
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): May 13, 2019

KVH Industries, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-28082

(Commission File Number)

05-0420589

(IRS Employer Identification No.)

50 Enterprise Center, Middletown, RI 02842
(Address of Principal Executive Offices and zip code)

(401) 847-3327
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on which Registered
Common Stock, par value \$0.01 per share	KVHI	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

Disposition of Videotel; Share Purchase Agreement

On May 13, 2019, KVH Industries, Inc. (the “Company”) entered into a Share Purchase Agreement (the “Purchase Agreement”) with KVH Media Group Limited, a private limited company incorporated in England and a wholly owned subsidiary of the Company (“KMG”), and Pelican Holdco Limited, a newly organized private limited company incorporated in England (“Oakley SPV”). Oakley SPV is an affiliate of Oakley Capital IV Master SCSp (“Oakley Fund IV”), a private equity fund managed by Oakley Capital Limited. Pursuant to the Purchase Agreement, KMG sold all of the issued share capital (the “Shares”) of its subsidiaries Super Dragon Limited, a Hong Kong private company limited by shares (“Super Dragon”), and Videotel Marine Asia Limited, a Hong Kong private company limited by shares (“VMA”), to Oakley SPV.

The sale was consummated immediately following the execution and delivery of the Purchase Agreement by the parties.

Super Dragon, VMA and their subsidiaries (collectively, the “Target Companies”) comprise the Company’s maritime training business, which offers video, animation, eLearning computer-based training and interactive distance learning services to the maritime industry. In addition to Super Dragon and VMA, the Target Companies are Videotel Training Services Limited, Videotel Consultants and Rentals Limited, Videotel Marine Asia Limited and Videotel Pte Limited.

The purchase price for the Shares was \$90.0 million, plus (a) the aggregate amount of unrestricted cash and cash equivalents of the Target Companies as of May 13, 2019, less (b) the aggregate amount of all borrowings and indebtedness of the Target Companies as of that date, plus (c) an amount equal to any excess in the Target Companies’ working capital as of that date above a stated target amount or (d) less an amount equal to any shortfall of the Target Companies’ working capital as of that date below the stated target amount, in each case subject to the definitions and other terms and conditions of the Purchase Agreement.

Under the terms of the Purchase Agreement, following delivery by KMG of certain financial information, Oakley SPV will have 60 business days to prepare and submit to KMG a draft balance sheet as of May 13, 2019 showing the amount of cash, indebtedness and working capital of the Target Companies as of that date. KMG will have 15 business days to accept or object to the draft balance sheet. If KMG objects to any portion of the draft balance sheet, the parties will have 10 business days to resolve any dispute, after which either party may submit any outstanding disputes to independent accountants for determination. In the absence of fraud or manifest error, the determination of the independent accountants will be final and binding on the parties.

In the Purchase Agreement, KMG made customary warranties regarding the Target Companies and other matters. The warranties include general commercial warranties (“General Warranties”), warranties regarding capacity and title (“Fundamental Warranties”) and warranties regarding tax matters (“Tax Warranties”). In general, KMG will not be liable for any claim of breach of any General Warranty or any Tax Warranty unless Oakley SPV gives notice of the breach within 18 months and seven years, respectively, after closing. Further, KMG will not be liable for any claim for a recoverable amount of less than \$0.1 million and will not be liable unless the aggregate amount of recoverable claims exceeds \$1.0 million in which case KMG will be liable for such aggregate amount and not merely the excess. The aggregate liability of KMG for breaches of General Warranties and Tax Warranties is limited to 20% of the purchase price, and the aggregate liability of KMG for breaches of Fundamental Warranties and claims under the Tax Covenant (as described below) is limited to the purchase price.

KVH generally agreed to unconditionally and irrevocably guarantee the due and punctual performance and observance by KMG of all of its obligations, commitments and undertakings in the Purchase Agreement and the other transaction documents.

The parties agreed to provide to each other, until December 31, 2019 or such other date as is agreed, specified transition services at cost.

The foregoing description of the Purchase Agreement and the transactions contemplated thereby is not complete and is qualified in its entirety by reference to the Purchase Agreement, a copy of which is filed as Exhibit 2.1 hereto and the terms of which are incorporated herein by reference.

The warranties provided by KMG in the Purchase Agreement were made solely for the benefit of Oakley SPV. These warranties (a) were made only for purposes of the Purchase Agreement, (b) were qualified by confidential disclosures made to Oakley SPV in connection with the Purchase Agreement, (c) are subject to materiality qualifications in the Purchase Agreement, which may differ from what investors may regard as material, (d) were made only as of the date of the Purchase Agreement or such other date as was specified in the Purchase Agreement and (e) were included in the Purchase Agreement for the purpose of allocating risk between KMG and KVH, on the one hand, and Oakley SPV, on the other hand, rather than establishing matters as facts. Accordingly, the Purchase Agreement is included with this filing only to provide investors with information regarding the terms of the Purchase Agreement and not to provide investors with any other factual information regarding the Target Companies, the Company, any of the Company's other subsidiaries or the business of any of them. Investors should not rely on the warranties or any descriptions thereof as characterizations of the actual state of facts or condition of the Target Companies, the Company, any of the Company's other subsidiaries or the business of any of them.

Tax Covenant

On May 13, 2019, the Company entered into a Tax Deed of Covenant (the "Tax Covenant") with KMG and Oakley SPV pursuant to which KMG provided Oakley SPV with an indemnity in respect of all pre-closing taxes of the Target Companies. The Tax Covenant provided cover for the loss of any tax reliefs or assets, any "secondary" tax liabilities (i.e. tax liabilities which are not properly Target Company liabilities but which are pursued against any of the Target Companies (e.g. because KMG failed to pay tax due from it)) and an indemnity in respect of the costs and expenses of the Target Companies and Oakley SPV in connection with such liabilities. The Tax Covenant contains a number of limitations on KMG's liability, the primary ones being where a provision for the tax liability in question has been made in the completion statement drawn up pursuant to the Purchase Agreement or where the tax liability arises solely as a result of actions taken by Oakley SPV following closing. There are also a number of protections in favor of KMG (e.g. in relation to the recovery of any liability from third parties and credit for corresponding benefits). The Tax Covenant is not subject to disclosure and is not subject to the same financial thresholds on claims that apply to the warranties provided under the Purchase Agreement.

The foregoing description of the Tax Covenant and the transactions contemplated thereby is not complete and is qualified in its entirety by reference to the Tax Covenant, a copy of which is filed as Exhibit 2.2 hereto and the terms of which are incorporated herein by reference.

Loan Agreement

On May 13, 2019, KMG entered into a Loan Agreement with Oakley SPV pursuant to which KMG advanced \$89.4 million to Oakley SPV (the "Advance"). Oakley SPV agreed to use the Advance to pay the estimated purchase price under due the Purchase Agreement. The Advance matures 30 business days after closing and bears interest at a rate of 5% per year during the period from closing until and including the 15th business day after the closing and at a rate of 12% per year during the period after from such 15th business day until the maturity date.

Repayment of the Advance is backed by an equity commitment letter dated May 13, 2019 from Oakley Fund IV and Oakley Capital IV S.A R.L (the General Partner of Oakley Fund IV) to Oakley SPV and KMG, pursuant to which Oakley Fund IV confirmed that it or an affiliate nominated by it will, directly or through one or more intermediaries, provide funding for Oakley SPV to fulfill all of Oakley SPV's payment obligations under the Loan Agreement and the Purchase Agreement. In the equity commitment letter, Oakley SPV undertook to use the funds provided thereunder exclusively to fulfill its obligations under the Loan Agreement and the Purchase Agreement.

Oakley Fund IV's obligations under the equity commitment letter terminate once it, directly or through one or more intermediaries, provides the requisite funds to Oakley SPV.

The foregoing description of the Loan Agreement and the transactions contemplated thereby is not complete and is qualified in its entirety by reference to the Loan Agreement, a copy of which is filed as Exhibit 10.1 hereto and the terms of which are incorporated herein by reference.

Deeds of Share Charge

On May 13, 2019, KMG entered into Deeds of Share Charge (each, a "Share Charge") with Oakley SPV with respect to the issued share capital of each of Super Dragon and VMA. Each Share Charge is governed by the laws of Hong Kong, the jurisdiction of incorporation of each of Super Dragon and VMA.

In each Share Charge, Oakley SPV agreed that it would, on demand, discharge and pay when due and payable any and all of the secured obligations thereunder, including all amounts owing to KMG under the Loan Agreement and such Share Charge. Under the Share Charges, Oakley SPV charged as beneficial owner, as security for the payment and discharge of the secured obligations, by way of first fixed charge, all of Oakley SPV's right, title and interest in and to the shares of each of Super Dragon and VMA (and related rights) and, to the extent not effectively charged by way of first fixed charge, then by way of first floating charge, all of the "Charged Property", as well as the shares of Super Dragon and VMA (and related rights). The Charged Property generally consists of the assets and/or undertaking of Oakley SPV which are the subject of the security created in favor of KMG under the relevant Share Charge.

In each Share Charge, Oakley SPV provided certain covenants not to exercise any of its rights or powers in relation to the Charged Property in a manner which, in KMG's opinion, would prejudice the value of, or the ability of KMG to realize, the security created thereby, and certain covenants with respect to the treatment of dividends, distributions, interest and other monies received or recovered, the voting of the shares of Super Dragon and VMA and the exercise of the powers and rights conferred on or exercisable by the legal or beneficial owner of the Charged Property. Upon any event of default under the relevant Share Charge, KMG is entitled to exercise stated remedies, including the power to sell the shares of Super Dragon and VMA, to the extent permitted by law, and to appoint one or more receivers for the Charged Property.

The foregoing description of the Share Charges and the transactions contemplated thereby is not complete and is qualified in its entirety by reference to the Share Charges, copies of which are filed as Exhibits 10.2 and 10.3 hereto and the terms of which are incorporated herein by reference.

Consent under Credit Agreement

On May 13, 2019, the Company entered into a consent agreement (the "Lender Consent") with Bank of America, N.A., as Lender and Administrative Agent, and The Washington Trust Company, as Lender, with respect to the Amended and Restated Credit Agreement dated as of October 30, 2019 among the Company and the Lenders (the "Credit Agreement"). In the Lender Consent, the Lenders consented to, among other things, the execution and delivery of the Purchase Agreement, the sale of the Shares pursuant to the terms of the Purchase Agreement and the making of the Advance pursuant to the terms of the Loan Agreement.

In the Lender Consent, the parties agreed that the Company could retain the portion of the net proceeds of the sale of the Shares remaining after applying such proceeds, first, to the repayment of the term loans (including any accrued interest) until repaid in full and, second, to the amounts outstanding under the Company's revolving loan facility until, on a pro forma basis, the Company's Consolidated Leverage Ratio (as defined in the Credit Agreement) is not more than 2.75x. As of May 13, 2019, the aggregate amount of outstanding principal and interest under the term loans was approximately \$21.4 million, and the aggregate principal amount of outstanding revolving loans was approximately \$15.0 million, a substantial amount of which the Company currently expects to prepay.

In the Lender Consent, the parties agreed that, notwithstanding the prepayment of the revolving loans, the amount of the revolving loan facility would remain at \$20.0 million, subject to the terms and conditions of the Credit Agreement.

In the consent, the company granted to the Administrative Agent and certain related persons a general release of claims arising before the date of the consent, other than claims arising out of fraud or willful misconduct.

The foregoing description of the Lender Consent and the transactions contemplated thereby is not complete and is qualified in its entirety by reference to the Lender Consent, a copy of which is filed as Exhibit 10.4 hereto and the terms of which are incorporated herein by reference.

Notice Regarding Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements that involve risks and uncertainties. For example, forward-looking statements include statements regarding the future finalization of the purchase price for Videotel, the anticipated receipt and timing of payment, the execution of a license agreement, future financial reporting, the expected repayment of debt and the availability of legal remedies. Actual results could differ materially from the forward-looking statements made in this Current Report on Form 8-K. Factors that might cause these differences include, but are not limited to: unanticipated expenses, potential delays in anticipated events or actions, potential decisions to increase debt repayments, risks and uncertainties regarding the negotiation of definitive terms of the proposed license agreement, potential claims by the purchaser or other parties, including potential warranty claims that may reduce net proceeds, the potential failure of counterparties or others to comply with their payment and other obligations, the potential need to pursue litigation, the risks, uncertainties and expenses of litigation, the potential failure to satisfy conditions or requirements for obtaining legal remedies, the greater uncertainties of legal remedies in foreign jurisdictions, and the potential inadequacy of litigation recoveries or settlements to offset all damages. These and other factors are or may be discussed in more detail in the Company's Form 10-K filed with the SEC on March 1, 2019. The Company does not assume any obligation to update its forward-looking statements to reflect new information and developments.

ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS

The information disclosed in Item 1.01 of this Form 8-K is incorporated herein by reference.

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 13, 2019, the Company issued a press release announcing the sale of the Target Companies. The press release contained certain historical financial information regarding the Target Companies for the twelve months ended March 31, 2019. The press release is attached hereto as Exhibit 99.1 and incorporated herein by reference. The information in this Item 2.02 of Form 8-K and Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, regardless of any general incorporation language in such filing.

ITEM 2.04 TRIGGERING EVENTS THAT ACCELERATE OR INCREASE A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT

The information disclosed in Item 1.01 of this Form 8-K is incorporated herein by reference.

Section 2.05(b) of the Credit Agreement provides that, subject to certain exceptions, in the event of a “Disposition” (as defined in the Credit Agreement), KVH must prepay outstanding loans in an aggregate amount equal to 100% of the Net Cash Proceeds (as defined in the Credit Agreement) received by KVH or any subsidiary from such Disposition. The prepayments must be applied, first, to the principal repayment installments of outstanding term loans in inverse order of maturity and, second, to repayment of revolving loans. The sale of the Target Companies constituted a Disposition under the terms of the Credit Agreement, thereby triggering the Company’s obligation to make the prepayments specified by Section 2.05(b) thereof, which effectively accelerated the Company’s obligation to repay outstanding loans under the Credit Agreement.

In the Lender Consent, the parties to the Credit Agreement modified the repayment requirements arising from the sale of the Target Companies. As noted above in Item 1.01 of this Form 8-K, the parties agreed that the Company could retain the portion of the net proceeds of the sale of the Shares remaining after applying such proceeds, first, to the repayment of the term loans (including any accrued interest) until repaid in full and, second, to the amounts outstanding under the Company’s revolving loan facility until, on a pro forma basis, the Consolidated Leverage Ratio (as defined in the Credit Agreement) is not more than 2.75x.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(b) Pro Forma Financial Information

As a smaller reporting company, the Company is subject to the disclosure requirements of Article 8 of Regulation S-X. Rule 8-05 of Regulation S-X, relating to the disclosure of pro forma financial information, does not expressly require the Company to provide pro forma financial information with respect to the sale of the Target Companies. Nonetheless, the Company has determined to provide certain pro forma financial information with respect to the sale of the Target Companies to assist investors to understand the financial impact of the transaction.

The unaudited pro forma consolidated balance sheet of the Company as of March 31, 2019 and the unaudited pro forma consolidated statements of operations of the Company for the years ended December 31, 2016, 2017 and 2018 and for the three months ended March 31, 2019, in each case giving pro forma effect to the Company’s disposition of the Target Companies, are attached as Exhibit 99.2 and are incorporated herein by reference.

The unaudited pro forma consolidated balance sheet of the Company as of March 31, 2019 gives effect to the transaction as if it had occurred on March 31, 2019. The unaudited pro forma consolidated statements of operations for all periods presented give effect to the transaction as if it had occurred on January 1, 2016. In order to derive the pro forma financial information, the historical results of the Company have been adjusted to eliminate the assets, liabilities and results of operations of the Target Companies, which have historically been consolidated by the Company. Pro forma adjustments are described in the notes to the unaudited pro forma consolidated financial statements. The unaudited pro forma consolidated financial statements are presented for illustrative purposes only. The pro forma adjustments are based upon available information and certain assumptions that management believes are reasonable under the circumstances; however, actual amounts could differ. The unaudited pro forma consolidated financial statements are not necessarily indicative of the operating results or financial position that would have been achieved had the disposition been consummated as of the dates indicated or of the results that may be obtained in the future. The Company has not yet determined whether to account for the sale of the Target Companies as a discontinued operation for all periods presented beginning with the second quarter of 2019.

The unaudited pro forma consolidated financial statements and the accompanying notes thereto should be read in conjunction with, and are qualified by, the historical financial statements and notes thereto of the Company. The Company's historical financial statements are included in its Annual Report on Form 10-K for the year ended December 31, 2018 and its Quarterly Report on Form 10-Q for the three months ended March 31, 2019.

(d) Exhibits

Exhibit No. Description

2.1*	Share Purchase Agreement dated as of May 13, 2019 among KVH Industries, Inc., KVH Media Group Limited and Pelican Holdco Limited relating to the sale of the entire issued share capital of Super Dragon Limited and Videotel Marine Asia Limited
2.2	Tax Deed of Covenant dated as of May 13, 2019 among KVH Industries, Inc., KVH Media Group Limited and Pelican Holdco Limited relating to the sale of the entire issued share capital of Super Dragon Limited and Videotel Marine Asia Limited
10.1	Loan Agreement dated as of May 13, 2019 between KVH Media Group Limited, as Lender, and Pelican Holdco Limited, as Borrower
10.2	Deed of Share Charge dated as of May 13, 2019 between Pelican Holdco Limited, as Charger, in favor of KVH Media Group Limited, as Chargee, over shares of Super Dragon Limited
10.3	Deed of Share Charge dated as of May 13, 2019 between Pelican Holdco Limited, as Charger, in favor of KVH Media Group Limited, as Chargee, over shares of Videotel Marine Asia Limited
10.4	Consent dated as of May 13, 2019 among KVH Industries, Inc., as Borrower, Bank of America, N.A., as Lender and Administrative Agent, and The Washington Trust Company, as Lender, under the Amended and Restated Credit Agreement dated as of October 30, 2018 among such parties
99.1	May 13, 2019 press release entitled "KVH Announces the Sale of Videotel for \$90 Million to Focus on Core Strategic Initiatives" (furnished pursuant to Item 2.02)
99.2	Pro forma consolidated financial statements of the Company for the years ended December 31, 2016, 2017 and 2018 and the three months ended March 31, 2019 giving pro forma effect to the disposition of the Target Companies

* Certain schedules and similar attachments have been omitted in reliance on Instruction 4 of Item 1.01 of this Form 8-K and Item 601(a)(5) of Regulation S-K. The Company will provide, on a supplemental basis, a copy of any omitted schedule or attachment to the Securities and Exchange Commission (the "Commission") or its staff upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KVH INDUSTRIES, INC.

Date: May 15, 2019

BY:

/s/ DONALD W. REILLY

Donald W. Reilly

Chief Financial Officer

EXHIBIT INDEX

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DATED 13 May 2019

PELICAN HOLDCO LIMITED

and

KVH MEDIA GROUP LIMITED

and

KVH INDUSTRIES, INC.

SHARE PURCHASE AGREEMENT
relating to the sale and purchase of the
entire issued share capital of
Super Dragon Limited
and Videotel Marine Asia Limited

PAUL
HASTINGS

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AGREED FORM DOCUMENTS

Super Dragon Limited Board Resolution

Videotel Marine Asia Limited Board Resolution

Disclosure Letter

Share transfer instruments

Purchaser Board Resolution

Seller Board Resolution

Tax Covenant

Press Announcement

Loan Agreement

Equity Commitment Letter

Super Dragon Share Charge

VMA Share Charge

THIS AGREEMENT is made on 13 May 2019

BETWEEN:

1. KVH MEDIA GROUP LIMITED, a private limited company incorporated under the laws of England with registered number 06462774 and having its registered office at 2a Queen Street, Leeds, West Yorkshire LS1 2TW (the "Seller");
2. PELICAN HOLDCO LIMITED, a private limited company incorporated in England under registered number 11988300 whose registered office is at 3 Cadogan Gate, London, SW1X 0AP (the "Purchaser"); and
3. KVH INDUSTRIES, INC., a corporation incorporated in the State of Delaware with registered number 05042-0589 and having its registered office at 50 Enterprise Center, Middletown, RI 02842 (the "Seller's Guarantor"),

each a "Party" and together the "Parties".

WHEREAS:

- (A) The Seller is the legal and beneficial owner of the Shares (as defined in this Agreement).
- (B) The Seller has agreed to sell and the Purchaser has agreed to purchase the Shares in each case on the terms and subject to the conditions of this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION

1.1 In this Agreement, the Schedules and the Attachments to it:

"Accounts"	means the audited accounts of each of the Target Companies (comprising the balance sheet, profit and loss account, notes to the Accounts and directors' and auditors' reports) for the accounting reference period which ended on the Accounts Date;
"Accounts Date"	means 31 December 2017;
"Affiliate"	means, in respect to a person: <ol style="list-style-type: none">(i) any other person who directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with such person; and(ii) in respect of the Purchaser only: (i) any partnership, unit trust, investment trust, limited partnership or other investment fund or vehicle (however constituted) which is: (A) Controlled by the same general partner, manager or adviser as the Purchaser; or (B) Controlled by a general partner, manager or adviser which is a subsidiary or holding company of the general partner, manager or adviser of the Purchaser; or (ii) any person Controlled by or on behalf of a partnership, unit trust, investment trust, limited partnership or other investment fund or vehicle referred to in (i) above;
"Agreed Form"	in relation to any document, means that document in a form agreed by the Parties;

"Business"	means the development, production, marketing, retail and distribution of e-learning training materials and crew management software for the commercial maritime sector, including ports and terminals as carried out by the Target Group during the twelve (12) month period ending on the Completion Date;
"Business Day"	means a day (other than a Saturday or a Sunday) on which banks are open for general business in London and Middletown, Rhode Island;
"Cash"	means the aggregate amount of all unrestricted: <ul style="list-style-type: none"> (i) cash in hand; (ii) cash standing to the credit of any account with a bank or other financial institution; and (iii) cash equivalents, in each case to which the Target Group is beneficially entitled as at the Effective Time, as shown in the Completion Statement;
"Claim"	means a General Claim and/or a claim for breach of any Tax Warranties;
"Competition Law"	means the national and directly effective legislation or regulation of any jurisdiction which governs the conduct of companies or individuals in relation to restrictive or other anti-competitive agreements or practices (including, but not limited to, cartels, pricing, resale pricing, market sharing, bid rigging, terms of trading, purchase or supply and joint ventures), dominant or monopoly market positions (whether held individually or collectively) and the control of acquisitions or mergers;
"Completion"	means completion of the sale and purchase of the Shares under this Agreement;
"Completion Date"	means the date Completion occurs, being the date of this Agreement;
"Completion Statement"	means the consolidated balance sheet of the Target Group setting out the amount of Cash, Indebtedness and Working Capital at the Effective Time (together with the resulting calculation of the consideration) prepared in accordance with Part 2 and Part 3 of Schedule 3 in the form set out in Part 1 of Schedule 3 and as agreed or determined in accordance with Clause 4.1 and Part 2, Part 3 and Part 4 of Schedule 3;
"Confidential Information"	means all information not in the public domain of a secret or proprietary or confidential nature relating to any Target Company, including information which the Seller has received or obtained at any time by reason of or in connection with its relationship with any Target Company or its Business and including customer/client lists, contact details of clients, customers and suppliers and individuals within those organisations; trade secrets, technical information, know-how, research and development; financial projections, target details and accounts; fee levels, pricing policies, commissions and commission charges; budgets, forecasts, reports, interpretations, records and corporate and business plans; planned products and services;

marketing and advertising plans, requirements and materials, marketing surveys and research reports and market share and pricing statistics; and computer software and passwords;

"Control"

means, in relation to a person:

- (i) holding or controlling, directly or indirectly, a majority of the voting rights exercisable at shareholder meetings (or the equivalent) of that person; or
- (ii) having, directly or indirectly, the right to appoint or remove directors holding a majority of the voting rights exercisable at meetings of the board of directors (or the equivalent) of that person; or
- (iii) having, directly or indirectly, the ability to direct or procure the direction of the management and policies of that person, whether through the ownership of shares, by contract or otherwise; or
- (iv) having the ability, directly or indirectly, whether alone or together with another, to ensure that the affairs of that person are conducted in accordance with his or its wishes,

and any two (2) or more persons acting together to secure or exercise Control of another person shall be viewed as Controlling that other person.

The terms "Controlling" and "Controlled" shall be construed accordingly;

"Data Protection Legislation"

means any applicable data protection laws in force that apply to the Target Group and its Business, including but not limited to:

- (i) the Data Protection Act 1998 and all other applicable national laws, regulations and secondary legislation implementing European Directive 95/46/EC;
- (ii) the General Data Protection Regulation (EU 2016/679) (the "GDPR") and all related national laws, regulations and secondary legislation, including the Data Protection Act 2018; and
- (iii) the Privacy and Electronic Communications (EC Directive) Regulations 2003.

