to have made) any loan or advance to a participator or an associate of a participator so as to become liable to make any payment under S.286 or 287 (A) of the 1970 Act.

(27) No distribution within the meaning of SS 233-237 inclusive and S.284 of the 1970 Act has been made by the Company since 5th April 1965 except dividends shown in its audited accounts nor is the Company bound to make any such distribution.

Change of ownership

(28) There has been no major change in the nature or conduct of any trade or business carried on by the Company for the purposes of S.483 of the 1970 Act or S.101 of the Finance Act 1972 nor has the scale of activities in any trade or business carried on by the Company at any time become small or negligible for the purpose of either section (disallowance of trading losses, set off of ACT).

Capital transfer tax and Inheritance Tax

- (29) (A) No transfer of value (as defined by the Inheritance Tax Act 1984) or disposal by way of gift (within the meaning of Section 102 Finance Act 1986) has at any time been made by or to the Company.
- (B) No Inland Revenue Charge as defined in s.237 Inheritance Tax Act 1984 is outstanding over any asset of any of the Company or in relation to any shares in the capital of any of the Company and no circumstances exist which could lead to any such charge arising in the future.
- (C) There are not in existence any circumstances whereby any such power as is mentioned in s.9(5) Finance Act 1984 or s.212(1) Inheritance Tax Act 1984 could be exercised in relation to any shares securities or assets of the Company.
- (D) There are no circumstances which may give rise to a claim for estate duty payable by the Company by virtue of the provisions of Part IV of the Finance Act 1940 upon or by reason of the death of any person before 13th March 1975 who at any time made a transfer of value to the Company and to whom any benefits accrued from the Company before his death.
- (E) No asset owned by the Company is liable to be subject to any sale mortgage or charge by virtue of s.28(3) Finance Act 1975.
- (F) The Company has not been a party to associated operations in relation to a transfer of value within the meaning of S.44 of the Finance Act 1975.

Non-deductible payments

(30) The Company has not made any payment to or provided any benefit for any officer or employee or ex-officer or ex-employee of the Company and has not made or agreed to make any payment of an income nature which is not or not wholly allowable as a deduction in calculating the profits of the Company for taxation purposes.

Capital Duty

(31) The Company has complied with the provisions of the Finance Act 1973 relating to capital duty and has duly paid all capital duty which it is liable to pay and has not obtained relief from capital duty under part III of schedule 19 Finance Act 1973.

Development land tax

- (32) (A) Since the date of incorporation there have been no disposals or deemed disposals relating to any land or interest in land owned by the Company resulting or which may hereafter result in liability for the payment by the Company of any development land tax.
- (B) The Company does not and has not owned an interest in land deemed disposed of and reacquired while owned by the Company pursuant to S.2 Development Land Tax Act 1976.
- (C) The Company does not own any interest in land which it acquired as a result of a disposal made by a person who at the time of that disposal was connected with the Company for the purposes of the 1979 Act and has not since 1st August 1976 acquired any interest in land from any person not resident in the United Kingdom.
- (D) No acquisition cost of any lease acquired by the Company is liable to be reduced or treated as nil by virtue of paragraph 17(2) schedule 2 Development Land Tax Act 1976.
- (E) The Company has not since 1st August 1976 made a part disposal of an interest in land within the meaning of paragraph 9 schedule 2 Development Land Tax Act 1976.
- (F) Since 1st August 1976 no notices have been required to be given by the Company pursuant to the Development Land Tax Act 1976.

Liability for taxation of another

(33) No act or transaction has been effected in consequence whereof the Company is or may be liable for any taxation primarily chargeable against some other person (including but without limiting the foregoing by reason of that person being a company in the same group of companies as the Company).

Transactions with connected persons

(34) No transactions or arrangements involving the Company have taken place or are in existence so that the provisions of S.485 of the 1970 Act have been or may be applied thereto.

Extra-statutory concessions

(35) To the Warrantors' knowledge and belief, no reliance has been placed by the Company or any member of the Freezway Group on any specific extra-statutory concessions save as disclosed in the Disclosure Letter.

(5) Trading since Accounting Date

Since the Accounting Date:-

(a) the business of the Company has been carried on in a normal manner and without any interruption or alteration as regards the nature scope and manner of conducting the same;

(b) save in the ordinary course of its day to day trading operations the Company has not entered into any transaction nor incurred any liability which is material in relation to the conduct of its business;

(c) all obligations or liabilities of the Company have been negotiated on an arm's length basis;

(d) the Company has performed current contracts in accordance with their terms and obligations and has paid its creditors within the times agreed with such creditors;

(e) there has been no material adverse change in the financial position of the Company as set forth in the 1987 Accounts;

(f) no contract commitment or arrangement has been entered into incurred or made by the Company involving loss or the likelihood of loss;

(g) the trading prospects of the Freezway Group have not been adversely affected as a result of any event or circumstance arising since the Accounting Date.

(T) Miscellaneous

(1) The Company has no alternate directors or shadow directors within the meaning of s.63 of the Companies Act 1980.

(2) The Vendors have the right power and authority to sell and transfer the Sale Shares to the Purchaser in the terms of this Agreement.

(3) The Company has no contracts or commitments for capital expenditure or has agreed to incur any capital commitments nor has it since the Accounting Date disposed of, or realised any capital assets or any interest therein.

(4) All documents which in any way affect the right, title or interest of the company in or to any of its property, undertaking or assets, or to which the Company is a party, and which attract stamp duty have been duly stamped within the requisite period for stamping.

(5) All charges in favour of the Company have (if appropriate) been registered in accordance with the provisions of the Companies Act.

(6) (a) The Vendors, and their associates, do not have any rights or interests, directly or indirectly, in any businesses other than those now carried on by the Freezway Group, which are or are likely to be, or become, competitive with the businesses of the Freezway Group, save as registered holder or beneficial owner of any class of securities of any company which is listed on The Stock Exchange, or dealt in on the Unlisted Securities Market or the Third Market and in respect of which a Vendor, with his associates, holds, and is beneficially interested in less than 5 per cent of any single class of the securities in that company.

(b) There is no outstanding indebtedness of any Vendor, or his associates, to the Company or any of its Subsidiaries.

(7) The Company does not have and has never had any subsidiary (save for the Subsidiaries) or any interest in any other body corporate and is not and has never been a partner or participant in any partnership or joint venture.

(8) None of the Directors of the Company have drawn benefits or remuneration from the Company since the Accounting Date save at the current rates thereof as disclosed in the Disclosure Letter.

(V) General

Any warranty expressed to be given "to the best of the Warrantors' knowledge and belief" or any similar expression shall be deemed to include after such expression the words "having made all reasonable enquiries".

[Handwritten signatures and initials]
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