"Data Room"

means the 'KVH Industries' electronic data room as hosted by SpringCM with url: <https://login.springcm.com/Login> as at 8pm in Middletown, Rhode Island on 11 May 2019 (the index of which is attached to the Disclosure Letter);

"Data Room Index"

means the index to the Data Room as appended to the Disclosure Letter;

"Disclosed"

means fairly disclosed in the Disclosure Letter with sufficient details to enable a purchaser (acting reasonably) to identify the nature and scope of the matter disclosed;

"Disclosure Letter"	means the letter dated the same date as this Agreement from the Seller to the Purchaser making certain disclosures in relation to the Warranties other than the Fundamental Warranties;
"Effective Time"	means immediately prior to Completion;
"Equity Commitment Letter"	means the equity commitment letter in the agreed form addressed to the Purchaser and the Seller and duly executed by Oakley Capital IV Master SCSp;
"Encumbrance"	includes any interest or equity of any person including, without prejudice to the generality of the foregoing, any mortgage, charge, pledge, lien, option, debenture, assignation, bill of sale, deposit by way of security, credit sale or other agreements for payment on deferred terms, restriction, right of first refusal, right of pre-emption, third party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect;
"Estimated Cash"	means \$2,897,678, being the Purchaser's good faith estimate of Cash as at the Effective Time;
"Estimated Indebtedness"	means \$2,293,701, being the Purchaser's good faith estimate of Indebtedness as at the Effective Time;
"Estimated Purchase Price"	means an amount equal to \$89,386,997, which is calculated as follows: <ul style="list-style-type: none"> (i) \$90,000,000; <u>plus</u> (ii) Estimated Cash; <u>less</u> (iii) Estimated Indebtedness; <u>less</u> (iv) Estimated Working Capital;
"Estimated Working Capital"	means \$1,216,979, being the Purchaser's good faith estimate of the amount equal to the shortfall in the Working Capital below the Target Working Capital;
"Fundamental Claim"	means any claim for breach of any of the Fundamental Warranties;
"Fundamental Warranties"	means the warranties given in Part 1 of Schedule 2;
"General Claim"	means any claim for breach of any of the General Warranties;
"General Warranties"	means the Warranties set out in Part 2 of Schedule 2 and "General Warranty" shall be construed accordingly;
"Indebtedness"	means in respect of the Target Group the aggregate amount (expressed as a positive number) of all borrowings and indebtedness in the nature of borrowings as at the Effective Time, including: <ul style="list-style-type: none"> (i) the bank overdrafts, and any other loans (including directors, employees or related parties' loans) by way of acceptance credit or similar facilities, loan stock, bonds,

debentures, notes debt or inventory financing, receivables financing or any other arrangements for the purpose of which is to borrow money;

- (ii) liabilities under any currency or interest swap or other interest or currency protection, hedging or financial futures transaction or arrangement including without limitation any break cost, early termination fee or similar;
- (iii) provision for contingent or deferred payments, or any other payments of any kind arising out of or in connection with any acquisitions or disposals prior to Completion which remain payable;
- (iv) underfunded obligations under any pension plan, other post-employment benefit or similar plan under which the Target Group has any liability;
- (v) any Transaction Costs in each case to the extent unpaid at the Effective Time;
- (vi) corporate income tax liabilities relating to any period before Completion, including a provision for any period where tax returns have not yet been filed; and
- (vii) in respect of any indebtedness, obligation, claim, or liability of a type described in sub-Clauses (i) through (vii) all accrued and unpaid interest, premiums, penalties, breakage costs, unwind costs, taxes, fees, termination costs, redemption costs and other charges related thereto, including those arising as a result of Completion,

in each case as at the Effective Time prepared in accordance with Schedule 3, as shown in the Completion Statement, but excluding any item included in Working Capital or Cash;

"Independent Accountants"	means an independent firm of chartered accountants of international repute appointed in accordance with Part 4 of Schedule 3;
"Information Technology"	means computer hardware, devices, software, computer, databases, networks, and other information technology systems (including Open Source Software) and associated services owned or used by any Target Company;
"Intellectual Property"	means patents, registered designs, rights in designs, copyright (including Information Technology), database rights, trade-marks, brand names, service marks, trade or business names, domain names, logos, get-up or trade dress and inventions or secret processes, formulae, know-how and trade secrets (whether or not any of these is registered and including applications for registration, renewal or extension of any such thing) and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world;
"Key Person"	means any person employed or engaged by any Target Company as at the date of this Agreement in a senior or managerial role or

	whose remuneration (in whatsoever form) on an annualised basis is equal to or greater than £75,000;
"Loan Agreement"	means the loan agreement in the agreed form to be entered into between the Purchaser and the Seller on the Completion Date;
"Liabilities"	means losses, liabilities, costs, expenses and damages (excluding amounts in respect of Tax and the loss of any relief in relation thereto) and all interest, penalties and all reasonable professional costs and expenses, and, in each case, whether incurred before or after Completion, whether or not the same is required to be provided for or accrued in financial statements or accounts or is Disclosed or otherwise;
"Licence"	means the licence granted by the Target Companies to the Seller pursuant to clause 7;
"Management Accounts"	means the management accounts of each member of the Target Group for each complete month since the Accounts Date up to and including the month of March 2019, copies of which are contained within the Data Room;
"Material Customer"	means any customer which generates or has generated revenue for the Target Group of \$100,000 in any one year;
"Objection Notice"	has the meaning given in paragraph 3, of Part 2 of Schedule 3;
"Open Source Software"	means software for which the human readable version (or source code) is available to the general public for use and/or modification from its original design free of charge or for a de minimis charge;
"Press Announcement"	means the press announcement relating to the transaction in the agreed form;
"Proceedings"	means any proceeding, suit or action arising out of or in connection with this Agreement or the negotiation, existence, validity or enforceability of this Agreement, whether contractual or non-contractual;
"Proprietary Software"	means software in which any Target Company owns any Intellectual Property;
"Purchase Price"	means an amount equal to the sum of: <ul style="list-style-type: none"> (i) the \$90,000,000; <u>plus</u> (ii) Cash; <u>less</u> (iii) Indebtedness; (iv) <u>plus</u> an amount equal to any excess in Working Capital above the Target Working Capital; or <u>less</u> an amount equal to any shortfall in the Working Capital below the Target Working Capital, as shown in the Completion Statement;
"Purchaser's Group"	means the Purchaser, its subsidiaries and subsidiary undertakings, any holding company of the Purchaser and all other

	subsidiaries and subsidiary undertakings of any such holding company from time to time (including, following Completion, members of the Target Group);
"Purchaser's Warranties"	means the warranties set out at Clause 9.1
"Seller's Solicitors"	means Squire Patton Boggs (UK) LLP of 7 Devonshire Square, London, EC2M 4YH;
"Seller's Solicitors Bank Account"	means the Seller's Solicitors USD bank account at Lloyds Bank plc of 65-68 Briggate, Leeds LS1 6LH (Sort Code: 30-00-05, Account Number: 11402501);
"Shares"	means 100 ordinary shares of HK\$1.00 each of the entire issued share capital of Super Dragon Limited and 100 ordinary shares of HK\$1.00 each of the entire issued share capital of Videotel Marine Asia Limited;
"Super Dragon Share Charge"	means the deed to be executed by the Purchaser on the Completion Date pursuant to which the Purchaser shall grant the Seller a charge over the entire issued share capital of Super Dragon Limited in order to secure its obligations under the Loan Agreement;
"Target Group"	means the companies, the basic information concerning which is set out in Schedule 1 and each shall be a "Target Company";
"Target Working Capital"	means \$1,909,000;
"Tax" or "Taxation"	has the meaning given to that expression in the Tax Covenant;
"Tax Authority"	has the meaning given to that expression in the Tax Covenant;
"Tax Covenant"	means the tax covenant in the Agreed Form;
"Tax Statute"	has the meaning given to that expression in the Tax Covenant;
"Tax Warranties"	means the Warranties given in Part 3 of Schedule 2;
"Transaction Costs"	means, without double counting, any fees, expenses or other costs (including professional and advisory fees) payable by any Target Company in connection with the transactions contemplated by this Agreement, in each case including any irrecoverable VAT to the extent unpaid at the Effective Time;
"VAT"	means within the European Union such Tax as may be levied in accordance with (but subject to derogations from) the Directive 2006/112/EC and outside the European Union any similar Tax levied by reference to added value or sales;
"VAT Target Group"	means the VAT Target Group, within the meaning of article 7 paragraph 4 VATA 1968;
"VMA Share Charge"	means the deed to be executed by the Purchaser on the Completion Date pursuant to which the Purchaser shall grant the Seller a charge over the entire issued share capital of Videotel Marine Asia Limited in order to secure its obligations under the Loan Agreement;

"Warranties"	means the warranties set out in Schedule 2 and "Warranty" shall be construed accordingly;
"Videotel Training Products"	means the videos and content produced by the Target Group under the titles set out in Schedule 5;
"Working Capital"	means the aggregate current assets less the aggregate liabilities of the Target Group in each case as at the Effective Time, prepared in accordance with Schedule 3 and as shown in the Completion Statement, but excluding any item included in Indebtedness or Cash; and
"Working Hours"	means 9.00 a.m. to 5.00 p.m. on a Business Day.

1.2 In this Agreement, words and expressions defined in the Companies Act shall bear the same meaning as in that Act unless expressly stated otherwise.

1.3 In this Agreement, except where the context otherwise requires:

1.3.1 any reference to this Agreement includes the Schedules to it each of which forms part of this Agreement for all purposes;

1.3.2 a reference to a Clause, paragraph or Schedule (other than to a schedule to a statutory provision) shall be a reference to a Clause, paragraph or Schedule (as the case may be) of or to this Agreement;

1.3.3 words in the singular shall include the plural and vice versa;

1.3.4 a reference to a person shall include a reference to a natural person, a firm, a body corporate, an unincorporated association, a partnership, a government, state or organisation or to an individual's executors or administrators;

1.3.5 whether a person is "connected" with another person shall be determined in accordance with sections 1122 and 1123 of the Corporation Tax Act 2010;

1.3.6 references to times are to London time;

1.3.7 references to acting directly or indirectly include (without prejudice to the generality of that expression) acting alone or on behalf of any other person or jointly with or through or by means of any other person including directing or recommending another person to act;

1.3.8 if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;

1.3.9 a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;

1.3.10 references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates the English legal term in that jurisdiction and references to any English statute or enactment shall be deemed to include any equivalent or analogous laws or rules in any other jurisdiction;

- 1.3.11 a reference to "includes" or "including" shall mean "includes without limitation" or "including without limitation";
- 1.3.12 references to documents "in the agreed form" or any similar expression shall be to documents agreed between the Purchaser and the Seller and initialled for identification by or on behalf of each of the Purchaser and the Seller;
- 1.3.13 references to "writing" shall include any modes of reproducing words in any legible form;
- 1.3.14 the contents page and headings in this Agreement are for convenience only and shall not affect its interpretation;
- 1.3.15 references to this Agreement include this Agreement as amended or supplemented in accordance with its terms; and
- 1.3.16 references to \$ shall mean US dollars, unless expressly stated otherwise.

2. SALE AND PURCHASE

- 2.1 Subject to the terms and conditions of this Agreement, the Seller hereby sells the Shares free from any Encumbrance and together with all rights of any nature whatsoever that attach (or may in the future attach) to them at Completion and the Purchaser hereby purchases the entire legal and beneficial interest in those Shares.
- 2.2 The Seller hereby irrevocably waives and shall procure before Completion the irrevocable waiver of any restrictions on transfer (including any pre-emption rights) which may exist in relation to the Shares, whether under the articles of association of any Target Company or otherwise.
- 2.3 The Purchaser shall not be obliged to complete the purchase of any of the Shares unless the Seller completes the sale of all the Shares simultaneously but completion of the purchase of only some of the Shares will not affect the rights of the Purchaser with respect to the purchase of others.

3. CONSIDERATION

- 3.1 The aggregate consideration for the Shares is an amount equal to the Purchase Price payable in accordance with the Loan Agreement and as adjusted, agreed or determined in accordance with Clause 4.
- 3.2 The Estimated Purchase Price shall be subject to adjustment (if any) after Completion pursuant to Clause 4 below.
- 3.3 The Purchase Price shall (so far as legally permissible) be deemed to be reduced by the amount of any payment made by the Seller to the Purchaser in respect of any claim under this Agreement and/or under the Tax Covenant.

4. COMPLETION STATEMENT

- 4.1 The Purchaser and the Seller shall in good faith agree the Completion Statement in accordance with Schedule 3.
 - 4.2 If the Purchase Price:
 - 4.2.1 is less than the Estimated Purchase Price, then the Seller shall pay to the bank account notified to the Seller by the Purchaser in writing, by way of telegraphic transfer of immediately available funds, an amount equal to the difference between the Purchase Price and the Estimated Purchase Price; or
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- 4.2.2 is more than the Estimated Purchase Price, then the Purchaser will pay to the Seller's Solicitors Bank Account, by way of telegraphic transfer of immediately available funds, an amount equal to the difference between the Purchase Price and the Estimated Purchase Price.
- 4.3 All payments to be made in accordance with Clause 4.2 shall be made within five (5) Business Days of the earlier of either: (i) the receipt by the Purchaser of the Acceptance Notice; (ii) the deemed agreement of the Seller with the draft Completion Statement pursuant to Part 2 of Schedule 3; or (iii) the determination of the Independent Accountants pursuant to Part 2 of Schedule 3 Part 4 of Schedule.
5. COMPLETION
- 5.1 Completion shall take place on the Completion Date at the offices of the Seller's Solicitors or such other place as is agreed in writing between the Purchaser and the Seller.
- 5.2 At Completion:
- 5.2.1 the Seller shall deliver or cause to be delivered to the Purchaser:
- (a) duly executed instruments of transfer in respect of the Shares in favour of the Purchaser and share certificates for the Shares in the name of the relevant transferors (or an indemnity in the agreed form for any lost or destroyed certificates);
 - (b) the Tax Covenant duly executed by or on behalf of the Seller;
 - (c) the Disclosure Letter duly executed by or on behalf of the Seller;
 - (d) the Loan Agreement duly executed by or on behalf of the Seller;
 - (e) the Equity Commitment Letter, duly countersigned by or on behalf of the Seller;
 - (f) certificates of incorporation, common seals (if any) and all statutory and minute books (which shall be written up to the date of Completion) of each member of the Target Group, together with any unused share certificate forms;
 - (g) evidence to the Purchaser's satisfaction of the release and discharge of any charges and guarantees entered into by any Target Company;
 - (h) any power of attorney or other authority under which this Agreement or any document referred to in it is executed on behalf of the Seller;
 - (i) to the extent not in the possession of the Target Group, any books of account (including those relating to the employees and/or directors of any Target Company) and all insurance policies in respect of the business of any Target Company; and
 - (j) to the extent not in the possession of any Target Company, all licences, consents, permits and authorisations obtained by or issued to any Target Company or necessary for the conduct of the Business.
- 5.2.2 the Seller shall procure that the following business (as applicable) is transacted at a meeting of the directors of each Target Company:
- (a) the directors of the relevant Target Company shall approve registration of the transfers of the Shares to the Purchaser (or its nominee) and the entry
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of the transferee in the register of members of each of Super Dragon Limited and Videotel Marine Asia Limited, in each case, subject only to the transfer being presented duly stamped; and

- (b) Alex Collins shall be appointed as sole director of each Target Company; and

5.2.3 the Purchaser shall:

- (a) deliver or cause to be delivered to the Seller, the Tax Covenant, duly executed on behalf of the Purchaser;
- (b) deliver or cause to be delivered to the Seller, the Disclosure Letter, duly countersigned by or on behalf of the Purchaser;
- (c) deliver or cause to be delivered to the Seller, the Loan Agreement, duly executed on behalf of the Purchaser;
- (d) deliver or cause to be delivered to the Seller, the Equity Commitment Letter, duly countersigned on behalf of the Purchaser;
- (e) deliver or cause to be delivered to the Seller, the Super Dragon Share Charge, duly countersigned on behalf of the Purchaser;
- (f) deliver or cause to be delivered to the Seller, the VMA Share Charge, duly countersigned on behalf of the Purchaser; and
- (g) deliver a copy of the minutes of a meeting of its board of directors authorising the Purchaser to enter into and perform its obligations under this Agreement and the Tax Covenant including the issuance and allotment of the Shares.

5.3 Within:

5.3.1 five (5) Business Days of Completion the Seller shall deliver or cause to be delivered to the Purchaser the written resignations of each director of each Target Company (in their capacity as such), in the agreed terms and in each case executed as a deed, irrevocably and unconditionally waiving and releasing all claims against any member of the Target Group; and

5.3.2 one (1) Business Day of Completion, a USB drive of the Data Room in the agreed form containing all documents listed in the Data Room Index.

5.4 All documents and items delivered at Completion pursuant to this Clause 5 shall be held by the recipient to the order of the person delivering the same until such time as Completion shall be deemed (pursuant to the remainder of this Clause (g)), or otherwise agreed between the Parties, to have taken place. Simultaneously with delivery of all documents and all items required to be delivered at Completion in accordance with this Clause 5 (or waiver of the delivery of it by the person entitled to receive the relevant document or item) the documents and items delivered in accordance with this Clause 5 shall cease to be held to the order of the person delivering them and Completion shall be deemed to have taken place.

5.5 The payment of any amount required pursuant to Clause 4.3 to the Seller's Solicitors Bank Account by telegraphic transfer shall constitute due payment to the Seller and the Purchaser shall not be concerned to see that the moneys are applied in paying the Seller in accordance with its entitlement.

5.6 So far as it remains to be performed, this Agreement shall continue in full force and effect after Completion and the rights and remedies of the Parties shall not be affected by Completion.

6. WARRANTIES

- 6.1 The Seller hereby warrants to the Purchaser in the terms of the Warranties as at the date of this Agreement.
- 6.2 Each of the Warranties shall be construed as a separate warranty and except where this Agreement expressly provides otherwise, each Warranty is not limited by the other provisions of this Agreement, including the other Warranties.
- 6.3 Where any of the Warranties are qualified by the expression "so far as the Seller is aware" or any similar expression, that Warranty shall be deemed to include an additional statement that such Warranty is given after enquiry by the Seller of Felise Feingold, Mark Woodhead and Anthony Pike in respect of the subject matter of the relevant Warranty.
- 6.4 Except in the case of fraud or wilful concealment, the Seller shall not (if a claim is made against it in connection with the sale of the Shares to the Purchaser) make any claim against any Target Company or against any director, employee, agent or officer of any Target Company on whom the Seller may have relied before agreeing to any term of this Agreement or the Tax Covenant authorising any statement in the Disclosure Letter. The Seller hereby acknowledges that it has no rights to make any such claim. The rights of any Target Company and any director, employee, agent or officer of any Target Company under this Clause 6.4 are subject to the provisions of Clause 16.6 (relating to third party rights).
- 6.5 Except in the case of fraud or wilful concealment, the Purchaser waives and may not enforce on behalf of itself and any member of the Purchaser's Group any claims howsoever arising against any of the directors, agents, employees and officers of the Seller, its Affiliates and any Target Company (including those individuals specified in Clause 6.3) with respect to the subject matter of this Agreement including any information supplied to the Purchaser or its representatives or advisers in connection with this Agreement or the negotiation thereof.
- 6.6 The rights and remedies of the Purchaser in respect of a breach of any of the Warranties shall not be affected by Completion, by the giving of any time or other indulgence by the Purchaser to any person, or by any other cause whatsoever except as provided in this Agreement or in a specific waiver or release by the Purchaser in writing and any such waiver or release shall not prejudice or affect any remaining rights or remedies of the Purchaser.

7. LICENCE

- 7.1 The Purchaser and the Seller hereby agree to use all reasonable endeavours following Completion to procure that the Target Companies enter into a license agreement with the Seller granting to the Seller a non-exclusive, royalty-free license for a period of three years (commencing on the Completion Date) to use any of the Target Group's Intellectual Property in respect of the Videotel Training Products in relation to the Seller's "AgilePlans" service, provided that (i) this is in a manner consistent in all material respects with the use of the Videotel Training Products within the "AgilePlans" service in the 12 months prior to the Completion Date, and (ii) no member of the Target Group shall be under any obligation to update any of the Videotel Training Products (the "Licence").
- 7.2 Until such time as the Licence is agreed, the Purchaser shall procure that the Seller shall have the right to use any of the Target Group's Intellectual Property in respect of the Videotel Training Products as may be reasonably required to ensure the continuous operation of the Seller's business as carried out prior to Completion, provided that (i) this is in a manner consistent in all material respects with the use of the Videotel Training Products within the "AgilePlans" service in the 12 months prior to the Completion Date, and (ii) no member of the Target Group shall be under any obligation to update any of the Videotel Training Products.

8. LIMITATIONS ON LIABILITY

- 8.1 The Seller shall not be liable in respect of any Claim to the extent that the facts and circumstances giving rise to such Claim are Disclosed.
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- 8.2 If any matter comes to the notice of the Purchaser which may give rise to a liability under the General Warranties, the Purchaser shall, within thirty (30) Business Days after such matter coming to the notice of the Purchaser, give to the Seller written notice containing a summary of the nature of the Claim as far as is known to the Purchaser at that time (including reasonable details of the matter or default which gives rise to the Claim and an estimate of the amount claimed).
- 8.3 The Seller shall not be liable for a Claim unless the Purchaser has given the Seller notice of such claim:
- 8.3.1 in the case of any General Claim on the date falling eighteen (18) months after Completion; and
- 8.3.2 in the case of any claim under the Tax Warranties on the seventh (7th) anniversary of Completion.
- 8.4 The Purchaser shall commence legal proceedings in respect of any Claim by issuing and serving proceedings in respect of such Claim (other than a Claim in respect of a Tax Warranty) within six (6) months of service by the Purchaser of a notification of a Claim pursuant to Clause 8.2, unless the Seller agrees otherwise in writing.
- 8.5 The Seller shall not be liable in respect of any Claim based upon a liability which is contingent unless and until such contingent liability becomes an actual liability, provided that this Clause 8.5 shall not operate to avoid a Claim made in respect of a contingent liability which is notified to the Seller in accordance with Clause 8.2 and within the applicable time limit specified in Clause 8.3 if it subsequently becomes an actual liability and provisions of Clause 8.4 shall not apply until the date on which the Purchaser becomes aware that such Claim has become actual.
- 8.6 The failure of the Purchaser to give written notice of a Claim within the time period specified in Clause 8.2 or to commence legal proceedings in respect of such Claim within the time period specified in Clause 8.4 shall not invalidate such Claim, save always that the Seller shall not be liable in respect of any increase in liability in respect of such Claim to the extent that such increase in liability was as a direct result of the delay on the part of the Purchaser to comply with its obligations pursuant to Clauses 8.2 and/or 8.4 (as the case may be).
- 8.7 The liability of the Seller in respect of any Claims shall be limited as follows:
- 8.7.1 there shall be disregarded for all purposes (including, for the avoidance of doubt, the application of the threshold in Clause 8.7.2) any such Claim in respect of which the amount which the Purchaser would otherwise (but for the provisions of this Clause 8.7.1) be entitled to recover would be less than \$100,000, and
- 8.7.2 subject to Clause 8.7.1, the Purchaser shall not be entitled to recover any amount in respect of such Claim unless the amount recoverable, when aggregated with all other amounts recoverable for such Claims, exceeds \$1,000,000, in which event this limitation shall cease to apply and the whole of such amounts shall be recoverable and not merely the excess.
- 8.8 The aggregate liability of the Seller in respect of all and any Claims shall be limited to and shall in no event exceed an amount equal to twenty per cent (20%) of the Purchase Price.
- 8.9 The aggregate liability of the Seller in respect of all and any Fundamental Claims under this Agreement and claims under the Tax Covenant shall be limited to and shall in no event exceed an amount equal to the Purchase Price.
- 8.10 The Seller shall have no liability in respect of any Claim (other than a Claim in respect of a Tax Warranty) by the Purchaser:
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- 8.10.1 to the extent that the Claim arises, or is increased, as a result of any increase in rates of Taxation which is announced and comes into force after Completion with retrospective effect or of any change in the law which announced and comes into force after Completion with retrospective effect;
 - 8.10.2 to the extent that an identifiable and specific provision or reserve (other than a proviso for deferred Tax) in respect of the liability or other matter giving rise to the Claim in question was made in the Completion Statement;
 - 8.10.3 to the extent that recovery is made by the Purchaser or a Target Company under any policy of insurance;
 - 8.10.4 to the extent that such claim is attributable to or is increased by:
 - (a) any voluntary act, omission, transaction or arrangement carried out by, at the request of or with the consent of, the Buyer before Completion; or
 - (b) any breach of paragraph 8.12.3.
 - 8.11 The Seller shall not be liable in respect of any Claim to the extent that the facts or circumstances giving rise to such Claim are capable of remedy and are remedied by or at the expense of the Seller within twenty (20) Business Days of the date on which notice of such Claim is given pursuant to Clause 8.2. The operation of this provision shall not prejudice the ability of the Purchaser to give notice of a Claim in accordance with Clause 8.3.
 - 8.12 If the Purchaser becomes aware of any claim, action or demand made against any Target Company by a third party (a "Third Party Claim") which is reasonably likely to give rise to a Claim (other than a Claim under the Tax Warranties which shall be dealt with in accordance with the provisions of the Tax Covenant) the Purchaser shall:
 - 8.12.1 within twenty (20) Business Days of becoming aware of such Third Party Claim, give to the Seller written notice containing a summary of the nature of the Third Party Claim as far as is known to the Purchaser at that time;
 - 8.12.2 keep the Seller reasonably informed of all material developments in relation to the Third Party Claim within its knowledge, consult with the Seller in relation to the Third Party Claim, supply the Seller with such material information and copies of documents relating to the Third Party Claim that the Seller reasonably requires, and deal with the Third Party Claim having given consideration to the reasonable representation and views of the Seller, save where to do so would or might reasonably breach or endanger the legal privilege of any member of the Purchaser's Group and save always that, but subject to Clause 8.12.3, the Purchaser shall have ultimate discretion as to how a Third Party Claim shall be conducted; and
 - 8.12.3 not (and shall procure that no other member of the Purchaser's Group shall) agree any compromise or settlement, or make any admission of liability or payment, in relation to the Third Party Claim without the prior written consent of the Seller (such consent not to be unreasonably withheld or delayed).
 - 8.13 The Purchaser shall not be entitled to recover twice in respect of the same loss or liability, whether for breach of the Warranties, under the Tax Covenant or otherwise.
 - 8.14 The Purchaser acknowledges and agrees that, notwithstanding any of the warranties or any of the provisions of this Agreement, the Purchaser shall not be entitled to any damages for breach of warranty or any breach of this Agreement, if and to the extent that the Purchaser's losses are indirect or consequential loss.
 - 8.15 Nothing in this Agreement shall or shall be deemed to relive or abrogate the Purchaser of any common law or other duty to avoid or mitigate any loss or damage suffered or incurred that may or does give rise to a Claim.
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8.16 This Clause 7 shall not apply to any claim pursuant to the Tax Covenant or to any claim under this Agreement (including any Claim) arising out of fraud or wilful concealment.

8.17 The provisions of the Tax Covenant (including for the avoidance of doubt, the limitations set out therein), apply to any Claim under the Tax Warranties to the extent therein stated.

9. PURCHASER WARRANTIES

9.1 The Purchaser warrants to the Seller that as at the date of this Agreement:

9.1.1 it has been duly incorporated and formed and is validly existing under the laws of England and has the necessary power and authority to enter into and perform its obligations under this Agreement and all other documents executed by it which are to be delivered at Completion;

9.1.2 the execution, delivery and performance by it of this Agreement will not constitute a breach of any laws or regulations in any relevant jurisdiction or result in a breach of or constitute a default or otherwise be prohibited under (i) any provision of its constitutional documents; (ii) any order, judgment, decree or decision of any court or governmental authority in any jurisdiction; or (iii) any agreement or instrument to which it is a party or by which it is bound;

9.1.3 the execution, delivery and performance by it of its obligations under this Agreement will not require it to obtain any consent, waiver or approval of, or give any notice to or make any registration or filing with, any governmental, regulatory, other authority or other person which has not been obtained or made at the date of this Agreement on a basis both unconditional and which cannot be revoked; and

9.1.4 no order has been made, petition presented or resolution passed for the winding up of the Purchaser. No administrator nor any receiver, manager or equivalent officer has been appointed by any person in respect of it or all or any of its assets and, so far as it is aware, no steps have been taken to initiate any such appointment and no voluntary arrangement has been proposed.

9.2 As at the date of this Agreement, the Purchaser is not aware of any fact or circumstance which constitutes a Claim. For the purposes of this Clause 9.2, reference to the Purchaser's awareness shall mean those matters of which Alex Collins, Sam Fenton-Whittet, Lovis von Andrian and Konstantin Synetos are actually aware.

10. RELEASE BY SELLER

10.1 The Seller confirms that it has no claim outstanding against any Target Company or against any of the directors, officers, agents or employees of the any Target Company and that no agreement or arrangement is outstanding under which any Target Company or any of such persons has or could have any obligation of any kind to it.

10.2 To the extent that any such claim or obligation exists or may exist, except in the case of fraud or wilful concealment, the Seller irrevocably and unconditionally waives such claim or obligation and releases each Target Company and any such other persons from any liability whatsoever in respect of such claim or obligation.

10.3 Each Target Company and any director, officer, agent or employee of any Target Company may enforce the terms of Clauses 10.1 and 10.2 in accordance with the Contracts (Rights of Third Parties) Act 1999, provided always that, as a condition thereto, any such third party shall:

10.3.1 obtain the prior written consent of the Purchaser; and

10.3.2 not be entitled to assign its rights under this Clause 10.

11. PROTECTION OF THE BUYER'S INTERESTS

- 11.1 The provisions of this Clause 11 are made with the intention of assuring to the Purchaser and each other member of the Purchaser's Group following Completion the full benefit and value of the goodwill, Confidential Information and connections of any Target Company and as a constituent part of the agreement for the sale of the Shares. Accordingly the Seller agrees that the restrictions contained in this Clause 11 are reasonable and necessary for the protection of the legitimate interests of the Purchaser and that the restrictions do not work harshly on it.
- 11.2 The Seller covenants with the Purchaser and each other member of the Purchaser's Group that for the period commencing on the Completion Date and ending on the second anniversary of Completion, save with the prior written consent of the Purchaser, it will not and will procure that none of its Affiliates will directly or indirectly on their own behalf or on behalf of any other person:
- 11.2.1 be engaged, concerned or involved with, or interested in, any business which is in competition with the Business as carried on by any Target Company at Completion, provided always that this Clause 11.2.1 shall not prevent the Seller from being interested as a holder or beneficial owner solely for investment purposes of less than three per cent of any securities of any company whose securities are listed or quoted on any investment exchange by the Financial Conduct Authority under Part XVIII of the Financial Services Market Act 2000;
- 11.2.2 solicit business from any Material Customer for the purpose of providing to that Material Customer goods or services which are the same as or similar to those which it has been involved in providing to that Material Customer as part of the Business at any time in the 24 months preceding the Completion Date;
- 11.2.3 interfere with or seek to interfere with contractual or other trade relations between any Target Company and any of its or their respective customers or suppliers;
- 11.2.4 employ, solicit the services of, endeavour to entice away from any Target Company or knowingly assist in, or procure, the employment by any other person of any Key Person (whether or not such person would commit any breach of his/her contract of employment or engagement by reason of leaving the service of such company); and/or
- 11.2.5 subject to clause 13.2, communicate or divulge to any person or make use of and shall use its best endeavours to prevent the publication, disclosure or unauthorised use of any Confidential Information concerning the business, finances or affairs of any Target Company or of any of their respective customers or suppliers.
- 11.3 The Seller covenants with the Purchaser and each other member of the Purchaser's Group that it will not, and will procure that its Affiliates will not, for so long as it is used by or registered in the name of any Target Company, use or apply to register on any public register any trade, business or domain name or e-mail address used by any Target Company during the period of two years preceding the Completion Date (including "Videotel" and "Videotel.com") or any name similar to those names or addresses or likely to be confused with them.
- 11.4 If any of the restrictions in Clause 11 is held to be void or ineffective for any reason but would be held to be valid and effective if part of its wording were deleted, that restriction shall apply with such deletions as may be necessary to make it valid and effective.
- 11.5 The restrictions contained in Clause 11 shall be construed as separate and individual restrictions and undertakings by the Seller in relation to itself and its interests and shall each be capable of being severed without prejudice to the other restrictions or to the remaining provisions.
- 11.6 The provisions of this Clause 11 shall not apply to any activity specifically provided for in the Licence.
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- 11.7 The provisions of this Clause 11, except for the provisions of 11.3, shall not apply to any activity regarding:
- 11.7.1 the provision of instructional content and materials in respect of the Seller's and its Affiliates' services which are outside the scope of the Business, other than the provisions of 11.3; nor
- 11.7.2 the distribution and provision, but not the creation or production, by the Seller of:
- (a) instructional content and materials that relate to the use, repair and maintenance of maritime vessel equipment; or
 - (b) predictive maintenance information; or
 - (c) solely in connection with the Seller's internet of things, "IoT", services for maritime vessel owners, other than the following:
 - (i) content and materials produced by any company whose primary business is the provision of educational content or services (such provision to include, but not be limited to, any of MTS, SQLearn, Safebridge, KARCO, Marlins, Mintra Group, Cresent, Petrofac, Petroskills, VStep, OMS, Virtual Marine, Unitest or V Group);
 - (ii) training content, material or other media produced by Kongsberg, Transas, and Chartco that is not exclusively related to non-educational goods and services provided by those companies; and
 - (iii) content and materials that relate to any testing, assessment or involve the creation of recording of training records of any kind.

12. SELLER'S GUARANTEE

- 12.1 In consideration of the Purchaser agreeing to purchase the Shares on the terms set out in this Agreement, the Seller's Guarantor hereby unconditionally and irrevocably guarantees to the Purchaser the due and punctual performance and observance by the Seller of all of its obligations, commitments and undertakings under or pursuant to this Agreement or any other document referred to in it and agrees to indemnify the Purchaser in respect of any breach by the Seller of any of its obligations, commitments and undertakings under or pursuant to this Agreement or any other document referred to in it. The liability of the Seller's Guarantor under this Agreement or any other document referred to in it shall not be released or diminished by any variation of the terms of this Agreement or any other document referred to in it (whether or not agreed by the Seller's Guarantor), any forbearance, neglect or delay in seeking performance of the obligations hereby imposed or any granting of time for such performance.
- 12.2 If and whenever the Seller defaults for any reason whatsoever in the performance of any obligation, commitment or undertaking undertaken or expressed to be undertaken under or pursuant to this Agreement or any other document referred to in it, the Seller's Guarantor shall forthwith upon demand unconditionally perform (or procure performance of) and satisfy (or procure satisfaction of) the obligation, commitment or undertaking in regard to which such default has been made in the manner prescribed by this Agreement or any other document referred to in it and so that the same benefits shall be conferred on the Purchaser as would have been received if such obligation, commitment or undertaking had been duly performed and satisfied by the Seller.
- 12.3 This guarantee is to be a continuing guarantee and accordingly is to remain in force until all the obligations of the Seller shall have been performed or satisfied regardless of the legality, validity or enforceability of any provisions of this Agreement and notwithstanding the winding-up, liquidation, dissolution or other incapacity of the Seller or any change in the status, control or ownership of the Seller, This guarantee is in addition to, without limiting and not in substitution for, any rights or security which the Purchaser may now or after the date of this Agreement
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have or hold for the performance and observance of the obligations, commitments and undertakings of the Seller under or in connection with this Agreement or any other document referred to in it.

- 12.4 As a separate and independent stipulation, the Seller's Guarantor agrees that any obligation, commitment or undertaking expressed to be undertaken by the Seller (including, without limitation, any moneys expressed to be payable under this Agreement) which may not be enforceable against or recoverable from the Seller by reason of any legal limitation, disability or incapacity on or of the Seller or any fact or circumstance (other than any limitation imposed by this Agreement) shall nevertheless be enforceable against and recoverable from the Seller's Guarantor as though the same had been incurred by the Seller's Guarantor and the Seller's Guarantor were the sole or principal obligor in respect thereof and shall be performed or paid by the Seller's Guarantor on demand.

13. ANNOUNCEMENTS

- 13.1 Save for the Press Announcement, no announcement concerning the sale of the Shares or any ancillary matter shall be made by any Party without the prior written approval of the other Party, such approval not to be unreasonably withheld or delayed. This Clause 13.1 does not apply in the circumstances described in Clause 13.2.

- 13.2 Unless otherwise agreed in writing between the Purchaser and the Seller, a Party may make an announcement concerning the sale of the Shares or any ancillary matter if required by:

13.2.1 law; or

13.2.2 any securities exchange or regulatory or governmental body or any Tax Authority to which that party is subject, wherever situated, whether or not the requirement has the force of law,

in which case the Party concerned shall take all such steps as may be reasonable and practicable in the circumstances to agree the contents of the announcement with the other Party before making the announcement.

- 13.3 The restrictions contained in this Clause 13 shall continue to apply after Completion or the termination of this Agreement without limit in time.

14. CONFIDENTIALITY

- 14.1 Each Party shall treat as confidential all information obtained as a result of entering into or performing this Agreement which relates to:

14.1.1 the provisions of this Agreement;

14.1.2 the negotiations relating to this Agreement;

14.1.3 the subject matter of this Agreement; or

14.1.4 the other Party,

and the Seller shall, from Completion, also treat as confidential all information relating to any Target Company.

- 14.2 Notwithstanding the other provisions of this Clause 14 or Clause 11.2.5, a Party may disclose any such Confidential Information:

14.2.1 to the extent required by law or for the purpose of any judicial proceedings;

- 14.2.2 to the extent required by any securities exchange or regulatory or governmental body or any Tax Authority to which that Party is subject, wherever situated, whether or not the requirement for information has the force of law;
 - 14.2.3 to the extent required to vest the full benefit of this Agreement in that Party;
 - 14.2.4 to its professional advisers, auditors and bankers provided they have a duty to keep such information confidential;
 - 14.2.5 by the Purchaser to its direct or indirect investors, limited partners, investment manager and investment advisor provided that such disclosure is subject to customary confidentiality obligations;
 - 14.2.6 to the extent the information has come into the public domain through no fault of that Party; or
 - 14.2.7 to the extent the other Party has given prior written consent to the disclosure.
- 14.3 Any information to be disclosed pursuant to Clauses 14.2.1 or 14.2.2 shall be disclosed only after consultation with the other Party (to the extent permitted by law and reasonably practicable).
- 14.4 The restrictions contained in this Clause shall continue to apply after Completion or the termination of this Agreement without limit in time.
15. POST-COMPLETION UNDERTAKINGS
- 15.1 From the Completion Date until the earlier of either 31 December 2019 or such applicable date as set out in Schedule 4:
- 15.1.1 the Purchaser shall provide, or procure the provision, to the Seller's Group the services listed in Part 1 of Schedule 4; and
 - 15.1.2 the Seller shall provide, or procure the provision, to the Target Group the services listed in Part 2 of Schedule 4,
- (the "Services") in consideration for being reimbursed the cost of providing such services on the same terms and in a consistent manner with the cost sharing arrangement between the Target Group and the Seller's Group as at the date of this Agreement.
- 15.2 The scope of the Services provided pursuant to Clause 15.1 shall be substantially the same as the scope of the services provided by the Seller's Group to the Target Group, and from the Target Group to the Seller's Group, during the 12-month period immediately before the Completion Date unless otherwise varied as set out in Schedule 4.
- 15.3 The provider of the Services provided pursuant to Clause 15.1 shall perform such services with due skill, diligence and care and to a standard which is as least as high as the standard to which such Services were provided during the 12-month period immediately before Completion Date.
16. MISCELLANEOUS
- 16.1 Assignment
- 16.1.1 Subject to Clause 16.1.2, neither the Purchaser nor the Seller shall without the prior written consent of the other (i) assign, or purport to assign, all or any part of the benefit of, or its rights or benefits under, this Agreement (together with any causes of action arising in connection with any of them); (ii) make a declaration of trust in respect of or enter into any arrangement whereby it agrees to hold in trust for any
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other person all or any part of the benefit of, or its rights or benefits under, this Agreement; or (iii) sub-contract or enter into any arrangement whereby another person is to perform any or all of its obligations under this Agreement.

16.1.2 The Purchaser may at any time, upon giving notice to the Seller, assign all or any part of the benefit of, or its rights or benefits under, this Agreement (together with any causes of action arising in connection with any of them) to (i) its successor in title; or (ii) any person by way of security for borrowings of a member of the Purchaser's Group.

16.2 Entire agreement

Each of the Parties to this Agreement confirms that this Agreement together with the documents in the agreed form or referred to in it, represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supersedes any previous agreement, understanding or arrangements between the Parties with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom, usage or course of dealing.

16.3 Unenforceable provisions

Without prejudice to the provisions of Clause 11.4, if any provision or part of this Agreement is or becomes illegal, void or unenforceable in any respect, due to any applicable law, it shall be deemed to be deleted and the remaining provisions of this Agreement shall continue in full force and effect.

16.4 Further assurance

The Seller shall, at its own cost, for a period of six (6) months after Completion execute all such deeds and documents and do all such things as the Purchaser may require from time to time and in a form satisfactory to the Purchaser, for perfecting the transfer of Shares and for giving the Purchaser the full benefit of unencumbered legal and beneficial title to the Shares.

16.5 No rescission

None of the Parties shall be entitled to rescind or otherwise terminate this Agreement in the event of any breach of this Agreement or in any other circumstances.

16.6 Third party rights

With the exception of:

16.6.1 the rights of any Target Company and of any director, employee, agent or officer of any Target Company to enforce the terms contained in Clauses 6.4, 10.1, and 10.2; and

16.6.2 the rights of any Target Company to enforce the terms contained in Clause 11,

(any Target Company and its directors, employees, officers and agents and the Purchaser's professional advisors being together, the "Third Parties") no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a Party to this Agreement. The rights of the relevant Third Parties to enforce the terms of Clauses 6.4, 10.1, 10.2 and 11 are subject to the term that the Purchaser has the right (which it may waive in whole or in part in its absolute discretion and without the consent of or consultation with any Third Party) to have the sole conduct of any proceedings in relation to the enforcement of such rights (including any decision as to commencement or compromise of such proceedings) but will not owe any duty or have any liability to any of the Third Parties in relation to such conduct. The rights of the Third Parties under Clauses 6.4, 10.1, 10.2 and 11 are also subject to the terms of Clause 16.1 (relating to assignment) and Clauses 21 and 22

(relating to governing law and jurisdiction). The Parties to this Agreement may by agreement rescind or vary any term of this Agreement without the consent of any of the Third Parties.

16.7 Taxation of payments

16.7.1 All sums payable by the Seller under this Agreement shall be made in full without any set off or counterclaim howsoever arising.

16.7.2 All sums payable by the Seller under this Agreement shall be paid free and clear of all deductions or withholdings whatsoever, save as required by law. If any deduction or withholding is required by law to be made from any sums payable by the Seller under this Agreement, the Seller shall pay such additional amount as will, after such deduction or withholding has been made, leave the Purchaser with the full amount which would have been received by it had no such deduction or withholding been required to be made (after giving credit for any relief from or credit in respect of Tax available to the Purchaser in respect of the deduction or withholding or the matter giving rise to it).

16.7.3 If any sum paid to the Purchaser in respect of an obligation of the Seller under this Agreement (including in circumstances where any Relief (as defined in the Tax Covenant) is available in respect of such charge to Tax) is required by law to be brought into charge to Tax, then the Seller shall pay such additional amount as shall be required to ensure that the total amount paid, less the Tax chargeable on such amount (or that would be so chargeable but for such Relief), is equal to the amount that would otherwise be payable (after giving credit for any relief from or credit in respect of Tax available to the Purchaser in respect of the payment or the matter giving rise to it).

16.7.4 The Seller shall not be obliged to pay any amount under clause 16.7.2 or 16.7.3 to the extent that it would not have arisen but for:

- (a) the Purchaser assigning the whole or any part of the benefit of this Agreement and/or the Tax Deed; or
- (b) the Purchaser not being resident in the United Kingdom for Tax purposes.

16.8 Waiver

The rights and remedies of the Parties shall not be affected by any failure to exercise or delay in exercising any right or remedy or by the giving of any indulgence by any other Party or by anything whatsoever except a specific waiver or release in writing and any such waiver or release shall not prejudice or affect any other rights or remedies of the Parties. No single or partial exercise of any right or remedy shall prevent any further or other exercise thereof or the exercise of any other right or remedy.

16.9 Counterparts

This Agreement may be executed in any number of counterparts and by the Parties to it on separate counterparts, each of which when executed and delivered shall be an original but all the counterparts together constitute one instrument and this Agreement shall not be effective until each Party has executed at least one counterpart.

16.10 Variation

No variation of this Agreement (or any of the documents referred to in it) shall be valid unless it is in writing and signed by or on behalf of the Seller and the Purchaser. The expression "variation" includes any variation, supplement, deletion or replacement however effected.

16.11 No set-off, deduction or counterclaim

Save as expressly provided in this Agreement, every payment payable by a Party under this Agreement shall be made in full without any set off, deduction or counterclaim howsoever arising unless otherwise agreed between the Parties.

17. POWER OF ATTORNEY

17.1 For so long as the Seller remains the registered holder of any of the Shares after Completion, the Seller hereby irrevocably appoints the Purchaser to be its attorney in its name and on its behalf to exercise all or any of the voting and other rights, powers and privileges attached to the Shares sold by it pursuant to this Agreement or otherwise capable of being exercised by the registered holder of those Shares. Without limiting the extent of this power, the Purchaser shall be entitled (at its discretion) to:

17.1.1 attend, participate and vote at any general meeting or class meeting of any Target Company (or any adjournment of any such meeting); and

17.1.2 execute any consent to short notice, proxy or written resolution capable of being executed by a shareholder of any Target Company.

17.2 The Purchaser shall also have power to appoint in writing, with power to revoke any appointment without giving any reason, a substitute to act as attorney for any of the Seller in its stead under the powers of attorney granted pursuant to this Clause 17 (but without the substitute having power to appoint a substitute in his turn).

17.3 The Seller undertakes:

17.3.1 not to exercise all or any of the voting and other rights, powers and privileges attached to the Shares without the consent of the Purchaser; and

17.3.2 to ratify everything the Purchaser shall lawfully and properly do or cause to be done by virtue of this power of attorney and to indemnify the Purchaser against (i) all reasonable demands, actions, proceedings or claims against it and (ii) all liabilities, costs and expenses reasonably incurred by it as a result of anything lawfully and properly done under the powers of attorney, granted pursuant to this Clause 17.

17.4 The powers of attorney granted pursuant to this Clause 17 are to secure the interest of the Purchaser in the Shares sold by the Seller pursuant to this Agreement and shall accordingly be irrevocable.

18. COSTS AND STAMP DUTY

Each Party shall pay his or its own costs and expenses of and incidental to the negotiation, preparation, execution and implementation by it of this Agreement, of each document referred to in it and the sale and purchase of the Shares. The Seller confirms that no expense of whatever nature relating to the purchase of the Shares has been borne or is to be borne by any Target Company. For the avoidance of doubt, all stamp duty payable in connection with the transfer of the Shares shall be paid, administered and reported by the Purchaser and, for the avoidance of doubt, the Seller shall not be required to have any involvement in or provide any information in respect of any matters in respect of such stamp duty.

19. NOTICES

19.1 A notice under this Agreement shall only be effective if it is in writing. E-mail is permitted.

19.2 Notices under this Agreement shall be sent to a Party at its address or number and for the attention of the individual set out below:

Party and title of individual	Address	E-mail address
Purchaser: Alex Collins	Oakley Capital 3 Cadogan Gate, London, SW1X 0AS	alex.collins@oakleycapital.com
With copies to:		
Sam Fenton-Whittet	Oakley Capital 3 Cadogan Gate, London, SW1X 0AS	sam.fenton- whittet@oakleycapital.com
Matthew Poxon	Paul Hastings (Europe) LLP, Ten Bishops Square, London, E1 6EG	matthewpoxon@paulhastings.com
Seller:		
Felise Feingold, General Counsel	KVH Industries, Inc., 50 Enterprise Center, Middleton, RI 028425279, USA	ffeingold@kvh.com
With copies to:		
James McKay	Squire Patton Boggs (UK) LLP 7 Devonshire Square, London, EC2M 4YH	james.mckay@squirepb.com

- 19.3 Provided that a Party may change its notice details on giving notice to the other Party of the change in accordance with this Clause. That notice shall only be effective on the day falling five clear Business Days after the notification has been received or such later date as may be specified in the notice.
- 19.4 Any notice given under this Agreement shall, in the absence of earlier receipt, be deemed to have been duly given as follows:
- 19.4.1 if delivered personally, on delivery;
 - 19.4.2 if sent by first class inland post, two clear Business Days after the date of posting;
 - 19.4.3 if sent by airmail, six clear Business Days after the date of posting; and
 - 19.4.4 if sent by e-mail, when sent.
- 19.5 Any notice given under this Agreement outside Working Hours in the place to which it is addressed shall be deemed not to have been given until the start of the next period of Working Hours in such place.
- 19.6 The provisions of this Clause shall not apply in relation to the service of any claim form, application notice, order, judgment or other document relating to any Proceedings.
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20. INTEREST ON LATE PAYMENT

- 20.1 Where a sum is required to be paid under this Agreement (other than under the Tax Covenant) but it is not paid before or on the date on which the Parties have agreed, the Party due to pay the sum shall also pay an amount equal to interest on that sum for the period beginning on that agreed date and ending on the date the sum is paid (and the period shall continue after, as well as before, judgment).
- 20.2 The rate of interest shall be 4 per cent. per annum above the base lending rate for the time being of Barclays Bank Plc. Interest shall accrue on a daily basis and be compounded quarterly.
- 20.3 This Clause 20 is without prejudice to any claim for interest under the law.

21. CHOICE OF GOVERNING LAW

This Agreement is to be governed by and construed in accordance with English law. Any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual, is to be governed by and determined in accordance with English law.

22. JURISDICTION

- 22.1 The courts of England are to have jurisdiction to settle any dispute, whether contractual or non-contractual, arising out of or in connection with this Agreement. Any Proceedings may be brought in the English courts.
- 22.2 Each Party irrevocably submits and agrees to submit to the jurisdiction of the English courts and of any other court in which Proceedings may be brought in accordance with this Clause.
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SCHEDULE 1
DETAILS OF THE GROUP

Super Dragon Limited.

Company Number: 1327525
Country of incorporation: Hong Kong
Company Status: Active
Company Type: Private Company Limited by Shares
Date of Incorporation: 27 March 2009
Registered Office: 16/F Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Hong Kong
Issued share capital: 100 ordinary shares of HK\$1.00 each
Director: Mark Woodhead
Secretary: CSC Asia Services (Hong Kong) Limited
Videotel Marine Asia Limited

Company Number: 1110854
Country of incorporation: Hong Kong
Company Status: Active
Company Type: Private Company Limited by Shares
Date of Incorporation: 16 February 2007
Registered Office: 16/F Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Hong Kong
Issued share capital: 100 ordinary shares of HK\$1.00 each
Director: Mark Woodhead
Secretary: CSC Asia Services (Hong Kong) Limited

Videotel Marine International Limited

Company Number: 01347854
Country of incorporation: England
Company Status: Active
Company Type: Private Company Limited by Shares
Date of Incorporation: 12 January 1978

Registered Office: 84 Newman Street, London, W1T 3EU
Issued share capital: 1,000 ordinary shares of £1 each
Directors: Mark Woodhead
Secretary: Felise Feingold

Videotel Consultants and Rentals Limited

Company Number: 01116781
Country of incorporation: England
Company Status: Active
Company Type: Private Company Limited by Shares
Date of Incorporation: 5 June 1973
Registration Office: 84 Newman Street, London, W1T 3EU
Issued share capital: 100 ordinary shares of £1 each
Directors: Mark Woodhead
Secretary: Felise Feingold

Videotel Pte. Ltd

Unique Entity Number: 201117004D
Country of incorporation: Singapore
Company Status: Active
Company Type: Private Company Limited by Shares
Date of Incorporation: 18 July 2011
Registered Office: 100g, Pasir Panjang Road, #06-27,28, Interlocal Centre, Singapore 118523
Issued share capital: 100 ordinary shares of SG\$10.00 each
Directors: Sundeep Ranjit Sequeira
Felise Feingold
Secretary: Sharmila Gunasingham

Videotel Training Services Limited

Company Number: 04963322
Country of incorporation: England
Company Status: Active
Company Type: Private Company Limited by Shares
Date of Incorporation: 13 November 2003
Registration Office: 84 Newman Street, London, W1T 3EU
Issued share capital: 2 ordinary shares of £1 each
Directors: Mark Woodhead
Secretary: Felise Feingold

SCHEDULE 2
WARRANTIES

Part 1 – Title and Capacity

1. CAPACITY

- 1.1 The Seller has been duly incorporated or formed and validly exists under the laws of its place of incorporation or formation.
- 1.2 The Seller has the power to enter into and perform this Agreement and this Agreement constitutes (when executed) binding obligations on the Seller in accordance with its terms.
- 1.3 The execution, delivery and performance by the Seller of this Agreement does not constitute a breach of any laws or regulations in any relevant jurisdiction or result in a breach of or constitute a default or otherwise be prohibited under (i) any provision of its articles of association, by laws or equivalent constitutional documents; (ii) any order, judgment, decree or decision of any court or governmental authority in any jurisdiction; or (iii) any agreement or instrument to which it is a party or by which it is bound.
- 1.4 The execution, delivery and performance by the Seller of its obligations under this Agreement will not require it to obtain any consent, waiver or approval of, or give any notice to or make any registration or filing with, any governmental, regulatory, other authority or other person which has not been obtained or made at the date of this Agreement on a basis both unconditional and which cannot be revoked.
- 1.5 No order has been made, petition presented or resolution passed for the Seller's winding up and no administrator nor any receiver, manager or equivalent officer has been appointed by any person in respect of it or all or any of its assets and, so far as it is aware, no steps have been taken to initiate any such appointment and no voluntary arrangement has been proposed.

2. TITLE TO SHARES

The Seller is the sole legal and beneficial owner of the Shares and is entitled to transfer the legal and beneficial title to the Shares to the Purchaser free from all Encumbrances, without the consent of any other person and no Encumbrance has been granted to any person or otherwise exists affecting those Shares, and no commitment to create any such Encumbrance has been given, nor has any person claimed any such rights.

Part 2 – General

1. TARGET COMPANY INFORMATION

The particulars set out in Schedule 1 are true and accurate.

2. SHARES

- 2.1 The Shares are fully paid, or credited as fully paid, and constitute the whole of the allotted and issued share capital of the Super Dragon Limited and Videotel Marine Asia Limited.
- 2.2 No person has any right to require at any time, the transfer, creation, issue or allotment of any share, loan capital or other securities (or any rights or interest in them) of any Target Company, and neither the Seller nor any Target Company has agreed to confer any such rights, and no person has claimed any such right.
- 2.3 Save for (i) Super Dragon Limited's ownership of the entire issued share capital of Videotel Consultants and Rentals Limited, Videotel Marine International Limited and Videotel Training Services Ltd and (ii) Videotel Marine Asia Limited's owners of the entire issued share capital of Videotel Pte Ltd; no Target Company:
- 2.3.1 owns nor has it agreed to acquire, any shares, loan capital or any other securities or interest in any company;
- 2.3.2 has at any time had any subsidiaries or subsidiary undertakings (within the meaning of section 1162 of the Companies Act 2006);
- 2.3.3 is, or has agreed to become, a member of any partnership or other unincorporated association, joint venture or consortium (other than recognised trade associations); or
- 2.3.4 has a branch or permanent establishment outside the United Kingdom, Hong Kong or Singapore.
- 2.4 No Target Company has purchased, redeemed, reduced, repaid or forfeited any of its share capital.

3. CONSTITUTIONAL AND CORPORATE DOCUMENTS

- 3.1 A copy of the constitutional documents of each Target Company has been included in the Data Room, and such copy documents are true, accurate and complete.
- 3.2 All returns, particulars, resolutions and other documents that each Target Company is required by law to file with, or deliver to, any authority have been correctly made up in all material respects and duly filed or delivered.
- 3.3 The statutory books (including, without limitation, all registers and minute books) of each Target Company have been properly kept and contain a true, accurate and materially complete record of the matters which should be dealt with in them and no notice or allegation that any of them is incorrect or should be rectified has been received.
- 3.4 There is in force no power of attorney or other authority (express, implied or ostensible) given by any Target Company to any person to enter into any contract or commitment on its behalf other than to its employees to enter into routine trading contracts in the usual course of their duties.
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- 3.5 All the dividends and equity distributions paid by any Target Company to its shareholder have been carried out in full compliance with the applicable law.
- 3.6 In the last five years, all accounting, financial and other records of any Target Company:
 - 3.6.1 have been properly prepared and maintained in all material respects;
 - 3.6.2 constitute an accurate record of all matters required by law to appear in them, and comply with applicable law;
 - 3.6.3 do not contain any material inaccuracies or discrepancies; and
 - 3.6.4 are in the possession of the Target Group.

4. SOLVENCY

- 4.1 No order has been made and no resolution has been passed for the winding up of any Target Company or for a provisional liquidator or manager to be appointed in respect of any Target Company and no petition has been presented and no meeting has been convened for the purpose of considering the winding up of any Target Company nor, so far as the Seller is aware, has any meeting been convened for the purpose of considering the winding up of any Target Company by a third party.
 - 4.2 No administration order has been made and no petition for such an order has been presented in respect of any Target Company.
 - 4.3 No receiver, administrator or manager (which expression shall include an administrative receiver) has been appointed in respect of all or any of the assets of any Target Company, nor has any power of sale or power to appoint a receiver or manager under the terms of any mortgage, charge or other security in respect of all or any assets of any Target Company become exercisable.
 - 4.4 No voluntary arrangement or other compromise or arrangement in respect of the creditors of any Target Company generally, or any class of them, has been proposed or adopted.
 - 4.5 No moratorium has been proposed or is in force in respect of any Target Company.
 - 4.6 No Target Company has, nor has it admitted itself to be unable to pay its debts as they fall due, nor has any Target Company failed to pay its debts when due (otherwise than by reason of a bona fide dispute as to their amount or enforceability).
 - 4.7 No statutory demand has been served on any Target Company which has not been paid in full or been withdrawn.
 - 4.8 No loan capital, borrowings or interest is overdue for payment by any Target Company, nor has any Target Company received notice in writing that any loan capital, borrowings or interest is overdue for payment by any Target Company and no other material obligation or Indebtedness of any Target Company is overdue for performance or payment.
 - 4.9 No creditor of any Target Company has taken steps to enforce any debt or other sum owed by any Target Company, whether by legal proceedings, the exercise of a lien, power of distraint, sequestration, recovery of possession or otherwise (where such debt or sum remains unpaid).
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- 4.10 No Target Company has approved any corporate resolution regarding its dissolution or winding-up. No Target Company is under a compulsory dissolution or capital reduction event under applicable corporate law.
- 4.11 No unsatisfied judgment is outstanding against any Target Company.
- 4.12 No Target Company has suspended or ceased or threatened to suspend or cease to carry on all or a material part of its business.
- 4.13 So far as the Seller is aware, no event analogous to any of the foregoing has occurred in or outside England, Hong Kong or Singapore.

5. COMPLIANCE, CONSENTS AND REGULATORY

- 5.1 Each Target Company is entitled to carry on the Business without conflict with any valid right of any person, firm or company and each Target Company has conducted the Business in all material respects in accordance with all applicable laws and regulations of England, Hong Kong or Singapore or any applicable foreign country and there is no violation of, or default with respect to, any statute, regulation, order, decree or judgment of any court or any governmental agency of England, Hong Kong or Singapore or any applicable foreign country which may have an adverse effect upon the assets or business of any Target Company.
- 5.2 All necessary licences, consents, permits and authorisations (public or private) have been obtained by any Target Company to enable it to carry on the Business effectively in the places and in the manner in which such business is now carried on and so far as the Seller is aware all such licences, consents, permits and authorisations are valid and subsisting, and the Seller knows of no reason why any of them should be suspended, cancelled or revoked.
- 5.3 Each Target Company has at all times during the period it has been Controlled by the Seller, and so far as the Seller is aware, at all other times, conducted its business in accordance with Anti-Corruption Laws and there is no, and so far as the Seller is aware, has never been, and the Seller is not aware of any fact or matter which might give rise to, any:
 - 5.3.1 violation of or default;
 - 5.3.2 order, decree or judgment of any court or any governmental agency; or
 - 5.3.3 enquiry, investigation, reference, notification, proceeding, report or decision,

(in each case) whether in England, Hong Kong or Singapore or elsewhere, with respect to any such laws, regulations or conventions in relation to the assets or business of any Target Company or any of its officers, employees or agents. For these purposes, "Anti-Corruption Laws" means any laws, regulations or conventions in any part of the world related to combating bribery and corruption, including the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions and the UN Convention Against Corruption and the Bribery Act 2010.

6. DATA PROTECTION AND E-COMMERCE

- 6.1 Each Target Company has complied in all material respects with all applicable obligations under the Data Protection Legislation and the e-commerce laws applicable to the Business of such Target Company.
 - 6.2 As at the date of this Agreement, no claims or complaints have been received by any Target Company within the last two years, nor, solely in relation to the Business, by the Seller or its Affiliates, under any Data Protection Legislation or applicable e-commerce
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regulations from any data subject in relation to the Target Companies' processing of their personal data.

- 6.3 There are no outstanding or incomplete requests from data subjects seeking to exercise any of their rights in relation to their personal data as provided under the Data Protection Legislation in relation to the Business in relation to the Target Companies' processing of their personal data.
- 6.4 The Target Group has in all material respects processed personal data in compliance with applicable Data Protection Legislation, in particular:
 - 6.4.1 each Target Company has issued or otherwise made available appropriate privacy notices to data subjects (as appropriate) in accordance with the Data Protection Legislation; and
 - 6.4.2 each Target Company processes, and has processed during the last two years, personal data in accordance with a valid lawful basis and, when necessary, has obtained valid consents from the data subjects permitting each Target Company, and any relevant third parties, to process the personal data for the purpose intended by such Target Company.
- 6.5 As of the date of this Agreement, and so far as the Seller is aware, there has been no personal data breach (as defined in the Data Protection Legislation) or cyber incident which has had, or which the Seller reasonably believes could have, an adverse impact on the Business or which has resulted in any non-compliance with applicable Data Protection Legislation.
- 6.6 As of the date of this Agreement, in the last two years no Target Company nor, solely in relation to the Business, the Seller nor its Affiliates, has received any statutory notice or warrant or other written communication from an applicable authority established pursuant to Data Protection Legislation alleging and/or enforcing non-compliance with any Data Protection Legislation or any applicable e-commerce regulations, request or require an audit or compliance check, or prohibiting the transfer of Personal Data to a third party or out of the European Union.

7. COMPETITION

- 7.1 So far as the Seller is aware, no Target Company is engaged in any agreement, arrangement, practice or conduct which amounts to an infringement of the Competition Law of any jurisdiction in which any Target Group conducts business and so far as the Seller is aware no director is engaged in any activity which would be an offence or infringement under any such Competition Law.
- 7.2 So far as the Seller is aware, no Target Company is affected by any existing or pending decisions, judgments, orders or rulings of any relevant government body, agency or authority responsible for enforcing the Competition Law of any jurisdiction and no Target Company has given any undertakings or commitments to such bodies which affect the conduct of its business.
- 7.3 No Target Company is in receipt of any payment, guarantee, financial assistance or other aid from the government or any state body which was not, but should have been, notified to the European Commission under Article 108 of the Treaty on the Functioning of the European Union (ex-Article 88 of the Treaty establishing the European Community) for decision declaring such aid to be compatible with the internal market.

8. LITIGATION AND ARBITRATION

- 8.1 Neither any Target Company, nor any person for whose acts or defaults any Target Company may be vicariously liable, is engaged or involved as a party or prospective
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party in any of the following matters (such matters being referred to in this paragraph 8 as "Proceedings"):

8.1.1 any litigation, administrative, arbitration or other proceedings, claims, actions or hearings (except for debt collection in the normal course of business); or

8.1.2 any dispute with or, investigation, inquiry or enforcement proceedings by, any governmental, regulatory or similar body.

8.2 No Proceedings have been threatened or are pending by or against any Target Company, any Director or any person for whose acts any Target Company may be vicariously liable, and so far as the Seller is aware there are no circumstances likely to give rise to any such Proceedings.

8.3 No Target Company is affected by any existing or pending judgment, order, decision or ruling of any court, tribunal or governmental, regulatory or similar body, nor has it given any undertaking in connection with any Proceedings.

9. ACCOUNTS

9.1 The Accounts show a true and fair view of the assets, liabilities and state of affairs of the Company as at the Accounts Date and of the profits and losses of the Company for the financial year ended on the Accounts Date.

9.2 The Accounts have been prepared in accordance with applicable law and in a manner consistent with the Company's past practice.

9.3 The Accounts are not affected by any extraordinary, exceptional or non-recurring items.

10. THE MANAGEMENT ACCOUNTS

10.1 The Management Accounts were prepared on the same basis and in accordance with the same accounting principles and practices, consistently applied, as the Accounts.

10.2 The Management Accounts show reasonable representation of the state of affairs of members of the Target Group to which they relate at each date to which they relate and of the profits or losses of members of the Group to which they relate for each accounting period to which they relate.

10.3 The Management Accounts are not affected by any extraordinary, exceptional or non-recurring items.

11. CHANGES SINCE ACCOUNTS DATE

Since the Accounts Date:

11.1 the Business has been operated in the usual way so as to maintain it as a going concern;

11.2 so far as the Seller is aware and save for matters affecting similar businesses generally, there has been no material adverse change in the financial or trading position of the Business;

11.3 each Target Company has carried on its business in the ordinary and usual course and without entering into any transaction, assuming any liability or making any payment not provided for in the Accounts which is not in the ordinary course of its business and without any interruption or alteration in the nature, scope or manner of its business;

- 11.4 no Target Company has borrowed or raised any money or taken any financial facility nor has it granted any collateral or guarantee;
- 11.5 each Target Company has paid its creditors in a manner consistent with historical practice;
- 11.6 there has been no change in the manner or time of issue of invoices or the collection of debts by any Target Company;
- 11.7 no share or loan capital has been allotted or issued or agreed to be allotted or issued by any Target Company;
- 11.8 no distribution of capital or income has been declared, made or paid in respect of any share capital of any Target Company and (excluding fluctuations in overdrawn current accounts with bankers) no loan or loan capital or preference capital of any Target Company has been repaid in whole or part or has become liable to be repaid;
- 11.9 (i) no Target Company has lost any major or substantial customer for or supplier of all or any of its products, services or requirements; (ii) no major or substantial customer has significantly reduced its orders for all or any of the products or services of any Target Company; (iii) there has been no substantial change (apart from normal price changes) in the basis or terms on which any person is prepared to enter into contracts or do business with any Target Company; and so far as the Seller is aware no such loss, reduction or change has been threatened or is anticipated whether as a result of Completion or otherwise;
- 11.10 there has been no depletion in the net assets of any Target Company;
- 11.11 other than in the ordinary course of business no Target Company has offered or agreed to offer price reductions or discounts or allowances on sales of goods or services, or provided them or agreed to provide them at less than cost, to an extent which may materially affect the profitability of any Target Company;
- 11.12 no Target Company has entered into any new contract with any customer or sub-contractor in excess of \$150,000; and
- 11.13 no Target Company has incurred or agreed to incur capital expenditure in excess of \$150,000 in aggregate excluding capital expenditure in the ordinary course of the Business.

12. FINANCIAL ARRANGEMENTS

- 12.1 No Target Company has borrowings, and neither has it agreed to create any borrowings, from its bankers or any other source and, in respect of borrowings Disclosed, no Target Company has exceeded any limitation on its borrowing contained in its articles of association or in any debenture or loan stock deed or other instrument.
 - 12.2 There is no Encumbrance (other than a lien arising by operation of law in the ordinary course of business) over or affecting the whole or any part of the undertaking or assets of any Target Company.
 - 12.3 No part of the borrowings or loan capital of any Target Company is dependent on the guarantee or indemnity of or security provided by any other person outside of the Target Group.
 - 12.4 No person outside of the Target Group has given any guarantee of or security for any overdraft, loan or loan facility granted to any Target Company.
 - 12.5 There are no debts owing by any Target Company, other than debts which have arisen in the ordinary course of business.
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- 12.6 No Target Company is, nor has been, engaged in any arrangements which involve the raising or provision of finance and under which any Target Company is or might become liable to repay borrowings or other liabilities in the nature of indebtedness, in any such case where such arrangements or liabilities are not properly shown or reflected in the Accounts.
- 12.7 No Target Company is under any obligation to pay, purchase or provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment of, indemnity against the consequences of default in the payment of, or otherwise to be responsible for, any indebtedness of any other person outside of the Target Group.
- 12.8 During the period of five years ending on the date of this Agreement, no Target Company has applied for or received any grant or allowance from any authority or agency.
- 12.9 No Target Company has made any political donation to any political party or to any other political organisation or to any independent election candidate, nor has any Target Company incurred any political expenditure, in any such case either since the Accounts Date or in the year preceding the Accounts Date and it is not under any commitment to do so.

13. MATERIAL CONTRACTS

- 13.1 No Target Company has an agreement or arrangement with any customer or supplier on terms which are materially different from the standard terms of business of any Target Company, copies of which are in the Data Room.
 - 13.2 A true and complete copy of each Material Contract is contained in the Data Room.
 - 13.3 Neither any Target Company, nor so far as the Seller is aware, any other party to a Material Contract is in material default under any such agreement nor (so far as the Seller is aware) are there any circumstances likely to give rise to such a default and the Seller is not aware of the invalidity of or grounds for rescission, avoidance or repudiation of any Material Contract or any allegation of such a thing, and any Target Company has not served or received written notice to terminate any Material Contract.
 - 13.4 No offer, tender or the like is outstanding which is capable of being converted into an obligation of any Target Company by an acceptance or other act of some other person and which, if converted into an obligation, would constitute a Material Contract.
 - 13.5 No Target Company is a party to or subject to any agreement, transaction, obligation, commitment, understanding, arrangement or liability which:
 - 13.5.1 is a forward contract relating to foreign currency (including the dollar);
 - 13.5.2 involves or is likely to involve the supply of goods by or to any Target Company the aggregate sales value of which will represent more than five per cent of the turnover of any Target Company for its last financial year;
 - 13.5.3 requires any Target Company to pay any finders' fee, royalty, brokerage or commission;
 - 13.5.4 in any way restricts any Target Company's freedom to carry on the whole or any part of its business in any part of the world in such manner as it thinks fit;
 - 13.5.5 is an agreement or arrangement otherwise than by way of bargain at arm's length; or
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13.5.6 is in any way otherwise than in the ordinary and proper course of its business.

13.6 For the purposes of this paragraph 11.6, "Material Contract" shall mean any written contract to which a Target Company is a party calling for payments by any party thereto in excess of \$150,000 in any one year.

14. ASSETS

14.1 The assets included in the Accounts, together with any assets acquired by any Target Company since the Accounts Date (but excluding any those assets disposed of since the Accounts Date in the normal course of business) are:

14.1.1 save for those assets described as in the possession or control of the Seller or of its Affiliates in Schedule 4, legally and beneficially owned by any Target Company, free from Encumbrance or any other third party right, and any Target Company has legal title to such assets; or

14.1.2 save for those assets described as in the possession or control of the Seller or of its Affiliates in Schedule 4, in the possession and control of any Target Company, and

together with those assets described as in the possession or control of the Seller or of its Affiliates in Schedule 4, include all the assets necessary for the continuation of Business as it is carried on the Completion Date.

14.2 The plant, machinery, vehicles, office and other equipment used by any Target Company in connection with their respective businesses are in satisfactory working order, have been maintained and are capable of doing the work for which they were designed.

15. INTELLECTUAL PROPERTY AND INFORMATION TECHNOLOGY

15.1 All Intellectual Property and Information Technology used by the Business of each Target Company or needed for its operation is owned by or licensed to any Target Company free from all, liens, charges and Encumbrances and can be used by the applicable Target Company without restriction and without any requirement for payment to (other than the relevant licensor), agreements with or consents from any third party and comprise all the Intellectual Property and Information Technology necessary for the continuation of the Business as it is carried on the Completion Date.

15.2 All Intellectual Property used by any Target Company which is registrable has been registered or is the subject of an application for registration, details of which are set out in the Disclosure Letter, and all payments due and all registration and renewal formalities relating to it are up-to-date and correct.

15.3 So far as the Seller is aware the operation of any Target Company's business has not infringed, and does not infringe, any third party's rights in Intellectual Property.

15.4 The Seller is not aware of any actual or potential challenge or dispute relating to the Intellectual Property owned or used by any Target Company or of any infringement by third parties of such Intellectual Property.

15.5 All Intellectual Property created for any Target Company has been created by an employee of any Target Company (acting within the course of employment) or by a third party bound by an agreement and in each respect, the relationship vests ownership of all Intellectual Property in a Target Company.

- 15.6 Details of the Information Technology which is necessary to the operation of the Business by the Target Companies as carried out on the date of this Agreement is set out in the Data Room.
- 15.7 All Information Technology required to be disclosed under paragraph 15.6 is:
- 15.7.1 solely, legally and beneficially owned by any Target Company as the relevant owner, free from all liens, charges, options, Encumbrances and other rights; or
- 15.7.2 used by any Target Company as the relevant user pursuant to and within the terms and provisions of a valid, subsisting written contractual arrangement or licence to which any Target Company using such Information Technology is a party.
- 15.8 With respect to any third party software (including Open Source Software) used by any Target Company in conducting the Business as currently conducted, incorporated into or contained in the Proprietary Software, so far as the Seller is aware each Target Company does not violate any agreement, constraints, requirements or restrictions on or relating to such Open Source Software and they comply, and have complied, with the relevant licence terms in respect of such third party software.
- 15.9 All Information Technology required to be disclosed under paragraph 15.5 is (and has been in the previous three years) in all material respects in good working order and is (and has been in the previous three years) in all material respects operated and maintained in accordance with good industry practice.
- 15.10 No Target Company has experienced any material disruption in the last three (3) years in its operations as a result of (a) any security breach or other unauthorised access or acts in relation to any Information Technology, (b) any failure or other substandard performance of any Information Technology howsoever arising, including as a result of (i) the existence of any software bug, virus, worm, trojan or other malicious code or software based defect, or (ii) any insufficiency of hardware data storage or hardware processing capacity, or (iii) the occurrence or processing of any date or dates. So far as the Seller is aware, no circumstance exists which is likely or expected to give rise to any such disruption.
- 15.11 Save where disclosure to persons engaged in the development of Proprietary Software in accordance with paragraph 15.5 of this Schedule has occurred, the Seller has not disclosed any source code relating to any Proprietary Software to any third party and no source code relating to any Proprietary Software has been disclosed to, or so far as the Seller is aware otherwise become known by, any third party.
- 15.12 The Seller is not a party to any agreement or arrangement, or otherwise subject to any duty, which (in either case) restricts the free use or disclosure by each of them of any source code relating to any of the Proprietary Software.
- 15.13 Details of all domain names registered in the name of or used by any Target Company are set out in the Data Room. All registrations in relation to such domain names have been maintained and all related fees and necessary administrative steps have been (respectively) paid and taken.
- 15.14 Each Target Company has the benefit of appropriate arrangements for the maintenance, support and disaster recovery of its Information Technology, in order to prevent any material disruption to the Business.
16. DIRECTORS, EMPLOYEES AND CONSULTANTS
- 16.1 As of the date of execution of this Agreement, the employees of the Business are those anonymously indicated in the schedule of employees contained in • of the Data Room,
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which indicates the job title, annual gross salary, and the permanent, temporary or other type of employment of each employee. None of these terms and conditions are presently being negotiated or modified, nor has any undertaking been made for their modification except in the ordinary course of business consistent with past practice. Each individual engaged by the Business is employed by a Target Company. Neither self-employed workers, agency workers nor outsourcing companies' employees who render services for the Business, presently or in the last three years, have claimed, or are in a position to claim, having a labour relationship with the Business nor any Target Company.

- 16.2 Copies of each type of contract of employment entered into by a Target Company in respect of the Key Persons has been provided in the Data Room.
- 16.3 Each Target Company complies and has complied in the last three (3) years, in all material respects, with employment, social security and prevention on occupational hazards legislation, collective bargaining agreements and employment contracts affecting a Target Company's employees, self-employed workers, subcontractor's employees, directors and managers of a Target Company. Each Target Company has in the last three (3) years been materially compliant with provisions concerning pension undertakings, hiring of workforce and Target Company management and directors, as well as self-employed workers.
- 16.4 Each Target Company is up to date with the payment of all remuneration due to its employees (including variable remuneration) as well as with the payment of its social security obligations. No Target Company has pending social security debts nor deferrals with the Social Security administration.
- 16.5 No agreement or undertaking exists whereby a Target Company must pay to any, present or former, employee, manager or officer of the Target Group any kind of compensation, severance payment or benefit of any nature for dismissal, termination or departure of his/her contract with the Target Group (in excess of payment for notice) for an amount exceeding the minimum statutory severance payment established for each case.
- 16.6 No present or former employee, officer or manager of the Target Group is entitled to (i) share option and incentive schemes; (ii) profit sharing, bonus, commission or other incentive schemes; (iii) any other scheme under which pay varies (other than normal overtime) and (iv) any scheme under which benefits granted could be considered vested as a result of this Agreement.
- 16.7 There are no sums or other liabilities owed by any Target Company to any director, employee or former employee of the Target Group, other than amounts representing reimbursement of expenses, wages for the current salary period (including bonuses payable to players or managers pursuant to existing arrangements) and accrued holiday pay for the current holiday year. All amounts due and payable on or before Completion in relation to pension contributions, social security contributions, social insurance contributions and other mandatory payments to the employees of the Target Group have been duly paid on the due dates for such payments.
- 16.8 There are no claims existing or threatened, either administrative or judicial, in relation to any Target Company, by or in respect of employment, social security, prevention on occupational hazards' issues or any other matter arising from their employment, and, so far as the Sellers are aware, there are no facts or matters which could give rise to such claims.

17. RETIREMENT BENEFITS

- 17.1 No Target Company has any obligation to provide or contribute towards pension, lump sum, death, ill-health, disability or accident benefits ("Relevant Benefits") in respect of its current or former officers or employees or workers ("Pensionable Employees")
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and no proposal or announcement has been made to any employee or officer or worker of any Target Company about the introduction, continuance, increase or improvement of, or the payment of a contribution towards, any Relevant Benefits.

- 17.2 No Target Company is, and has never been, a participating employer in a defined benefit pension scheme.
- 17.3 No notices, fines, or other sanctions have been issued by the Pensions Regulator since the Seller acquired the Target Group on July 2 2014 and so far as the Seller is aware no instances of non-compliance with the automatic enrolment obligations have been notified to the Pensions Regulator in respect of any Target Company.
- 17.4 All contributions, insurance premiums, tax and expense due to, and in respect of, the Relevant Benefits have been duly paid. There is no liability outstanding in respect of the Relevant Benefits at the Completion Date.
- 17.5 No Target Company has discriminated against any Pensionable Employee on any grounds in providing any Relevant Benefits.
- 17.6 No claims or complaints have been made or so far as the Seller is aware are pending or threatened in respect of the provision of (or failure to provide) any Relevant Benefits by any Target Company in relation to any of the Pensionable Employees and so far as the Seller is aware there is no fact or circumstance likely to give rise to such claims or complaints.

18. PROPERTY

- 18.1 No Target Company owns any real estate property in England, Hong Kong or Singapore or abroad. Likewise, no Target Company has right of ownership, right to use, option, right of first refusal or contractual obligation to purchase, or any other legal or equitable right affecting any lands and buildings.
- 18.2 In this paragraph 18, "Previously-owned Land and Buildings" means any land and buildings that has or have, at any time before the date of this Agreement, been owned (under whatever tenure) and/or occupied and/or used by any Target Company, but which are either:
 - 18.2.1 no longer owned, occupied or used by any Target Company; or
 - 18.2.2 owned, occupied or used by any Target Company but pursuant to a different lease, licence, transfer or conveyance.
- 18.3 No Target Company has any liability (whether actual or contingent) in respect of Previously-owned Land and Buildings, nor has it given any guarantee or indemnity for any liability relating to any of the properties, any Previously-owned Land and Buildings or any other land and buildings.

19. ENVIRONMENTAL

- 19.1 In this paragraph 19, the following words and expressions have the following meanings:
 - "Hazardous Substances" means any natural or artificial substances or materials (whether solid, liquid, gas or otherwise and whether alone or in combination with any other substance or material) capable of causing harm to human health and/or the environment, including, for the avoidance of doubt, noise, light, radiation, heat, vibration, waste, carbon dioxide and/or any other greenhouse gases;
 - "HSE Laws" means all applicable statutes and subordinate legislation and other national, international or European Union laws, common laws, by-laws, rules, guidance
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notes, codes of practice, circulars, orders, decisions and/or judgments, insofar as they relate to or apply to HSE Matters from time to time;

"HSE Matters" means matters relating to human health, safety, the environment, the use or exploitation of any environmental or natural resources and/or Hazardous Substances; and

"HSE Permits" means any permit, licence, consent, permission, authorisation, notification, allowance, certificate, credit, waiver, application or exemption necessary in relation to either the carrying on of the business of any Target Company or in relation to the properties and/or any other right relating to the use or exploitation of any environmental or natural resource.

- 19.2 No Target Company has received any notice of breach of any HSE Laws and HSE Permits, has obtained all HSE Permits (which are in full force and effect) and so far as the Seller is aware no circumstances exist which will result in the variation, limitation, cancellation, surrender, suspension, revocation or expiry of any HSE Permits or non-compliance with HSE Laws.
- 19.3 So far as the Seller is aware, no HSE Matters exist or have arisen out of the business or former business of any Target Company or exist or have arisen at, in, under or from the properties or any other property owned, occupied or controlled by any Target Company which could give rise to fines, penalties, losses, damages, costs, expenses or any other liabilities or which could require any works.
- 19.4 Each Target Company and/or the properties are individually and/or cumulatively not required to participate in any form of climate change and/or emissions reduction, record keeping, conservation or trading scheme (including but not limited to the CRC Energy Efficiency Scheme, the Climate Change Levy and/or the European Union Emissions Trading Scheme).

20. INSURANCE

- 20.1 Each Target Company maintains, and has at all material times maintained, adequate insurance cover against all losses, liabilities and risks.
- 20.2 The policies of insurance maintained by or on behalf of any Target Company are in full force and effect, all premiums due on them have been paid and so far as the Seller is aware all other conditions of the policies have been performed and observed. No Target Company has done, nor has it omitted to do, anything that may result in an increase in the premium payable for any of the policies, or affect the renewal of any of the policies. There are no outstanding claims under, or in respect of the validity of, any of the policies and, so far as the Seller is aware, there are no circumstances likely to give rise to a claim under any of the policies.

Part 3 – Taxation

In this part, defined terms have the same meaning as set out in the Tax Covenant.

- 1. Since the Accounts Date:
 - 1.1 no member of the Target Group has been involved in any transaction which has given rise (or, so far as the Seller is aware, may give rise) to a liability to Taxation on any of them (or would have given rise to such a liability but for the availability of any Relief) other than Taxation in respect of normal trading income, receipts or payments of the Target Group arising from transactions entered into by them in the ordinary course of business;
 - 1.2 no expense (other than expenses incurred in the ordinary course in respect of business entertaining) in excess of £50,000 has been incurred by any member of the Target Group which will not be deductible for the purposes of Tax, either in computing the
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profits of the Target Group or in computing the Tax or corresponding Taxation chargeable on them.

2. The Accounts reserve or provide in accordance with generally accepted accounting practice for all Tax for which the Target Group was at the Accounts Date liable or able to be made liable and the Accounts reserve for any disputed, contingent or deferred liability to Tax in accordance with generally accepted accounting practice, including in particular any provision or reserve for Tax in accordance with FIN48 (or any similar or analogous accounting requirement).
 3. Since the acquisition of the Target Group by the Seller on 2 July 2014, each Target Company has filed correctly and in due time all the Tax returns which it is required to file or submit in accordance with the Tax Statutes in relation to all Taxes, it has duly and punctually paid all Taxes for which it is liable (in its capacity as taxpayer, withholding agent, substitute, liable party on a secondary or joint and several basis, or in any other capacity) within the legally established time period.
 4. Since the acquisition of the Target Group by the Seller on 2 July 2014, all Tax returns filed by any Target Company were accurate, complete and correct at the time they were filed and were prepared in accordance with the applicable Tax Statutes, with a correct calculation of the Taxes due, and none of them is or has been, the subject of any dispute or, so far as the Seller is aware, investigation with any Tax Authority. No Target Company is currently under any liability to pay any penalty, surcharge, fine or interest in connection with Taxes and, so far as the Seller is aware, there is no existing circumstance by reason of which any Target Company may become liable to pay any, penalty, surcharge, fine or interest in connection with Taxes.
 5. Since the acquisition of the Target Group by the Seller on 2 July 2014, each Target Company has maintained (to the extent required by the Tax Statutes) all the necessary information and documentation to support the correct calculation of Taxes (including the calculation of Reliefs) declared in Tax returns submitted by each Target Company including details (where relevant) of all consents, clearances, arrangements, Tax audits, Tax postponements or deferrals, agreements or elections which have been obtained or made in relation to Tax affairs of any Target Company and which have had relevance to the Tax affairs of any Target Company.
 6. Since the acquisition of the Target Group by the Seller on 2 July 2014, each member of the Target Group has sufficient records as required by the Tax Statutes of past events to permit accurate calculation of the Taxation liability or Relief which would arise on the disposal on Completion of each capital asset owned by each member of the Target Group.
 7. Since the acquisition of the Target Group by the Seller on 2 July 2014, each Target Company has deducted or withheld all Taxes which it has been obliged by law to deduct or withhold from amounts paid (including to employees, directors, independent professionals, shareholders or service providers) and has filed in due time all withholding Tax returns in accordance with applicable Tax Statutes, and it has duly and punctually paid to the Tax Authority all amounts of Taxes so deducted or withheld.
 8. Each Target Company is and has at all times been resident in its country of incorporation for Tax purposes and is not and has not at any time in that period been treated as resident in any other jurisdiction for any Tax purpose (including under any double taxation arrangement). No Target Company is subject to Tax in any jurisdiction other than its place of incorporation by virtue of having a permanent establishment or other place of business in that jurisdiction for any Tax purpose (including under any double taxation arrangement).
 9. Since the acquisition of the Target Group by the Seller on 2 July 2014, all claims made by the Target Group for group relief or allowance were valid when made and the Target Group have met all procedural and other requirements under the Tax Statutes in respect of such claims for group relief or allowance.
 10. The implementation of the transaction contemplated by this Agreement (including the entry into this Agreement and/or Completion) will not give rise to any deemed disposal or realisation by any Target Company of any asset or liability for any Tax purpose or withdrawal, claw-back or
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non-availability of any Relief which has been claimed by any Target Company on or prior to Completion.

11. So far as the Seller is aware, there are no circumstances which could cause any Tax Authority to deny relief for interest paid by any Target Company.
 12. In respect of all material transactions entered into by any Target Company under which any Target Company is an affected person within the meaning of Part 4 Taxation (International and Other Provisions) Act 2010 (or any overseas equivalent) and in respect of which those provisions permit a Tax Authority to make adjustments, so far as the Seller is aware, provisions between each Target Company and other affected persons are not susceptible to adjustment by any Tax Authority. Since the acquisition of the Target Group by the Seller on 2 July 2014, there has been no challenge by any Tax Authorities to the transfer pricing of any intra-group transactions.
 13. No Target Company is involved in any non-routine audit, dispute, investigation, proceeding, request for ruling or action in relation to Taxes with any Tax Authority which is outstanding at the date of this Agreement, and so far as the Seller is aware, no such dispute or investigation is expected. Moreover, no Target Company has been the subject or recipient of any judgment or non-routine investigation of a Tax nature since the acquisition of the Target Group by the Seller on 2 July 2014.
 14. Since the Accounts Date, no distribution or deemed distribution has been made (or will be deemed to have been made) by any Target Company, except dividends shown in their statutory accounts, and no Target Company is bound to make any such distribution.
 15. For the purposes of this paragraph 15 the expression "VAT legislation" includes any relevant Tax Statutes in relation to VAT and all other enactments in relation to VAT and all notices, provisions and conditions made or issued thereunder. In relation to each Target Company:
 - 15.1 it is registered for the purposes of VAT, has been so registered at all times that it has been required to be registered by VAT legislation and such registration is not subject to any conditions imposed by or agreed with the relevant Tax Authority;
 - 15.2 since the acquisition of the Target Group by the Seller on 2 July 2014, (to the extent relevant) it has complied with and observed in all material respects the terms of VAT legislation;
 - 15.3 which is registered for VAT in the United Kingdom it does, and is entitled to, fully recover any input VAT it incurs on its expenditure;
 - 15.4 since the acquisition of the Target Group by the Seller on 2 July 2014, (to the extent relevant) it has maintained and obtained at all times complete, correct and up-to-date records, invoices and other documents (as the case may be) appropriate or requisite for the purposes of VAT legislation and has preserved such records, invoices and other documents in such form and for such periods as are required by VAT legislation;
 - 15.5 it is not and has not been treated as a member of a group for the purposes of VAT legislation, and has not applied for such treatment or, if it has been so treated, it has accounted to the representative member of the relevant group for all VAT that is properly attributable to it.
 16. All documents in the possession or under the control of each Target Company or to the production of which any Target Company is entitled which establish or are necessary to establish the title of any Target Company to any asset and in respect of which any stamp duty, stamp duty reserve tax or stamp duty land tax or any similar tax in the case of any jurisdiction other than the UK is payable (and in respect of which acknowledgment of payment is required to be denoted by stamping of such document), have been duly stamped (where applicable and required) and any applicable stamp duties have been duly accounted for and paid.
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17. There are no assets held by any Target Company at Completion in respect of which the Seller is aware, or ought reasonably to be aware, that an additional Tax return in respect of the acquisition of that asset will be required to be filed with a Tax Authority and/or a payment of stamp duty or transfer or registration tax in respect of the acquisition of that asset made on or after Completion.
18. Since the acquisition of the Target Group by the Seller on 2 July 2014, no event has occurred as a consequence of which any Target Company is or may be held liable for or to indemnify any person in respect of any Tax which, in each case, is primarily or directly chargeable against or attributable to any person other than any Target Company.
19. No Target Company is bound by any Tax indemnity, Tax sharing or Tax grouping agreement, or fiscal unity, irrespective of whether such agreement is written or not, in respect of which any Target Company owes or, so far as the Seller is aware, could owe Tax to a company which is not a member of the Target Group.
20. In this paragraph 20, "employee" means an employee of any member of the Target Group or any person who is or has been or could properly be treated as an employee of any member of the Target Group for Taxation purposes by any Tax Authority.
 - 20.1 No member of the Target Group has made, nor agreed to make, any payment to, or provided or agreed to provide any benefit for, any director or former director, officer or employee of any member of the Target Group as compensation for loss of office or termination of employment which is not allowable as a deduction in calculating the profits of the Target Group for Taxation purposes.
 - 20.2 There are no securities, options over securities or interests in securities in each case which are employment related securities or securities options as defined in Part 7 of the Income Tax (Earnings and Pensions) Act 2003 acquired prior to Completion in respect of which any member of the Group may have to account for income Tax or national insurance, social fund or similar contributions liabilities (or equivalent obligations in any jurisdiction) of any employee. If any share options have been granted by any Target Company or granted by any member of the Seller Group to any employee of any Target Company, such share options will have expired, been cancelled or otherwise cease to exist prior to Completion.
21. So far as the Seller is aware, since the acquisition of the Target Group by the Seller on 2 July 2014:
 - 21.1 no member of the Target Group has ever received advice from qualified Tax advisors, that any transactions to which the Target Group or any Target Company is or was a party constitute or form part of any Tax avoidance scheme in any jurisdiction; and
 - 21.2 no Tax Authority has challenged any Target Company on tax anti-avoidance grounds.
22. So far as the Seller is aware, since the acquisition of the Target Group by the Seller on 2 July 2014, no Target Company has been involved in any transaction or series of transactions which (or any part of which) may for any Tax purposes need to be specifically disclosed to a Tax Authority (other than as part of routine periodic compliance) or which is at risk of being disregarded, re-characterised or reconstructed, in each case by reason of any motive to avoid, reduce or delay a liability to Tax.
23. The only entities in the UK corporation tax group payment arrangement are the UK Targets (as defined in the Tax Deed).

Prior to Completion, no entity classification election pursuant to IRS Form 8832 has been made in respect of any Target Company

Part 2 – Preparation of Completion Statement

1. The Seller will provide to the Purchaser such information in its possession as is reasonably required to assist with the preparation of the Completion Statement (the "Completion Statement Information") as soon as practicable after Completion and in any event within ten (10) Business Days of Completion. The Purchaser shall permit the Seller and or their nominated representative access to all accounting records up to the date of Completion at reasonable times upon reasonable notice for the purposes of collating and providing the Completion Statement Information.
 2. The Purchaser shall within sixty (60) Business Days of the date of receipt of the Completion Statement Information from the Seller, prepare and submit to the Seller a draft of the Completion Statement in respect of any Target Company, prepared in accordance with Part 3 of this Schedule 3 and in the form set out in Part 4 of this Schedule 3.
 3. The Seller may serve a written notice on the Purchaser stating that it objects (an "Objection Notice") or that it does not object (an "Acceptance Notice") to the draft Completion Statement within a period of fifteen (15) Business Days following receipt of the draft Completion Statement and if the Seller serves an Acceptance Notice or does not serve an Objection Notice within that period then such draft shall be, or shall deemed to be, as the case may be, the agreed Completion Statement for the purposes of this Agreement.
 4. If the Seller serves an Objection Notice within the requisite time period in accordance with paragraph 3 above, such notice must identify those items of the Completion Statement which the Seller disputes, the reasons for its objection and the effect that the Seller believes that the items in dispute have on the relevant amounts set out therein together with full details of the calculations of such effect and supporting working papers.
 5. If the Seller provides the Purchaser with an Objection Notice within the time period and in accordance with paragraph 4 above, then the Completion Statement shall be regarded as being disputed and the Purchaser and the Seller shall endeavour to agree any matter in dispute. If the matter in dispute is resolved by agreement between the Purchaser and the Seller, the Purchaser and the Seller shall certify the draft Completion Statement (subject to any amendment agreed between the Purchaser and the Seller) as being the Completion Statement and it shall become final and binding on the Purchaser and the Seller for the purposes of this Agreement.
 6. If the Purchaser and the Seller are unable to resolve any disagreements within ten (10) Business Days of the service of the Objection Notice, then either the Purchaser or the Seller may require by notice in writing that the outstanding matters be referred to the Independent Accountants for determination with instructions to adjudicate the objection or disputed items in accordance with this Agreement and the provisions of Part 3 of this Schedule 3. Only those items or amounts specified in the Objection Notice and not resolved pursuant to paragraph 5 of this Part 2 of this Schedule 3 shall be treated as being in dispute and no amendment may be made to the Completion Statement by the Seller, the Purchaser or the Independent Accountant save in respect of those items in dispute.
 7. The Purchaser will provide (and will procure that any Target Company provides) and the Seller will provide, to each other, their respective accountants (if any) and the Independent Accountants without charge:
 - 7.1 access to all such Accounts, books, documents, records and papers (which may be in their possession or under their control) relating to any Target Company;
 - 7.2 access to such personnel (including in the case of the Seller, the auditors and other professional advisers engaged by any Target Company prior to Completion) and premises; and
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7.3 acting in good faith, all such co-operation and assistance,

as may reasonably be required to produce the Completion Statement or make the relevant adjudication.

8. The Purchaser and the Seller shall bear their own costs incurred pursuant to Clause 5 and this Part 2 of this Schedule 3.
 9. Following agreement or determination of the Completion Statement, the Cash, Indebtedness and Working Capital shall be set out in the final Completion Statement.
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Part 3 – Relevant principles, policies, bases, practices and methods

1. The accounting principles, policies, bases, practices and methods (including for purposes of tax) to be used in the preparation of the Completion Statement are as follows:
 - 1.1 the specific principles, policies, bases, practices and methods detailed in paragraph 2 below; and subject thereto;
 - 1.2 the specific principles, policies, bases, practices and methods detailed in paragraph 3 below; and subject thereto; and
 - 1.3 the principles, policies, bases, practices and methods consistent with those used in the preparation of the Management Accounts, to the extent compliant with US GAAP as at the Accounts Date and subject thereto.

For the avoidance of doubt, paragraph 1.1 shall take precedence over paragraphs 1.2 and 1.3 and paragraph 1.2 shall take precedence over paragraph 1.3.

2. The following specific principles, policies, bases, practices and methods shall be used in preparation of the Completion Statement to the extent they are applicable to the Target Group:
 - 2.1 a liability will be included in the Completion Statement in respect of the uncertain tax provisions as referenced in the FIN48 tax provisions memo contained in the Data Room including all interest and penalties;
 - 2.2 a liability shall be included in the Completion Statement in respect of employee bonuses, including retention bonuses and social security costs thereon, and any bonuses crystallising as a result of the proposed transaction, in each case accrued but unpaid as at the Effective Time;
 - 2.3 a liability shall be included in the Completion Statement in respect of any liability in relation to any employee stock option accrued but unpaid as at the Effective Time;
 - 2.4 a liability shall be included in the Completion Statement in respect of any unpaid fees, costs and/or expenses in relation to any audits as at the Effective Time;
 - 2.5 a liability shall be included in the Completion Statement in respect of customer amounts that have a credit balance as at the Effective Time;
 - 2.6 an asset shall be included in the Completion Statement in respect of the net indebtedness owing to the Target Companies by the Seller's Group (which for the avoidance of doubt shall exclude the Target Group) immediately prior to the Effective Time; and
 - 2.7 full provision shall be made in the Completion Statement in respect of all costs, fees, interests, Tax and/or expenses in relation to the settlement, after Completion, of indebtedness owing to the Target Companies by the Seller's Group (which for the avoidance of doubt shall exclude the Target Group) immediately prior to the Effective Time.
3. The following specific principles, policies, bases, practices and methods shall be used in preparation of the Completion Statement:

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies. The following principal accounting policies have been applied:

Going concern

The Group is expected to continue to generate positive cash flows, on its own account, for the foreseeable future. The Group participates in centralised treasury arrangements with its parent and fellow subsidiaries to share banking arrangements.

The Group's directors have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Goodwill

Goodwill is reviewed for impairment annually on 1 October based upon quantitative analysis. For the 1 October 2018 test, we performed a qualitative assessment of goodwill impairment and concluded that it was more likely than not that our reporting units' fair values exceeded their carrying values.

Intangible assets

Customer Relationships

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years, the website's estimated useful life is 8 years and it is therefore amortised over this period.

Proprietary Content

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years, the website's estimated useful life is 5 years and it is therefore amortised over this period.

Production and course costs

Production costs relating to the creation of training materials and other film media are capitalised

where they relate to a separately identifiable project of ongoing commercial value to the Company. Each such asset is recorded within intangible assets and amortised on a straight-line basis over its estimated useful economic life (typically 4 years).

Where a third party contributes towards the Company's production costs in return for an entitlement to royalty income generated by the sale of such media, that obligation is recognised as a liability. That liability is initially recorded within provisions at the amount received, which is considered to represent its fair value on inception, and this fair value is subsequently remeasured at each Statement of Financial Position date. Any differences on such remeasurement are recorded in the Statement of Comprehensive Income.

Website

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years, the website's estimated useful life is 3 years and it is therefore amortised over this period.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on a straight-line basis.

The estimated useful lives range as follows:

- Fixtures and fittings - 5 years
- Office and Computer equipment - 3 years
- Videotel on Demand' units - 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out-basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Foreign currency translation

Functional and presentational currency

The Group's functional and presentational currency is Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pensions

The Group operates a defined contribution plan for its employees. A defined contribution pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the period that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Share based payments

Our share-based compensation cost is measured at the grant date based on the fair value of the award and is recognised as expense over the requisite service period, which is generally the vesting period.

We use the Black-Scholes valuation model for estimating the fair value on the date of grant of compensatory share options. Determining the fair value of share option awards at the grant date requires judgment regarding certain valuation assumptions, including the volatility of our share price, expected term of the option, risk-free interest rate and expected dividends. Changes in these assumptions and estimates could result in different fair values and could therefore impact our earnings. These changes would not impact our cash flows. The fair value of restricted Share awards is based upon our share price on the grant date.

The amount of share-based compensation expense recorded in any period for unvested awards requires estimates of the amount of share-based awards that are expected to be forfeited prior to vesting. We have elected to account for forfeitures as they occur

Compensation costs for awards subject only to service conditions that vest ratably are recognized on a straight-line basis over the requisite service period for the entire award. We have no awards that are subject to performance or market conditions.

Part 4 – Independent Accountants' Appointment

1. The Independent Accountants shall be appointed by agreement between the Seller and the Purchaser. If the Seller and the Purchaser cannot agree within fifteen (15) Business Days of receipt of a notice by the Purchaser or the Seller that the other elects to appoint an Independent Accountant, then the Independent Accountants shall be appointed by the President, or an officer appointed by him, of the Institute of Chartered Accountants of England and Wales among the following accounting firms: Deloitte LLP, Ernst & Young LLP, PricewaterhouseCoopers LLP and KPMG LLP.
 2. The Purchaser and the Seller shall each use reasonable endeavours to agree the terms of appointment and reference of the Independent Accountant as soon as reasonably practicable.
 3. The Independent Accountants shall be instructed to:
 - 3.1 invite the Seller and the Purchaser to submit to them, within such time limits (not being less than fifteen (15) Business Days and not more than twenty-five (25) Business Days) as they may consider appropriate, such representations and cross-representations with such supporting evidence as they may respectively wish as to the draft Completion Statement or the subject matter of adjudication (as appropriate); and
 - 3.2 within forty (40) Business Days of its appointment or within such extended period as the Seller and the Purchaser may agree, give to each of them their determination of the Completion Statement or adjudication (as appropriate).
 4. The fees and expenses of the Independent Accountants including the fee payable for their nomination, shall be borne by the Seller and the Purchaser in the proportions determined by the Independent Accountants but, failing such determination, they shall be payable by the Seller and the Purchaser in equal shares who shall each bear their own costs, fees and expenses.
 5. If the Independent Accountants are unwilling to act, or become incapable of acting, or if, for any other reason, they are unable to act, then the Sellers or the Purchaser may request the President or an officer appointed by him of the Institute of Chartered Accountants in England and Wales to discharge the firm appointed as the Independent Accountants and appoint another in their place to act in the same capacity, which procedure may be repeated as many times as necessary.
 6. The Independent Accountants will determine (using their own legal advice as appropriate) any question of the legal construction of this Agreement insofar as it is relevant to preparation of the Completion Statement or the subject matter of the adjudication. If the Independent Accountants obtain legal advice, a copy of the advice and any instructions on which it is based will be delivered to the Sellers and to the Purchaser.
 7. The Independent Accountants will act as an expert (and not as an arbitrator) in making their determination which will (in the absence of fraud or manifest error) be final and binding on the parties.
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SCHEDULE 4
POST COMPLETION UNDERTAKINGS

Part 1 – Services to Seller's Group

[Omitted]

Part 2 – Services to Target Group

[Omitted]

Videotel Transition Plan

[Omitted]

SCHEDULE 5
VIDEOTEL TRAINING PRODUCTS

[Omitted]

IN WITNESS of which the Parties have executed this Agreement on the date first mentioned above.

Executed as a deed) /s/ ALEX COLLINS
For and on behalf of)
PELICAN HOLDCO LIMITED)

in the presence of

Name: Sam Fenton-Whittet

Profession: Finance

Address: 3 Cadogan Gate, London SW1X
0AS

/s/ SAM FENTON- WHITTET

.....
(Witness)

Executed as a deed) /s/ MARK WOODHEAD
For and on behalf of)
KVH MEDIA GROUP LIMITED)

in the presence of

Name: Anthony Pike

Profession: Finance and Operations Director

Address:

/s/ ANTHONY PIKE
.....

(Witness)

Executed as a deed)
For and on behalf of) /s/ MARTIN KITS VAN HEYNINGEN
KVH INDUSTRIES, INC.)

in the presence of

Name: Felise Feingold

Profession: General Counsel

Address: 50 Enterprise Center, Middletown RI

/s/ FELISE FEINGOLD
.....

(Witness)

DATED 13 MAY 2019

PELICAN HOLDCO LIMITED

and

KVH MEDIA GROUP LIMITED

and

KVH INDUSTRIES, INC.

TAX DEED OF COVENANT
relating to the sale and purchase of the
entire issued share capital of
SUPER DRAGON LIMITED
and VIDEOTEL MARINE ASIA LIMITED

PAUL
HASTINGS

Paul Hastings (Europe) LLP
Ten Bishops Square, Eighth Floor
London, E1 6EG

Tel: +44 20 3023 5100
Fax: +44 20 3023 5109

THIS DEED was made on 13 May 2019

BETWEEN:

1. KVH MEDIA GROUP LIMITED, a private limited company incorporated under the laws of England with registered number 06462774 and having its registered office at 2a Queen Street Leeds, West Yorkshire LS1 2TW (the "Seller");
2. PELICAN HOLDCO LIMITED, a private limited company incorporated in England under registered number 11988300 whose registered office is at 3 Cadogan Gate, London, SW1X 0AP (the "Purchaser"); and
3. KVH INDUSTRIES, INC., a corporation incorporated in the State of Delaware with registered number 05042-0589 and having its registered office at 50 Enterprise Center, Middletown, RI 02842] (the "Seller's Guarantor"),

each a "Party" and together the "Parties".

WHEREAS:

- (A) Pursuant to the Agreement (as defined below), the Seller has agreed to sell and the Purchaser has agreed to purchase the Shares (as defined in the Agreement) to be effective as of Completion (as defined in the Agreement). This Deed is entered into pursuant to the terms and conditions of the Agreement.
- (B) Pursuant to clause 12 of the Agreement, the Seller's Guarantor has agreed to guarantee the performance by the Seller of its obligations under, among others, the Agreement and this Deed.

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION

1.1 In this Deed, unless the contrary intention appears, words and expressions defined in the Agreement (as defined below) have the same meaning given to them therein and the provisions in the Agreement concerning matters of construction or interpretation shall also apply.

1.2 In this Deed, the following expressions shall have the following meanings:

"Accounting Period" means any period by reference to which any Income, Profits Or Gains, or any other amounts relevant for the purposes of Tax, are measured or determined;

"Accounts Relief" means any Relief which has been treated as an asset in the Completion Statement and any Relief taken into account in computing (and so reducing or eliminating) any provision for deferred Tax in the Completion Statement or which has resulted in no provision for deferred Tax being made in the Completion Statement;

"Actual Tax Liability" means a liability, or payment in respect of the same, of a Target Company to make or suffer an actual payment of or in respect of any Tax;

"Agreement" means the agreement between the Seller, the Purchaser and the Seller's Guarantor for the sale and purchase of the Shares dated 2019;

"Claim for Tax" means any claim for or in respect of any breach of the Tax Warranties or under this Deed;

"Costs" means third party costs (including legal costs) and expenses in each case of any nature whatsoever;

"Deemed Tax Liability" means:

- (a) the loss of any Accounts Relief; or
- (b) the use or set off of any Purchaser's Relief in circumstances where, but for such use or set off, an Actual Tax Liability would have arisen in respect of which the Seller would have been liable to the Purchaser under this Deed,

and, where paragraph (a) or (b) above applies, the amount that is to be treated for the purposes of this Deed as a Tax Liability of a Target Company shall be determined as follows:

- (i) where the Relief that is the subject of the loss or which is used or set off as mentioned in those paragraphs is a deduction from or offset against Tax, the Tax Liability shall be the amount of that Relief so lost, used or set off;
- (ii) where the Relief that is the subject of the loss or which is used or set off as mentioned in those paragraphs is a deduction from or offset against Income, Profits Or Gains, the Tax Liability shall be, in the case of a Relief which is used or set off, the amount of Tax saved thereby and, in the case of a Relief which is lost, the amount of Tax which but for such loss would have been saved by virtue of the Relief so lost; and
- (iii) where the Relief that is the subject of the loss or setting off is a repayment of Tax, the Tax Liability shall be the amount of the repayment that would have been obtained but for the loss, use or setting off;

"Event" includes (without limitation) any event, act, transaction (including, without limitation, the execution of the Agreement and Completion), payment, expiry of any time period, default, omission or occurrence of any nature whatsoever and whether or not any Target Company or the Purchaser is a party to it, and also the death or the winding up or dissolution of any person, any change in residence of a person for the purposes of any Tax, any failure to take action which would have prevented or avoided an apportionment or deemed distribution of income (regardless of whether any action taken after the Completion could have prevented or avoided the apportionment or deemed distribution), any Target Company becoming or ceasing to be associated or connected with any person for the purposes of any Tax, the earning, receipt or accrual for any Tax purpose of any gross receipts, income, profit or gains, the incurring of any loss or expenditure, and any reference to an Event occurring shall include Events that, for Tax purposes, are deemed to have, or are treated or regarded as having, occurred, and any reference to an Event occurring on or before a particular date, shall include Events that, for Tax purposes, are deemed to have, or are treated or regarded as having, occurred on or before that date;

"Group Relief" means any Relief available (whether by transfer, surrender, tax sharing or otherwise) between members of a Tax Group;

"Hong Kong Targets" means Super Dragon Limited and Videotel Marine Asia Limited;

"Income, Profits Or Gains" means income, profit, gains and any other consideration, value, receipt or measure by reference to which Tax is chargeable or assessed;

"Overprovision" means, subject to Clause 8.5, an amount by which any provision in the Completion Statement relating to Tax (other than deferred Tax) is overstated applying the accounting policies, principles and practices adopted in relation to the preparation of the Completion Statement;

"Purchaser's Group" means the Purchaser and any other company or companies which either are or become after Completion, or have within the six years ending at Completion been treated as members of the same group as, or otherwise connected or associated in any way with, the Purchaser for any Tax purpose (including, after Completion, the Target Group);

"Purchaser's Relief" means:

- (a) any Accounts Relief;
- (b) any Relief arising to the Target Group in respect of an Event occurring or period commencing after Completion; and
- (c) any Relief arising to any member of the Purchaser's Group (other than the Target Group) at any time;

"Relevant Person" means any member of the Seller's Group and any company, partnership or individual which may be treated for relevant Tax purposes as being, or as having at any time been, either a member of the same group of companies as a member of the Target Group or otherwise connected to or associated with a member of the Target Group, but not including any member of the Target Group;

"Relief" includes, unless the context otherwise requires, any allowance, credit, deduction, exemption or set-off in respect of any Tax or relevant to the computation of any Income, Profits Or Gains for the purposes of any Tax, or any repayment of or saving of Tax (including any repayment supplement or interest in respect of Tax), and:

- (a) any reference to the "use" or "set off" of Relief shall be construed accordingly and shall include use or set off in part; and
- (b) any reference to the "loss" of a Relief shall include the absence, non-existence or cancellation of any such Relief, or to such Relief being available only in a reduced amount;

"Seller's Group" means the Seller and any other company or companies which either are or become after Completion, or have within the six years ending at Completion been, treated as members of the same group as, or otherwise connected or associated in any way with, the Seller for any Tax purpose (including, on or prior to Completion, the Target Group);

"Seller's VAT Group" means the VAT group whose representative member is KVH Media Group Limited ("**Representative Member**") and in respect of which the UK Targets are a member;

"Tax" or "Taxation" includes (whether of the United Kingdom or elsewhere), without limitation, (a) taxes on gross or net income, profits and gains (including without limitation amounts equivalent to or in respect of income tax required to be deducted or withheld from or accounted for in respect of any payment), and (b) all other taxes, levies, duties, imposts, charges and withholdings of any nature in the nature of tax (including, without limitation in connection with the UK construction industry scheme), including any excise, property, value added, sales, use, occupation, transfer, franchise and payroll taxes and any national insurance or social security contributions, but excluding water rates, business rates and other utility or local authority charges, together with all penalties, charges, surcharges and interest relating to any of the foregoing or to any late or incorrect return in respect of any of them, and regardless of whether such taxes, levies, duties, imposts, charges, withholdings, penalties and interest are chargeable directly or primarily against or attributable directly or primarily to the relevant person or any other person, and of whether any amount in respect of them is recoverable from any other person;

"Tax Authority" means any taxing or other authority (whether within or outside the United Kingdom) competent to impose any Tax Liability, or assess or collect any Tax;

"Tax Claim" means:

- (a) the issue of any notice, demand, assessment, letter or other document by or on behalf of any Tax Authority or the imposition of any withholding of or on account of Tax; or
- (b) the preparation or submission of any notice, return, assessment, letter or other document by the Purchaser, any Target Company, or any other person,

from which it appears that a liability has been incurred by or will be imposed on the Target Group, being a liability which could give rise to a liability for the Seller under this Deed or for breach of the Tax Warranties;

"Tax Documents" means Tax Returns, Tax claims and other documents in respect of Tax relating to the Target Group;

"Tax Group" means those companies treated for the purposes of determining the amount of or liability for or relief from any Tax as being members of the same group or fiscal unity;

"Tax Liability" means an Actual Tax Liability or a Deemed Tax Liability or other liability which gives or may give rise to a claim by the Purchaser against the Seller under this Deed;

"Tax Return" means any return required to be made to any Tax Authority of Income, Profits Or Gains or of any other amounts or information relevant for the purposes of Tax, including any related accounts, computations and attachments;

"Tax Statute" means any directive, statute, enactment, law or regulation wherever enacted or issued, coming into force or entered into providing for or imposing any Tax, or providing for the reporting, collection, assessment or administration of any Tax liability, and shall include orders, regulations, instruments, bye-laws or other subordinate legislation made under the relevant statute or statutory provision and any directive, statute, enactment, law, order, regulation or provision that amends, extends, consolidates or replaces the same or that has been amended, extended, consolidated or replaced by the same;

"Time Limit" means the latest date on which a Tax Document can be executed or delivered to a relevant Tax Authority either without incurring interest or a penalty, or in order to ensure that such Tax Document is effective;

"UK Targets" means Videotel Marine International Limited, Videotel Consultants and Rentals Limited and Videotel Training Services Limited;

"VAT" means value added tax and any similar sales or turnover tax (including interest and penalties thereon); and

"VAT Group Liability" means any liability of one member of a group for VAT purposes to account for VAT on supplies actually made by another member of that group for VAT purposes.

1.3 In this Deed, unless otherwise specified:

1.3.1 references to Clauses are to Clauses of this Deed and references to the Schedule are references to the Schedule to this Deed;

1.3.2 headings to Clauses are for convenience only and do not affect the interpretation of this Deed;

- 1.3.3 words in the singular shall include the plural and vice versa;
- 1.3.4 a reference to "includes" or "including" shall mean "includes without limitation" or "including without limitation";
- 1.3.5 references to this Deed include this Deed as amended or supplemented in accordance with its terms;
- 1.3.6 references to "period" are to a period of time and not to an Accounting Period unless the phrase "Accounting Period" is used;
- 1.3.7 any reference to Income, Profits Or Gains "earned, accrued or received" on or before a particular date or in respect of a particular period shall include income, profits or gains which for Tax purposes are deemed to have been or are treated or regarded as earned, accrued or received on or before that date or in respect of that period;
- 1.3.8 persons shall be treated as "connected" if they are connected within the meaning of section 1122 of the Corporation Tax Act 2010;
- 1.3.9 references to the Seller include the respective estate and personal representatives of the Seller;
- 1.3.10 references to any statute shall include any supplementary, subordinate or amending legislation and any consolidating or rewritten legislation;
- 1.3.11 references to a repayment of Tax include any repayment, supplement or interest in respect of it;
- 1.3.12 where references are made to any notice to be given, or to any other communication that is to be made, to the Seller by the Purchaser, any reference to the Seller shall include any representative(s) of the Seller agreed between the parties under this Deed or otherwise;
- 1.3.13 for the avoidance of doubt, references to any Tax Liability of any Target Company in consequence of or in respect of or by reference to an Event which occurred on or before Completion shall include a reference to any Tax Liability of such Target Company resulting from the sale of such Target Company pursuant to the Agreement.

1.4 In this Deed,

- 1.4.1 for the purpose of determining whether:
 - (A) a Tax Liability or Relief has arisen, or
 - (B) a Target Company is or becomes entitled to a right to repayment or receives an actual repayment of Tax,in either case, in respect of a period ending on or before Completion or in respect of any period commencing after Completion, an accounting period of the relevant Target Company shall be deemed to have ended on Completion; and
- 1.4.2 for the purpose of determining whether:
 - (A) any Income, Profits Or Gains have been earned, accrued or received, or
 - (B) an Event has occurred

in either case, on or before Completion or after Completion, an accounting period of the relevant Target Company shall be deemed to have ended on Completion.

- 1.5 For the purposes of this Deed any stamp duty which is charged or chargeable on any document executed prior to Completion which is necessary to establish the title of any Target Company to any asset or in the enforcement or production of which such Target Company is interested shall be deemed, together with any interest, fines or penalties relating to such stamp duty, to be a liability of such Target Company to make an actual payment of Tax.
- 1.6 Any payments made by the Seller to the Purchaser under this Deed shall (so far as possible) be treated as an adjustment to the consideration for the Shares to the extent of the payment.
- 1.7 No delay or omission by the Purchaser in exercising any rights under this Deed shall prejudice such rights or be construed as a waiver or partial waiver of such rights, nor shall it exclude the further exercise of such rights.
- 1.8 The Purchaser shall in its absolute discretion decide whether to make a claim under this Deed or the Agreement or both.

2. COVENANT

Without prejudice to the generality of the provisions of the Agreement and subject to the provisions of this Deed, the Seller covenants with the Purchaser that it will pay to the Purchaser an amount equivalent to:

- 2.1 Any Actual Tax Liability arising in respect of, by reference to or in consequence of:
 - 2.1.1 any Income, Profits Or Gains earned, accrued or received on or before Completion;
 - 2.1.2 any Event which occurs or occurred on or before Completion;
- 2.2 Any Deemed Tax Liability;
- 2.3 Without prejudice to the generality of the other provisions of this Clause 2, any VAT Group Liability of any Target Company arising as a result of supplies actually made after Completion by any member of the Seller's Group (other than the Target Group) which is or has been a member of the same group for VAT purposes as any Target Company;
- 2.4 Without prejudice to the generality of the other provisions of this Clause 2:
 - 2.4.1 any liability of the Target Group to make a payment, or to make a repayment of the whole or any part of any payment, to any person (other than a member of the Purchaser's Group) in respect of Group Relief under any arrangement or agreement entered into by any Target Company on or before Completion except to the extent that such payment or repayment is reflected in the Completion Statement;
 - 2.4.2 the loss in whole or in part of the right of the Target Group to receive any payment (other than from a member of the Purchaser's Group) for Group Relief under any arrangement or agreement entered into on or before Completion where such payment was taken into account in the Completion Statement;
- 2.5 Without prejudice to the generality of the other provisions of this Clause 2, any Tax Liability that is a liability of any Target Company to account for employment taxes or national insurance or social security contributions, whether arising before, on or after Completion, in respect of the grant, exercise, surrender, exchange or other disposal of an option or other right to acquire securities, or in respect of any acquisition, holding, variation or disposal of

securities, in each case where the acquisition of the security or the grant of the option, or other right to acquire the security occurred before Completion;

- 2.6 Without prejudice to the generality of the other provisions of this Clause 2, any liability of any Target Company to make a payment or repayment under any indemnity, covenant, warranty, mortgage, guarantee or charge entered into (or created) on or before Completion of a sum equivalent to (or calculated by reference to) another person's liability for Tax;
- 2.7 Without prejudice to the generality of the other provisions of this Clause 2, any Tax Liability arising due to any Relevant Person failing to pay Tax due to be paid by them, whether arising before, on or after Completion; and
- 2.8 Without prejudice to the generality of the other provisions of this Clause 2, any Tax Liability arising as a result of the Hong Kong Targets being treated as resident for Tax purposes in the United Kingdom and/or being treated as having a place of business in the United Kingdom for UK VAT purposes, in each case at any time on or before Completion.

3. COSTS

The covenant contained in Clause 2 of this Deed shall extend to any and all reasonable Costs properly incurred by the Purchaser's Group or any Target Company in connection with a successful claim under this Deed or in connection with the subject matter of any such claim.

4. EXCLUSIONS AND LIMITATIONS

- 4.1 Subject to Clause 4.2 of this Deed, the Seller shall not be liable for any Tax Liability in respect of claims under Clause 2 or Clause 3 of this Deed or for any breach of any of the Tax Warranties to the extent that:
 - 4.1.1 provision, allowance or reserve (other than a provision for deferred Tax) in respect of the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) is made in the Completion Statement (excluding the notes or any underlying ledgers thereto); or
 - 4.1.2 the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) was discharged on or before Completion and the discharge of such liability was reflected in the Completion Statement; or
 - 4.1.3 (in the case of a claim under this Deed) the Purchaser is otherwise compensated under the Tax Warranties or any other provision of the Agreement in respect of that Tax Liability; or
 - 4.1.4 the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) is increased as a result only of any increase in rates of Tax which is announced and comes into force after Completion or of any change in law or in the published practice or concession of any Tax Authority which is announced and comes into force after Completion; or
 - 4.1.5 a Relief arising to the relevant Target Company in respect of an Event occurring or period ending prior to Completion (other than a Purchaser's Relief) is actually available to the Target Company to set-off against the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties); or
 - 4.1.6 the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) would not have arisen but for a change in accounting policies (including a change in accounting reference date other than a change made to comply with UK GAAP or law) after Completion; or

- 4.1.7 that Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) would not have arisen but for a voluntary transaction, action or omission carried out by the Purchaser or the Target Group at any time after Completion, other than any such transaction, action or omission carried out, effected or made:
- i. pursuant to a legally binding commitment of the Target Group created on or before Completion, including for the avoidance of doubt any transaction, action or omission carried out, effected or made pursuant to the terms of this Deed; or
 - ii. in accordance with a requirement imposed by law or with any regulatory, financial reporting or accounting practice or requirement having the force of law; or
 - iii. at the written request or with the written consent of the Seller; or
 - iv. in the ordinary course of business as carried on by the Target Group immediately prior to Completion; or
 - v. in circumstances where the Purchaser or the party in question could not reasonably have foreseen would give rise to that Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) having taken reasonable steps; or
 - vi. without prejudice to the generality of sub-paragraphs (A) to (E) above, reasonably and in good faith in responding accurately to any enquiry from any Tax Authority; or
 - vii. to exercise the central management and control of the Hong Kong Targets outside the United Kingdom; or
- 4.1.8 the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) would not have arisen but for any claim, election, surrender or disclaimer made or notice or consent given after Completion under, or in connection with, the provisions of any Tax legislation by any member of the Target Group or the Purchaser's Group (other than anything:
- i. the making, giving or doing of which was taken into account in computing any provision, allowance or reserve for Tax in the Completion Statement;
 - ii. that was made, given or done at the written request of the Seller; or
 - iii. that was required to comply with any Tax legislation or with generally accepted accounting practice current at Completion); or
- 4.1.9 the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) would not have arisen but for the withdrawal or amendment by any member of the Target Group or the Purchaser's Group after Completion of any claim, surrender, disclaimer, notice or consent validly made prior to Completion by a member of the Target Group or made after Completion in respect of the period ending on or before Completion or as a result of being taken into account in the Completion Statement in each case save where such withdrawal or amendment is made or effected:
- i. pursuant to a legally binding commitment of the Target Group created on or before Completion; or
 - ii. at the written request or with the written consent of the Seller; or

- iii. in circumstances where the Purchaser or the party in question making the withdrawal or amendment could not reasonably have foreseen would give rise to that Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) having taken reasonable steps; or
 - iv. without prejudice to the generality of sub-paragraphs (A) to (C) above, reasonably and in good faith as a result of a request by a Tax Authority as part of an enquiry into the Target Group; or
- 4.1.10 the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) would not have arisen but for the failure or omission by any member of the Target Group or the Purchaser's Group to make any claim, election, surrender or disclaimer or give any notice, or consent or do any other thing under or in connection with the provisions of any Tax legislation where the making, giving or doing of which was taken into account in computing any provision, allowance or reserve in the Completion Statement (other than where the failure or omission was required to comply with any Tax legislation or with generally accepted accounting practice in either case in force at Completion), provided that the details of that claim, election, surrender, disclaimer, notice, or consent were given to the Purchaser by the Seller in writing in sufficient time and detail to enable the relevant member of the Target Group to make that claim, election, surrender or disclaimer or give any notice or consent; or
- 4.1.11 the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) is in respect of interest and/or penalties and arises or is increased or any provision, allowance or reserve is insufficient as a consequence of any failure or delay by any member of the Target Group or the Purchaser's Group in complying with clause 6 or clause 7 of this Deed;
- 4.1.12 the income, profits or gains in respect of which the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) in question arises were actually earned, accrued or received by the Target (excluding for the avoidance of doubt any income, profits or gains deemed to have been earned, accrued or received) Group prior to Completion but were not reflected in the Completion Statement; or
- 4.1.13 the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) would not have arisen but for a cessation or any change in the nature or conduct of any trade carried out by a member of the Target Group on or after Completion; or
- 4.1.14 the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) has been made good by insurers or otherwise compensated for without cost to the Target Group or any other member of the Purchaser's Group; or
- 4.1.15 the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) is in respect of interest and/or penalties which would not have arisen but for any failure or delay by the any member of the Target Group or the Purchaser's Group in paying over to any Tax Authority any payment made by the Seller under this Deed or for breach of any of the Tax Warranties.
- 4.2 The Seller shall not be liable in respect of a Claim for Tax unless the Purchaser gives written notice to the Seller containing a summary of the nature of the Claim for Tax as far as it is known to the Purchaser on or before the date falling seven years from Completion.
- 4.3 The provisions of clause 8 of the Agreement shall apply to this Deed to the extent stated therein.

5. DUE DATE OF PAYMENT AND INTEREST
- 5.1 Where a claim under this Deed relates to an Actual Tax Liability, the Seller shall pay to the Purchaser the amount claimed under this Deed in respect thereof on or before the date which is the later of the date ten (10) Business Days after the demand is made thereof under this Deed and the tenth (10th) Business Day prior to:
- 5.1.1 in the case of Tax in respect of which there is no provision for payment by instalments, the latest date on which the Tax in question can be paid to the relevant Tax Authority in order to avoid a liability to interest or penalties accruing;
- 5.1.2 in the case of Tax in respect of which there is requirement for payment by instalments, each date on which an instalment of such Tax becomes payable.
- 5.2 Where a claim under this Deed relates to the loss or set off of a repayment of Tax, the Seller shall pay to the Purchaser the amount claimed under this Deed in respect thereof on or before the date which is the later of the date ten (10) Business Days after the demand is made thereof under this Deed and the date when such repayment would have been due were it not for such loss or setting off.
- 5.3 Where a claim under this Deed relates to the loss, use or set off of any Relief other than a repayment of Tax, the Seller shall pay to the Purchaser the amount claimed under this Deed in respect thereof on or before the date which is the later of the date ten (10) Business Days after demand is made therefor under this Deed, and:
- 5.3.1 in the case of a Relief which is used or set off, the date or dates referred to in Clauses 5.1.1 or 5.1.2 that would have applied to the Tax saved by the use or set off of the Relief if that Tax had been payable; or
- 5.3.2 in the case of a Relief which is lost, the date or dates referred to in Clauses 5.1.1 or 5.1.2 that apply to the Tax which but for such loss would have been saved by virtue of such Relief.
- 5.4 Any sum not paid by the Seller on the due date for payment specified in this Clause 5 shall bear interest (which shall accrue from day to day after as well as before any judgment for the same) at the rate of four (4) per cent. per annum over the base rate of Barclays Bank PLC from the due date to and including the day of actual payment of such sum, compounded quarterly. Such interest shall be paid on the demand of the Purchaser.
- 5.5 All sums payable by the Seller under this Deed shall be made in full without any set off or counterclaim howsoever arising.
- 5.6 All sums payable by the Seller under this Deed shall be paid free and clear of all deductions or withholdings whatsoever, save as required by law. If any deduction or withholding is required by law to be made from any sums payable by the Seller under this Deed, the Seller shall pay such additional amount as will, after such deduction or withholding has been made, leave the Purchaser with the full amount which would have been received by it had no such deduction or withholding been required to be made (after giving credit for any relief from or credit in respect of Tax available to the Purchaser in respect of the deduction or withholding or the matter giving rise to it).
- 5.7 If any sum paid to the Purchaser in respect of an obligation of the Seller under this Deed (including in circumstances where any Relief is available in respect of such charge to Tax) is required by law to be brought into charge to Tax, then the Seller shall pay such additional amount as shall be required to ensure that the total amount paid, less the Tax chargeable on such amount (or that would be so chargeable but for such Relief), is equal to the amount that would otherwise be payable (after giving credit for any relief from or credit in respect of Tax available to the Purchaser in respect of the payment or the matter giving rise to it).

- 5.8 The Seller shall not be obliged to pay any amount under clause 5.6 or 5.7 to the extent that it would not have arisen but for:
- 5.8.1 the Purchaser assigning the whole or any part of the benefit of this Deed and/or the Agreement; or
- 5.8.2 the Purchaser not being resident in the United Kingdom for Tax purposes.
6. MANAGEMENT AND CONDUCT OF TAX AFFAIRS
- 6.1 The Seller or its duly authorised agents or advisers shall prepare and submit the Tax Returns of each Target Company for its tax accounting periods ended on or before Completion ("Pre-Completion Tax Returns") the costs and expenses for which shall be shared equally between the Purchaser and the Seller (save to the extent that such costs and expenses are specifically provided for in the Completion Statement, in which case, the Target Companies shall be so liable).
- 6.2 The Seller shall deliver to the Purchaser for comments any Pre-Completion Tax Returns, document or correspondence ("Relevant Information") to be submitted to any relevant Tax Authority no later than forty five (45) days before the Time Limit for submission to the Tax Authority and subject to this Clause 6 shall take account of the reasonable comments of the Purchaser and make such amendments to the Relevant Information as the Purchaser may reasonably require in writing within thirty (30) days of the date of delivery of the Relevant Information.
- 6.3 The Seller shall deliver to the Purchaser copies of any correspondence sent to, or received from, any Tax Authority relating to the Pre-Completion Tax Returns and shall keep the Purchaser fully informed of its actions under this Clause 6.
- 6.4 Subject to Clauses 6.2, 6.3 and 6.10, the Purchaser shall procure that:
- 6.4.1 the Target Group properly authorises and signs the Pre-Completion Tax Returns, provided that the Purchaser will not be obliged to procure that any Target Company signs and/or submits any document which in its reasonable opinion it considers to be wrong, misleading or inaccurate in any material respect (for the avoidance of doubt, the Purchaser will be under no obligation to make enquiry as to the completeness or accuracy thereof and will be entitled to rely entirely on the Seller and the approved agents of the Seller in respect thereof);
- 6.4.2 the Target Group provides to the Seller, at the Seller's cost and expense, such information and assistance, including without limitation such access to its books, accounts and records which may reasonably be required to prepare, submit, negotiate and agree the Pre-Completion Tax Returns; and
- 6.4.3 any correspondence which relates to the Pre-Completion Tax Returns shall, if received by the Purchaser or the Target Group or their agents or advisers, be as soon as reasonably practicable, copied to the Seller.
- 6.5 The Purchaser shall procure that each member of the Target Group or its duly authorised agents or advisers shall prepare and submit the Tax Returns of each Target Company for its tax accounting period which is current at Completion (the "Straddle Period Tax Returns").
- 6.6 The Seller shall provide the Purchaser and the Target Group with all such information and assistance, including without limitation such access to its personnel, books, accounts and records which may reasonably be required to prepare, submit, negotiate and agree the Straddle Period Tax Returns, or to negotiate and agree any Pre-Completion Tax Returns or other Tax Documents relating to a period or periods prior to Completion or current at Completion.

- 6.7 The Purchaser shall, or shall procure that each member of the Target Group shall, deliver the Straddle Period Tax Returns in draft to the Seller no later than forty five (45) days prior to the Time Limit for which the Straddle Period Tax Returns are to be submitted to the relevant Tax Authority and subject to this Clause 6 shall take account of the reasonable comments of the Seller and make such amendments to the Straddle Period Tax Returns as the Seller may reasonably request in writing within thirty (30) days of the date of delivery of the Straddle Period Tax Returns to the Seller.
- 6.8 The Purchaser shall procure that each Target Company or its duly authorised agents or advisers shall deal with the agreement of (and any enquiries, requests for information or correspondence from any Tax Authority ("Correspondence") in relation to) each Pre-Completion Tax Return and Straddle Period Tax Return save that:
- 6.8.1 the Purchaser shall, as soon as practicable following receipt, provide the Seller with a copy of any Correspondence that relates to any Pre-Completion Tax Return or to any pre-completion matter reflected in any Straddle Period Tax Return ("Relevant Correspondence");
- 6.8.2 the Seller shall, within fifteen (15) days of receiving copies of any Relevant Correspondence, be entitled to comment on the subject matter and the way in which the relevant Target Company should respond to or otherwise deal with the subject matter, and the Purchaser shall procure that the Target Company adopts or otherwise takes account of any such reasonable comments;
- 6.8.3 the Purchaser shall keep the Seller reasonably and promptly informed of the progress of dealing with any such Relevant Correspondence;
- 6.8.4 the Purchaser shall procure that the relevant Target Company shall not amend any Pre-Completion Tax Return or Straddle Period Tax Return without the approval of the Seller (such approval not to be unreasonably withheld or delayed where such amendment could give rise to a liability of the Seller under this Deed or for breach of the Tax Warranties.
- 6.9 The Seller shall not take without the Purchaser's prior written consent (such consent not to be unreasonably withheld or delayed), and the Purchaser shall not be obliged to take, any action pursuant to this Clause 6 or any action in respect of the VAT position of any Target Company which is likely to materially increase the amount of Tax payable by, or otherwise adversely affect the business or Tax affairs of, the Purchaser or the Target Group in respect of accounting periods which fall wholly or partly after Completion.
- 6.10 The Purchaser shall be under no obligation to procure the authorisation, signing or submission to a Tax Authority of any Tax Documents, elections, surrenders, claims, notices or other document delivered to it under this Clause 6 which it considers, in its reasonable opinion, is false, misleading, incomplete or inaccurate in any material respect.
- 6.11 Notwithstanding the remainder of this Clause 6, the Purchaser and the Seller shall:
- 6.11.1 in good faith consider the making of a timely and valid Section 338(g) election to be executed by authorised personnel of the Purchaser with respect to the transaction effected by the Agreement by filing Form 8023 with the relevant Tax Authority within such time as is agreed between the Purchaser and the Seller;
- 6.11.2 in good faith consider the making of an entity classification election on IRS Form 8832 with respect to any Target Company in respect of any periods which have ended on or prior to Completion and in respect of the Straddle Period;

6.11.3 provide the other Party with all such information and assistance, including such access to its personnel, books, accounts and records which may reasonably be required in order to consider the making of the elections under this Clause 6.11,

provided always that the Purchaser shall be under no obligation to make any election under this Clause 6.11:

- (A) if the Seller has not indemnified the Purchaser and the relevant Target Company for any reasonable Costs that may be suffered or incurred in taking or procuring the taking of any action under this Clause 6.11 (but, for the avoidance of doubt, provided such indemnity has been given by the Seller, the Purchaser shall not use the Costs of considering the making of any election under this Clause 6.11 as a "good faith" reason not to so consider);
- (B) which it considers, in its reasonable opinion (i) would be unlawful, false, misleading, incomplete or inaccurate in any material respect; or (ii) would, or is reasonably likely to, cause any member of the Target Group or any other member of the Purchaser's Group to: (A) incur a material liability (or increased liability) to Tax (whether historically, currently or in the future); or (B) to defer a material liability (or increased liability) to Tax, in each case ignoring any available Purchaser's Reliefs other than any Reliefs arising directly as a result of the making of any such election.

7. NOTIFICATION OF CLAIMS AND CONDUCT OF DISPUTES

- 7.1 If the Purchaser receives or becomes aware of a Tax Claim, the Purchaser shall or shall procure that the relevant Target Company shall as soon as reasonably practicable and in any event within ten days give written notice to the Seller of the Tax Claim together with reasonable details of such Tax Claim as are available to the Purchaser at such time (provided always that the giving of such notice and reasonable details of the Tax Claim shall not be a condition precedent to the liability of the Seller hereunder).
- 7.2 If any Seller should become aware of a Tax Claim, it shall promptly (and in any case within ten days of becoming so aware) notify the Purchaser in writing.
- 7.3 Subject to Clauses 7.4 and 7.5, if the Seller indemnifies the Purchaser and the relevant Target Company to the Purchaser's reasonable satisfaction against all liabilities, costs, damages or expenses that may be incurred (including any additional Liability for Tax), the Purchaser shall take and shall procure that the relevant Target Company shall take any action that the Seller may reasonably request by notice in writing given to the Purchaser to avoid, dispute, defend, resist, appeal, request an internal HMRC review or compromise any Claim for Tax.
- 7.4 The Purchaser and the relevant Target Company shall not be obliged to appeal or procure an appeal against any assessment to Tax if the Purchaser, having given the Seller written notice of that assessment, does not receive written instructions to do so from the Seller's Representatives within fifteen Business Days of the date of the notice to do so.
- 7.5 Without prejudice to the liability of the Seller under this Deed, the Purchaser shall not be obliged to take, or procure the taking of, any action under Clause 7.3 in respect of any Tax Claim:
 - 7.5.1 if the Seller does not request the Purchaser to take any action under clause 7.3 or the Seller fails to indemnify the Purchaser and the relevant Target Company to the Purchaser's reasonable satisfaction in a reasonable period of time (starting with the date of the notice given to the Seller's Representative), considering the nature of the Claim for Tax and the existence of any time limit for avoiding, disputing,

- defending, resisting, appealing, seeking a review or compromising that Claim for Tax; or
- 7.5.2 where the Seller (or the Target Group before Completion) has engaged in fraudulent conduct or deliberate default relating to the Tax Liability that is the subject matter of the Claim for Tax; or
- 7.5.3 to the extent that the Claim for Tax involves an appeal against a determination by the Tax Chamber of the First-tier Tribunal or higher tribunal; or
- 7.5.4 where such action shall, in the opinion of the Purchaser (acting reasonably and in good faith) be materially prejudicial to the commercial interests of the Purchaser or the Target Group (provided always that the mere making of an appeal, defending, resisting or disputing a Tax Liability, requesting an internal review or entering into negotiations with a Tax Authority shall not be considered to be materially prejudicial for these purposes).
- 7.6 If Clause 7.3 does not apply by virtue of any provision in Clause 7.4 or 7.5, the Purchaser or the relevant Target Company shall have the absolute conduct of the Claim for Tax (without prejudice to its rights under this Deed) and shall be free to pay or settle the Claim for Tax on any terms that the Purchaser or the relevant Target Company in its absolute discretion considers fit (acting in good faith).
8. CORRESPONDING BENEFITS
- 8.1 If, on or before the first anniversary of the expiry of the time limit for bringing Claims for Tax under Clause 4.2, the auditors of the relevant Target Company (the "Auditors") shall certify (at the request and expense of the Seller) that:
- 8.1.1 there is an Overprovision, then any such amount shall be dealt with in accordance with Clause 8.2; or
- 8.1.2 any Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) which has resulted in a payment having been made or becoming due from the Seller under this Deed (or an actual payment having been made under the Agreement for a breach of the Tax Warranties) would give or has given rise to a Relief for any of the Target Group (or the Event which gave rise to the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) has given rise to such Relief) which would not otherwise have arisen, then, as and when the liability of the relevant Target Company to make an actual payment of or in respect of Taxation (being a liability in respect of which the Seller would not have been liable to make a payment under this Deed) is reduced by reason of that Relief (and in this respect the relevant Target Company may in its absolute discretion choose to utilise any other Reliefs that are or become available to any of the Target Group in priority to the Relief which would not have arisen but for the Tax Liability (or liability giving rise to a breach of any of the Tax Warranties) which has resulted in the payment having been made or becoming due from the Seller but will otherwise use reasonable endeavours to utilise the relevant Relief) (a "Saving"), the amount by which the liability is reduced shall be dealt with in accordance with Clause 8.2; or
- 8.1.3 a Target Company has received a repayment of Taxation in respect of a period ending on or before Completion which was not treated as an asset in, or taken into account in, or in computing a provision for Taxation (including deferred Taxation) in, the Completion Statement (a "Tax Repayment"), the amount of the repayment shall be dealt with in accordance with Clause 8.2.

- 8.2 Where it is provided in Clause 8.1 that any amount (the "Relevant Amount") is to be dealt with in accordance with this Clause:
- 8.2.1 the Relevant Amount shall first be set off against any payment then due from the Seller under this Deed or for breach of the Tax Warranties; and
- 8.2.2 to the extent that there is any excess, a refund shall be made to the Seller of any previous payment or payments made by the Seller under this Deed or for breach of the Tax Warranties and not previously refunded under this Clause 8.2 up to the amount of such excess; and
- 8.2.3 to the extent that the excess referred to in Clause 8.2.2 is not exhausted under that Clause, the remainder of that excess shall be carried forward for set off against any future payment or payments which become due from the Seller under this Deed or for breach of the Tax Warranties on or before the expiry of the time limit for bringing Claims for Tax under Clause 4.2.
- 8.3 Where any such certification as is mentioned in Clause 8.1 has been made, the Seller or the Purchaser may on or before the expiry of the time limit for bringing Claims for Tax under Clause 4.2 (at their own expense) request the Auditors to review such certification in the light of all relevant circumstances, including any facts which have become known only since such certification, and to certify whether such certification remains correct or whether, in the light of those circumstances, the amount that was the subject of such certification should be amended.
- 8.4 If the Auditors certify under Clause 8.3 that an amount previously certified should be amended, that amended amount shall be substituted for the purposes of Clause 8.2 as the Relevant Amount in respect of the certification in question in place of the amount originally certified and such adjusting payment (if any) as may be required by virtue of the above-mentioned substitution shall be made as soon as reasonably practicable by the Seller or (as the case may be) to the Seller.
- 8.5 Clause 8.2 shall not apply if and to the extent that the Relevant Amount arises or is increased as a result of:
- 8.5.1 any change in legislation or in the generally published practice or concession of any Tax Authority that occurs after Completion;
- 8.5.2 a change after Completion in the accounting policies of any of the Target Group Companies or the accounting reference date of any of the Target Group;
- 8.5.3 any voluntary transaction, action or omission carried out by the Purchaser or the other member of the Purchaser's Group after Completion (save to the extent that the transaction or action was required to give effect to the Overprovision, Saving or Tax Repayment);
- 8.5.4 the utilisation or availability of a Purchaser's Relief; or
- 8.5.5 a Relief which has already been taken into account in reducing the Seller's liability under this Deed or which has already given rise to a set-off against a payment due from the Seller under this Deed or to a payment by the Purchaser to the Seller under this Deed (including any payment dealt with under Clause 9).
9. RECOVERY FROM THIRD PARTIES
- 9.1 Where the Seller has paid an amount either under Clause 2 for any Tax Liability or under the Agreement for breach of the Tax Warranties and the Purchaser or the relevant Target Company is, or becomes, entitled to recover from some other person (that is not the

Purchaser, any Target Company or any other company in the Purchaser's Group), any amount for any Tax Liability (or liability giving rise to a breach of any of the Tax Warranties), the Purchaser shall or shall procure that the relevant Target Company shall:

- 9.1.1 notify the Seller of their entitlement as soon as reasonably practicable; and
 - 9.1.2 if required by the Seller and, subject to the Purchaser and the relevant Target Company being indemnified by the Seller against any Tax that may be suffered on receipt of that amount and any reasonable costs and expenses incurred in recovering that amount, take or procure that the relevant Target Company takes all reasonable steps to enforce that recovery against the person in question (keeping the Seller informed of the progress of any action taken), provided that the Purchaser shall not be required to take any action under this Clause 9.1 that, in the Purchaser's reasonable opinion, is likely to harm materially its or the Purchaser's or the Target Group's commercial or employment relationship (potential or actual) with that or any other person (provided always that the recovery or potential recovery of an amount under a pre-existing contractual right will not be considered to materially harm a commercial or employment relationship).
- 9.2 If the Purchaser or the relevant Target Company recovers any amount referred to in clause 9.1, the Purchaser shall account to the Seller for the lesser of:
- 9.2.1 any amount recovered (including any related interest or related repayment supplement) less any Tax chargeable or suffered in respect of that amount and any reasonable costs and expenses incurred in recovering that amount; and
 - 9.2.2 the amount paid by the Seller under Clause 2 in respect of the Liability for Tax in question.
- 9.3 Neither the Purchaser nor the Target Company concerned shall be required to take or procure the taking of any steps pursuant to Clause 9.1:
- 9.3.1 if the relevant entitlement has arisen after the first anniversary of the expiry of the time limit for bringing Claims for Tax under Clause 4.2;
 - 9.3.2 to the extent that the relevant entitlement has arisen or is increased by reason of the availability of a Purchaser's Relief or a Relief which has already been taken into account in reducing the Seller's liability under this Deed or which has already given rise to a set-off against a payment due from the Seller under this Deed or to a payment by the Purchaser to the Seller under this Deed (including any payment dealt with under Clause 8); or
 - 9.3.3 if within fifteen Business Days of receiving notification pursuant to Clause 9.1, the Seller has failed to request the Purchaser or the relevant Target Company to take any appropriate action under that Clause.

10. PURCHASER'S COVENANT

- 10.1 The Purchaser covenants with the Seller to pay the Seller an amount equal to:
- 10.1.1 any Tax for which the Seller or any member of the Seller's Group is liable as a result of non-payment of Tax by the Target Group:
 - a) in respect of any Event occurring after Completion; or
 - b) as a result of the failure of the Purchaser or the Target Group to apply an amount provided for in the Completion Statement or an amount paid by

the Seller to the Purchaser under this Deed or for breach of any of the Tax Warranties, to discharge a liability to which the amount relates; and

- 10.1.2 any reasonable third party costs and expenses properly incurred by the Seller in connection with the liability referred to in Clause 10.1.1 or with taking any successful action under this Clause 10.1.
- 10.2 For the purposes of this Clause 10 any liability to Tax shall include any liability to make a payment of Tax which would have arisen but for the utilisation of any Relief.
- 10.3 A payment to be made by the Purchaser under this Clause 10 shall be made in cleared funds seven days after written demand for that payment.
- 10.4 Where the Purchaser fails to make a payment in satisfaction of a liability under this Clause 10 by the due date for payment, the liability of the Purchaser shall be increased to include interest on that sum from the date on which the Purchaser becomes liable to make payment to the date of actual payment at a rate per annum being two base percentage points above the base rate from time to time of Barclays Bank plc.
- 10.5 Clauses 5.5 to 5.8 and 7 shall apply to the covenant contained in this Clause 10 as they apply to a liability under Clause 2 replacing references to the Seller by the Purchaser (and vice versa) and making any other necessary modifications.
- 11. GROUP RELIEF – SURRENDERS TO THE TARGET GROUP
 - 11.1 The Seller may, so far as legally possible, reduce or extinguish any Tax Liability for which it is liable under this Deed or for breach of any of the Tax Warranties:
 - 11.1.1 by reallocating for nil consideration a chargeable realisation gain or any part of such a gain to any member of the Seller's Group under the provisions of section 792 Corporation Tax Act 2009;
 - 11.1.2 by electing for nil consideration under section 171A Taxation of Chargeable Gains Act that a disposal of an asset by a member of the Target Group shall be treated as having been made by the Seller or a member of the Seller's Group; or
 - 11.1.3 by surrendering or procuring the surrender of Group Relief or eligible unrelieved foreign tax to the Target for nil consideration;
 - so that the Seller's liability under Clause 2 or for breach of any of the Tax Warranties in respect of that liability reduced or extinguished and any claim already made in respect of that liability is deemed for the purposes of this Deed and the Agreement never to have been made.
 - 11.2 In relation to any Tax Liability of the Target Group in respect of the Straddle Period or the period ending immediately prior to the Straddle Period and for which the Seller is not liable to make payment under this Deed or for breach of the Tax Warranties but which is capable of being mitigated or eliminated by the surrender of Group Relief:
 - 11.2.1 the Seller shall (so far as is legally possible) be entitled to surrender or to procure the surrender of Group Relief to the Target Group from the Seller's Group; and
 - 11.2.2 the Purchaser shall procure that the relevant member of the Target Group pays to the company making the surrender an amount equal to of the amount of Tax saved by the relevant Target Company as a consequence of the utilisation of the Group Relief, that payment to be made on the date on which the relevant member of the Target Group would have been obliged to make a payment of Tax but for the availability of the Group Relief, provided that the provisions of this Clause shall

not have effect if and to the extent that payment in respect of a surrender has been made on or before Completion.

- 11.3 The Purchaser shall and shall procure that the Target Group shall, in each case at the Seller's cost, use all reasonable endeavours to procure that all relevant claims, elections and surrenders are made and all other actions are taken as are required to effect the surrender and utilisation of the Group Relief referred to in this Clause 11.
- 11.4 In the event that any surrender of Group Relief is made in accordance with the provisions of Clauses 11.1 and 11.2 and corporation tax falls nevertheless to be charged in respect of the taxable profits which the relevant surrender was intended to relieve from that Tax (whether as a result of a Tax Authority refusing to allow Group Relief or subsequently withdrawing Group Relief in respect of the relevant surrender, the non-availability of any Group Relief or for any other reason whatsoever) then the Seller shall immediately repay to the Target Group the sum previously paid in respect of the relevant surrender or, as the case may be, any part of that sum as is attributable to the element of the surrender which did not have the effect of relieving from corporation tax the taxable profits intended to be relieved by virtue of that surrender.
- 11.5 The Seller's Group shall not be entitled to take or procure the taking of any action, and the Purchaser's Group shall not be under any obligation to take or procure the taking of any action, under this Clause 11:
- 11.5.1 if the Seller has not indemnified the Purchaser and the relevant Target Company for any Costs that may be suffered or incurred in taking or procuring the taking of any action under this Clause 11;
- 11.5.2 to the extent that the taking of that action and/or the application of Clause 11.2 would cause any member of the Target Group to incur a material liability (or increased liability) to Tax (whether currently or in the future), or to defer a material liability (or increased liability) to Tax, other than a liability (or increased liability) to Tax in respect of which the Seller:
- (A) is liable to make payment under the terms of this Deed; or
- (B) agrees to indemnify the relevant Target Company; or
- 11.5.3 to the extent that the taking of that action and/or the application of Clause 11.2 would have an effect which would:
- (A) in the reasonable opinion of the Purchaser, be against the business interests of the Purchaser's Group, excluding (for the avoidance of doubt and without prejudice to paragraph 11.5.2 (A) any effect on the liability to Tax or the Tax affairs of any member of the Purchaser's Group or on its relationship or dealings with any Tax Authority; or
- (B) be illegal, unlawful or incorrect as a matter of law.
12. GROUP RELIEF – SURRENDERS BY THE TARGET GROUP
- 12.1 The Purchaser shall procure that (so far as is legally possible) the Target Group shall surrender to the Seller or, if the Seller so specifies, to any company which is a member of the Seller's Group (the "Claimant Company"), any Group Relief (save where such Group Relief is a Purchaser's Relief or such Group Relief has already been utilised in accordance with any other provision of this Deed) as the Seller may reasonably request in writing in respect of any accounting period of the Target Group which has ended prior to or which is current at Completion for nil consideration.

- 12.2 The Purchaser shall and shall procure that the Target Group shall, in each case at the sole Cost of the Seller, use all reasonable endeavours to procure that all relevant claims, elections and surrenders are made and all actions are taken to effect the surrender of the Group Relief referred to in this Clause 12.
13. VAT GROUPING ARRANGEMENTS
- 13.1 As soon as reasonably practicable after Completion the Seller shall procure that the Representative Member shall notify HMRC that from the Completion Date (or from as early a date as HMRC shall allow) the UK Targets will not qualify under section 43(A) of the Value Added Tax Act 1994 to be treated as members of the Seller's VAT Group and shall request for the UK Targets to be excluded from the Seller's VAT Group, where reasonably practicable, with effect from Completion and in any event from the earliest date on which the HMRC shall allow. As soon as reasonably practicable following notification from HMRC that the UK Targets have been so excluded, the Seller shall inform the Purchaser of the date from which the UK Targets shall be removed from the Seller's VAT Group.
- 13.2 The parties shall co-operate in the preparation of any VAT returns relating to the UK Targets and the Seller's VAT Group in respect of any VAT period ending on or before Completion and in respect of any VAT accounting period which is current at Completion and in particular, the Purchaser undertakes to procure that the UK Targets:
- 13.2.1 provide to the Representative Member after Completion all documents, information and assistance as it may reasonably require to enable it to comply with its obligations in the making of VAT returns and accounting for VAT to HMRC in respect of supplies or acquisitions made by the UK Targets for VAT purposes in each prescribed accounting period (as defined in section 25(1) VATA) ("Relevant PAPs") where those supplies or acquisitions are, for the purposes of section 43 VATA, treated as made by the Representative Member; and
- 13.2.2 (save to the extent the payment is reflected in the Completion Statement) pays to the Representative Member an amount equal to any VAT for which the Representative Member has to account to HMRC (or would have to account but for any input tax credit or repayment of VAT due from HMRC in respect of actual supplies made to the members of the VAT Group other than the UK Targets) in respect of the Relevant PAPs and which results from supplies, deemed supplies, importations or acquisitions made by the UK Targets in the Relevant PAPs but treated as made by the Representative Member under section 43(1) VATA not less than two Business Days before the Representative Member is required to pay that VAT to HMRC and, in computing the amount of VAT, credit shall be given to the UK Targets for any input tax to which it is entitled under the VATA on supplies or deemed supplies made to or importations or acquisitions made by the UK Targets in the Relevant PAPs, but treated as made to or by the Representative Member.
- 13.3 The Seller shall procure that the Representative Member properly and promptly complies with its obligations under paragraph 12.2.1 and accounts to HMRC for any amount in respect of VAT paid by the UK Targets under paragraph 12.2.2 and provides to the Purchaser as soon as possible copies of the VAT returns referred to in paragraph 12.2.1 and any relevant correspondence or documentation sent to or received from HMRC in connection with any matter referred to in that paragraph to the extent that they relate to the UK Targets.
- 13.4 The Seller shall procure that the Representative Member claims as soon as reasonably possible and pays to the UK Targets (within two Business Days of receipt from HMRC) an amount equal to any VAT which the Representative Member recovers (or would recover but for any payment due to HMRC in respect of actual supplies made by the members of the VAT Group other than the UK Targets) from HMRC in respect of Relevant PAPs and which results from supplies or deemed supplies made to or importations or acquisitions made by the UK

Targets in the Relevant PAPs but treated as made to or by the Representative Member under section 43(1) VATA.

14. MISCELLANEOUS

- 14.1 This Deed may be executed in any number of counterparts and by the Parties to it on separate counterparts, each of which when executed and delivered shall be an original but all the counterparts together constitute one instrument and this Deed shall not be effective until each Party has executed at least one counterpart.
- 14.2 The provisions of clauses 16.1 (Assignment), 16.2 (Entire Agreement), 16.3 (Unenforceable Provisions), 16.4 (Further Assurance), 16.5 (No rescission), 16.6 (Third party rights), 16.8 (Waiver), 16.10 (Variation), 17 (Power of attorney), 18 (Costs and Stamp Duty), 19 (Notices) and 21 (Choice of Governing Law) and 22 (Jurisdiction) of the Agreement shall apply for the purposes of this Deed as if set out herein in full mutatis mutandis save that references in those clauses to "this Agreement" shall be construed as references to "this Deed".
- 14.3 The Seller shall not plead the Limitation Act 1980 in defence of any claim brought under this Deed.

IN WITNESS WHEREOF this document has been executed and delivered as a deed the day and year first before written.

SELLER

EXECUTED AS A DEED) /s/ MARK WOODHEAD
for and on behalf of)
KVH MEDIA GROUP LIMITED)
acting by a duly authorised director) _____

In the presence of:

Witness Signature: /s/ ANTHONY PIKE
Witness Name: Anthony Pike
Witness Address: 2 A Queens Street Leeds

Witness Occupation Finance and Operations Director

SELLER'S GUARANTOR

EXECUTED AS A DEED) /s/ MARTIN KITSVAN HEYNINGEN
for and on behalf of)
KVH INDUSTRIES, INC.)
acting by a duly authorised director) _____

In the presence of:

Witness Signature: /s/ FELISE FEINGOLD
Witness Name: Felise Feingold
Witness Address: 50 Enterprise Center
Middletown, RI

Witness Occupation General Counsel

PURCHASER

EXECUTED AS A DEED)
for and on behalf of) /s/ ALEX COLLINS
PELICAN HOLDCO LIMITED)
acting by a duly authorised director) _____

In the presence of:

Witness Signature: /s/ SAM FENTON- WHITTET
Witness Name: Sam Fenton-Whittet
Witness Address: 3 Cadogan Gate, London SW1X 0AS
Witness Occupation: Finance

DATED 13 May 2019

Between

KVH MEDIA GROUP LIMITED
as Lender

and

PELICAN HOLDCO LIMITED
as Borrower

LOAN AGREEMENT

PAUL
HASTINGS

Paul Hastings (Europe) LLP
Ten Bishops Square, Eighth Floor
London, E1 6EG

Tel: +44 20 3023 5100
Fax: +44 20 3023 5109

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THIS AGREEMENT is made on 13 May 2019

BETWEEN

- (1) KVH MEDIA GROUP LIMITED, a company incorporated in England and Wales with registered number 06462774 and having its registered office at 2a Queen Street, Leeds, West Yorkshire LS1 2TW (the "Lender"); and
- (2) PELICAN HOLDCO LIMITED, a company incorporated in England and Wales with registered number 11988300 and having its registered office at 3 Cadogan Gate, London, England SW1X 0AS (the "Borrower").

WHEREAS

The Lender wishes to make a loan in the aggregate amount of USD 89,386,997 available to the Borrower on the terms set out in this Agreement.

IT IS AGREED THAT

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, unless the context otherwise requires:

"Acquisition" means the acquisition by the Borrower of the shares of each of the Targets on the terms of the Acquisition Agreement;

"Acquisition Agreement" means the share purchase agreement dated on or around the date hereof between, amongst others, the Borrower as purchaser and the Lender as seller in relation to the Acquisition;

"Advance" means the advance of an aggregate principal amount of USD 89,386,997 to be made by the Lender to the Borrower;

"Advance Date" means the date on which the Advance is made, which date shall be the date of closing of the Acquisition in accordance with the terms of the Acquisition Agreement;

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for ordinary banking business in the country of incorporation of both the Lender and the Borrower;

"Documentary CPs" means the Security Documents and the Equity Commitment Letter;

"Equity Commitment Letter" means the equity commitment letter dated on or around the date hereof from Oakley Capital IV Master SCSp (as Investor) to the Borrower and the Lender

"Interest Rate" means:

- (a) on and from the Advance Date until and including the date falling fifteen (15) Business Days after the Advance Date, five (5) per cent. per annum; and
- (b) on and from the day after the date falling fifteen (15) Business Days after the Advance Date until and including the Maturity Date, twelve (12) per cent. per annum;

"Maturity Date" means thirty (30) Business Days after the Advance Date;

"Security Documents" means the share charges to be granted on around the date hereof by the Borrower in favour of the Lender in respect of the shares owned or to be owned by the Borrower in the Targets following the Acquisition; and

"Targets" means each of Super Dragon Limited and Videotel Marine Asia Limited.

- 1.2 In this Agreement, unless the context otherwise requires:
- (a) references to the singular shall include the plural and vice versa and references to one gender include any other gender;
 - (b) references to a "party" means a party to this Agreement and includes its successors in title, personal representatives and permitted assigns;
 - (c) references to a "person" includes any individual, partnership, body corporate, corporation sole or aggregate, state or agency of a state, and any unincorporated association or organisation, in each case whether or not having separate legal personality;
 - (d) references to "dollars", "us dollars" or "\$" are references to the lawful currency from time to time of the United States;
 - (e) references to times of the day are to London time unless otherwise stated;
 - (f) references to writing shall include any modes of reproducing words in a legible and non-transitory form;
 - (g) words introduced by the word "other" shall not be given a restrictive meaning because they are preceded by words referring to a particular class of acts, matters or things; and
 - (h) general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the acts, matters or things covered by the general words and the words "includes" and "including" shall be construed without limitation.
- 1.3 The headings and sub-headings in this Agreement are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.4 References to this Agreement include this Agreement as amended or varied in accordance with its terms.
2. THE ADVANCE
- Provided that the Documentary CPs have been delivered on or prior to the Advance Date, the Lender shall make the Advance to the Borrower on the Advance Date.
3. PURPOSE
- The Advance shall be used for payment of the Estimated Purchase Price under and as defined in the Acquisition Agreement. The Lender shall not be bound to monitor or verify the application of the Advance.
4. INTEREST
- 4.1 The Advance will bear interest at the Interest Rate. Interest shall accrue from day to day upon the aggregate outstanding principal amount of the Advance from time to time and shall be calculated on the basis of a 360 day year.
- 4.2 The Borrower shall pay accrued interest on the Advance on the Maturity Date.

5. REPAYMENT

- 5.1 The Borrower shall repay the Advance and all accrued interest thereon in full on the Maturity Date.
- 5.2 Unless otherwise agreed between the parties, if the Borrower fails to repay the Advance and all accrued interest thereon in full on or before the Maturity Date, liquidated damages in the amount of USD 5,000,000 shall be paid within seven (7) Business Days of the Maturity Date by the Borrower to the Lender.
- 5.3 A certificate of the Lender as to the amount at any time due from the Borrower to it under this Agreement shall, in the absence of manifest error, be conclusive.

6. VOLUNTARY PREPAYMENT

The Borrower may prepay the whole or any part of the Advance (together with interest accrued thereon and any other amounts due or owing to the Lender at such time) at any time without premium or penalty.

7. PAYMENTS AND SET OFF

- 7.1 Subject to Clause 7.2, all payments made by any party under this Agreement shall be made free from any set-off, counterclaim or other deduction or withholding of any nature whatsoever, except for deductions or withholdings required to be made by law. If any deductions or withholdings are required by law to be made from any such payments, the amount of the payment shall be increased by such amount as will, after the deduction or withholding has been made, leave the recipient of the payment with the same amount as it would have been entitled to receive in the absence of any such requirement to make a deduction or withholding.
- 7.2 The Lender may at any time or times, upon giving notice in writing to the Borrower, set off any liability of the Lender to the Borrower against any liability of the Borrower to the Lender, whether any such liability is present or future, liquidated or unliquidated, under this Agreement or not and irrespective of the currency of its denomination. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause shall be without prejudice to any other rights or remedies available to it under this Agreement or otherwise.
- 7.3 All payments to be made by the Borrower to the Lender pursuant to the terms of this Agreement shall be made in the currency of the Advance unless otherwise agreed by the Borrower and the Lender.
- 7.4 If any sums would otherwise become due for payment under this Agreement on a day which is not a Business Day that sum shall become due on the following Business Day of the same calendar month or, if none, on the immediately preceding Business Day and interest shall be adjusted accordingly.
- 7.5 Unless otherwise specified in writing, all payments to the Lender under this Agreement shall be made to the Lender's account.

8. FURTHER ASSURANCE

Each party shall, at its own cost, promptly execute and deliver all such documents, and do all such things, as the other party may from time to time reasonably require for the purpose of giving full effect to the provisions of this Agreement and to secure for the other party the full benefit of the rights, powers and remedies conferred upon it under this Agreement.

9. ENTIRE AGREEMENT

This Agreement sets out the entire agreement between the parties relating to the subject matter contained herein and, save to the extent expressly set out in this Agreement, supersedes and

extinguishes any prior drafts, agreements, undertakings, representations, warranties, promises, assurances and arrangements of any nature whatsoever, whether or not in writing, relating thereto.

10. WAIVER AND VARIATION

10.1 A failure or delay by a party to exercise any right or remedy provided under this Agreement or by law, whether by conduct or otherwise, shall not constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under this Agreement or by law, whether by conduct or otherwise, shall preclude or restrict the further exercise of that or any other right or remedy.

10.2 A waiver of any right or remedy under this Agreement shall only be effective if given in writing and shall not be deemed a waiver of any subsequent breach or default.

10.3 No variation or amendment of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of all of the parties to this Agreement. Unless expressly agreed, no variation or amendment shall constitute a general waiver of any provision of this Agreement, nor shall it affect any rights or obligations under or pursuant to this Agreement which have already accrued up to the date of variation or amendment and the rights and obligations under or pursuant to this Agreement shall remain in full force and effect except and only to the extent that they are varied or amended.

11. INVALIDITY

Where any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction then such provision shall be deemed to be severed from this Agreement and, if possible, replaced with a lawful provision which, as closely as possible, gives effect to the intention of the parties under this Agreement and, where permissible, that shall not affect or impair the legality, validity or enforceability in that, or any other, jurisdiction of any other provision of this Agreement.

12. ASSIGNMENT

Except as the parties specifically agree in writing, no person shall assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it.

13. RIGHTS OF THIRD PARTIES

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

14. COUNTERPARTS

This Agreement may be executed in any number of counterparts. Each counterpart shall constitute an original of this Agreement but all the counterparts together shall constitute but one and the same instrument.

15. GOVERNING LAW AND JURISDICTION

15.1 This Agreement and any non-contractual rights or obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales.

15.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any Disputes, and waive any objection to proceedings before such courts on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum.

- 15.3 For the purposes of this Clause, "Dispute" means any dispute, controversy, claim or difference of whatever nature arising out of, relating to, or having any connection with this Agreement, including a dispute regarding the existence, formation, validity, interpretation, performance or termination of this Agreement or the consequences of its nullity and also including any dispute relating to any non-contractual rights or obligations arising out of, relating to, or having any connection with this Agreement.

This Agreement has been entered into on the date stated at the beginning of it.

LENDER

Signed by a director for and on behalf of KVH
MEDIA GROUP LIMITED

/s/ MARK WOODHEAD
Director signature

Mark Woodhead
Director name

BORROWER

Signed by a director for and on behalf of
PELICAN HOLDCO LIMITED

/s/ ALEX COLLINS
Director signature

Alex Collins
Director name

Dated 13 May 2019

PELICAN HOLDCO LIMITED
as Chargor

in favour of

KVH MEDIA GROUP LIMITED
as Chargee

SHARE CHARGE

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THIS DEED OF SHARE CHARGE is made on 13 May 2019

BY

- (1) PELICAN HOLDCO LIMITED, a company incorporated under the laws of England and Wales with company number 11988300 and registered office at 3 Cadogan Gate, London SW1X 0AP, England (the "Chargor")

in favour of

- (2) KVH MEDIA GROUP LIMITED, a company incorporated in England and Wales with registered number 06462774 and having its registered office at 2a Queen Street, Leeds, West Yorkshire LS1 2TW (the "Chargee", which expression shall include its successors, assigns and transferees).

NOW THIS DEED WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, terms defined in the Loan Agreement (as defined below) shall, unless otherwise defined in this Deed or unless a contrary intention appears, bear the same meaning when used in this Deed and the following terms shall have the following meanings:

"Charged Property" means all the assets and/or undertaking of the Chargor which from time to time are the subject of the security created or expressed to be created in favour of the Chargee by or pursuant to this Deed.

"Chargor's Investment Group" means the Investor, the General Partner and the Partnerships (as each term is defined in the Equity Commitment Letter).

"CO" means Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

"Collateral Rights" means all rights, powers and remedies of the Chargee provided by or pursuant to this Deed or by law.

"Equity Commitment Letter" means the equity commitment letter dated on or around the date hereof from Oakley Capital IV Master SCSp (as Investor) to the Chargor and the Chargee.

"Event of Default" means:

- (a) any non-payment of the Advance and accrued interest thereon on the Maturity Date in accordance with clause 5 of the Loan Agreement;
- (b) any breach by the Chargor of its obligations under the other clauses of the Loan Agreement or any clause under this Deed, provided that no Event of Default will occur if such failure to comply is capable of remedy and is remedied within 30 days of the earlier of (i) the Lender giving notice to the Chargor and (ii) the Chargor becoming aware of the failure to comply;
- (c) any representation by the Chargor and/or the Chargor's Investment Group under the Loan Agreement and/or this Deed and/or the Equity Commitment Letter is or proves to have been incorrect or misleading in any material respect when made, provided that no Event of Default will occur if such misrepresentation is capable of remedy and is

remedied within 30 days of the earlier of (i) the Lender giving notice to the Chargor and (ii) the Chargor becoming aware of such misrepresentation;

- (d) the Chargor or any member of the Chargor's Investment Group is or is presumed or deemed to be unable or admits inability to pay its debts as they fall due, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Lender in such capacity) with a view to rescheduling any of its indebtedness; or
- (e) any corporate action, legal proceedings or other procedure or step is taken in relation to (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Chargor or any member of the Chargor's Investment Group, (ii) a composition, compromise, assignment or arrangement with any creditor of the Chargor or any member of the Chargor's Investment Group, (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Chargor or any member of the Chargor's Investment Group or any of its or their assets or (iv) enforcement of any Security over any assets of the Chargor or any member of the Chargor's Investment Group, or any analogous procedure or step is taken in any jurisdiction (save that this paragraph (e) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement),

provided always that no Event of Default will occur under paragraph (c), (d) or (e) with respect to the Chargor's Investment Group, if the Investor is not prevented from performing its obligations under the Equity Commitment Letter.

"Loan Agreement" means the loan agreement dated the date hereof between the Chargor, as borrower, and the Chargee, as lender.

"Receiver" means a receiver or receiver and manager or an administrative receiver of the whole or any part of the Charged Property and that term will include any appointee under a joint and/or several appointment.

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
 - (b) all rights under any licence, agreement for sale, lease or other disposal in respect of that asset;
 - (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities and/or covenants for title in respect of that asset;
 - (d) any moneys and proceeds paid or payable in respect of that asset;
 - (e) (in the case where such asset comprises any share, equity interest or other security) all dividends, distributions, interest and monies payable in respect thereof and any rights, assets, shares and/or securities deriving therefrom or accruing thereto whether by way of redemption, bonus, preference, option, substitution, conversion, compensation or otherwise; and/or
 - (f) (in the case where such asset comprises any share, equity interest or other security) any rights against any clearing system in which such asset is held,
-

(in each case) from time to time.

"Secured Obligations" means all moneys, liabilities and obligations owing or expressed to be owing to the Chargee under or pursuant to the Loan Agreement and /or this Deed whether present or future, actual or contingent, whether now existing or hereafter arising, whether or not for payment of money and including any obligation or liability to pay damages (and whether as principal or surety or in some other capacity), including without limitation any such obligations in respect of any further advances and/or financial accommodation from time to time.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Shares" means all the ordinary shares in the share capital of the Subject Entity beneficially owned by the Chargor, including those ordinary shares of the Subject Entity specified in Schedule 1 (Particulars of Shares).

"Subject Entity" means Super Dragon Ltd., a company incorporated under the laws of Hong Kong with limited liability with company number 1327525 and having its registered office currently at 16/F Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Hong Kong.

1.2 Construction

1.2.1 In this Deed:

- (a) any reference to the Chargor, the Chargee or the Subject Entity shall be construed so as to include its or their (and any subsequent) successors and any permitted assigns and transferees in accordance with their respective interests; and
- (b) save where the context otherwise requires, references in this Deed to any Clause or Schedule shall be to a clause or schedule contained in this Deed.

1.2.2 A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) (the "Third Parties Ordinance") to enforce or to enjoy the benefit of any term of this Deed. Notwithstanding any term of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

2. PAYMENT OF SECURED OBLIGATIONS

The Chargor hereby covenants with the Chargee that it shall on demand of the Chargee discharge all of the Secured Obligations when due and payable, and the Chargor shall pay to the Chargee any Secured Obligations when due and payable provided that neither such covenant nor the security constituted by this Deed shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law.

3. CHARGE AND ASSIGNMENT

3.1 Charge

3.1.1 The Chargor hereby charges as beneficial owner, as security for the payment and discharge of the Secured Obligations, by way of first fixed charge, all the Chargor's right, title and interest from time to time in and to the Shares and all Related Rights in relation thereto.

3.1.2 To the extent and at any time they are not effectively charged by way of fixed charge referred to in Clauses 3.1.1 above, charges by way of first floating charge the Charged Property, the Shares and all Related Rights in relation thereto.

4. FURTHER ASSURANCE

4.1 Further Assurance: General

The Chargor shall promptly at its own cost do all such acts and/or execute all such documents (including without limitation assignments, transfers, mortgages, charges, notices and instructions) as the Chargee may reasonably specify (and in such form as the Chargee may reasonably require in favour of the Chargee or its nominee(s)):

4.1.1 to perfect the security created or intended to be created in respect of the Charged Property (which may include, without limitation, (a) the execution by the Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, any part of the Charged Property; (b) procure that this Deed shall promptly be registered with the companies registry or registrar in the applicable jurisdictions which are, in the opinion of the Chargee, to be so registered or be submitted for registration; and (c) procure that this Deed be promptly recorded or noted in the registers of mortgages, charges or encumbrances of the Chargor and/or registers of shareholders of the Subject Entity which are, in the opinion of the Chargee, to be so recorded or noted) or for the exercise of the Collateral Rights; and/or

4.1.2 to facilitate the realisation of the Charged Property.

4.2 Necessary Action

The Chargor shall from time to time take all such action (whether or not requested to do so by the Chargee) as is or shall be available to it (including without limitation obtaining and/or effecting all Authorisations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the Chargee by or pursuant to this Deed.

4.3 Information

The Chargor shall promptly deliver to the Chargee all information that is available to it and that is required in order for the Chargee to comply with any applicable laws or regulations in respect of any Charged Property (including without limitation section 329 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) or any similar provision in any articles of association or constitutional documents relating to any Charged Property.

4.4 Implied Covenants for Title

The obligations of the Chargor under this Deed shall be in addition to any covenants for title deemed to be included in this Deed under applicable law.

5. NEGATIVE PLEDGE, DISPOSALS AND OTHER UNDERTAKINGS

5.1 Negative Pledge

Unless otherwise agreed in writing by the Chargee, the Chargor undertakes that it shall not, at any time during the subsistence of this Deed, create or permit to subsist any Security over all or any part of the Charged Property except for the security constituted by this Deed.

5.2 Delivery of Documents

The Chargor shall deliver or procure that there shall be delivered to the Chargee (a) such documents relating to the Charged Property as the Chargee reasonably requires and (b) the documents listed in paragraphs (i) to (iii) below relating to the Charged Property within 10 Business Days (or such other time period agreed by the Chargee) after the execution of this Deed, each of which may be held by the Chargee until the security constituted by this Deed is released:

- (i) share certificates or other documents of title in respect of the Shares in suitable form for transfer by delivery;
- (ii) duly executed instruments of transfer and contract notes in respect of the Shares substantially set out in the form set out in Schedule 2 (Form of Instrument of Transfer and Contract Note) but, in each case, with the dates and names of the transferees left blank; and
- (iii) signed but undated deed of appointment of proxy and irrevocable appointment of power of attorney from the Chargor substantially in the form set out in Schedule 3.

The Chargor shall promptly deliver to the Chargee certificates or other instruments representing or evidencing the Shares acquired or received by it after the date of this Deed with instruments of transfer and contract notes in blank duly executed by the Chargor.

At any time after the security created by or pursuant to this Deed has become enforceable, the Chargee shall have the right to complete, date and put into effect the documents referred to in this Clause 5.2.

5.3 Register of Members

Without prejudice to the generality of Clause 4 (Further assurance), the Chargor shall procure that the Subject Entity provides the Chargee with a certified true copy of the Register of Members within ten (10) Business Days (or such other time period agreed by the Chargee) of the execution of this Deed.

5.4 Undertaking in respect of Non-Hong Kong company

The Chargor agrees not to apply to have itself registered as a non-Hong Kong company under Part 16 of the CO.

5.5 No Disposal of Interests

The Chargor undertakes that, during the subsistence of this Deed, it shall not, and shall not agree to, sell, assign, transfer or otherwise dispose of any Charged Property except (a) pursuant to this Deed and/or (b) any disposal consented to in writing by the Chargee.

6. OPERATIONS BEFORE AND AFTER EVENTS OF DEFAULT

6.1 Dividends

- 6.1.1 The Chargor shall ensure that any and all dividends, distributions, interest and/or other monies received and/or recovered in respect of all or any part of the Charged Property are directly paid to the Chargee.
- 6.1.2 After the occurrence and during the continuance of an Event of Default, the Chargee may apply in accordance with this Deed any and all dividends, distributions, interest

and/or other monies received and/or recovered in respect of all or any part of the Charged Property.

- 6.1.3 Any and all dividends, distributions, interest and/or other monies received, recovered or paid/delivered to the order of the Chargor (other than in cash) in respect of any or all of the Charged Property shall be held by the Chargor subject to the security constituted by this Deed, provided that if such receipt or recovery is made after the occurrence and during the continuance of an Event of Default, the Chargor shall promptly deliver such dividends, distributions, interest and/or other monies to the Chargee for application in accordance with this Deed.

6.2 Operation: Before Event of Default

In the absence of an Event of Default, the Chargor shall be entitled to exercise all voting rights in relation to any or all of the Shares provided that the Chargor shall not exercise such voting rights in any manner that could give rise to, or otherwise permit or agree to, any (a) variation of the rights attaching to or conferred by any of the Shares or (b) any liability on the part of the Chargee.

6.3 Operation: After Event of Default

The Chargee may, upon and/or after the occurrence and during the continuance of an Event of Default, at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):

- 6.3.1 exercise (or refrain from exercising) any voting rights in respect of the Charged Property;
- 6.3.2 apply all dividends, distributions, interest and other monies arising from all or any of the Charged Property in accordance with Clause 11 (*Application of Monies*);
- 6.3.3 transfer all or any of the Charged Property into the name of such nominee(s) of the Chargee as it shall think fit;
- 6.3.4 cause the conversion or dematerialisation of any of the Charged Property into scripless securities and the deposit of such scripless securities into the any account (whether in the name of the Chargor, the Chargee or otherwise); and
- 6.3.5 exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Charged Property, including without limitation the right, in relation to any company, corporation or entity whose shares, equity interests or other securities are included in the Charged Property or any part thereof, to concur or participate in:
- (a) the reconstruction, amalgamation, sale or other disposal of such company, corporation or entity or any of its assets or undertaking (including without limitation the exchange, conversion or reissue of any shares, equity interests or securities as a consequence thereof);
 - (b) the release, modification or variation of any rights or liabilities attaching to such shares, equity interests or securities; and
 - (c) the exercise, renunciation or assignment of any right to subscribe for any shares, equity interests or securities,
-

in each case in such manner and on such terms as the Chargee may think fit, and the proceeds of any such action shall form part of the Charged Property and may be applied by the Chargee in accordance with Clause 11 (*Application of Monies*).

6.4 Payment of Calls

The Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Charged Property, and in any case of default by the Chargor in such payment, the Chargee may, if it thinks fit, make such payment on behalf of the Chargor in which case any sums paid by the Chargee shall be reimbursed by the Chargor to the Chargee on demand and shall carry interest from the date of payment by the Chargee until reimbursed in full at the rate and in accordance with Clause 2.2 (*Interest on Demands*).

6.5 Exercise of Rights

The Chargor shall not exercise any of its rights and powers in relation to any of the Charged Property in any manner which, in the opinion of the Chargee, would prejudice the value of, or the ability of the Chargee to realise, the security created by this Deed.

7. ENFORCEMENT OF SECURITY

7.1 Enforcement

Upon and after the occurrence and during the continuance of an Event of Default or if the Chargor requests the Chargee to exercise any of its powers under this Deed, the security created by or pursuant to this Deed is immediately enforceable and the Chargee may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

7.1.1 enforce all or any part of such security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property; and

7.1.2 whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by this Deed on any Receiver or otherwise conferred by law on mortgagees and/or Receivers.

7.2 No Liability as Mortgagee in Possession

Neither the Chargee nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property to which a mortgagee or a mortgagee in possession might otherwise be liable.

8. POWERS OF SALE

8.1 Extension of Powers

The power of sale or other disposal conferred on the Chargee and on any Receiver by this Deed shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) upon the occurrence and during the continuance of an Event of Default.

8.2 Restrictions

Any restrictions imposed by law on the power of sale or on the consolidation of security (including without limitation any restriction under paragraph 11 of the Fourth Schedule to the

Conveyancing and Property Ordinance (Cap. 219) of the Laws of Hong Kong) shall be excluded to the fullest extent permitted by law.

9. APPOINTMENT OF RECEIVER

9.1 Appointment and Removal

Upon and after the occurrence and during the continuance of an Event of Default or if requested to do so by the Chargor, the Chargee may by deed or otherwise (acting through an authorised officer of the Chargee), without prior notice to the Chargor:

9.1.1 appoint one or more persons to be a Receiver of the whole or any part of the Charged Property;

9.1.2 appoint two or more Receivers of separate parts of the Charged Property;

9.1.3 remove (so far as it is lawfully able) any Receiver so appointed; and/or

9.1.4 appoint another person(s) as an additional or replacement Receiver(s).

9.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 9.1 (Appointment and Removal) shall be:

9.2.1 entitled to act individually or together with any other person appointed or substituted as Receiver;

9.2.2 for all purposes deemed to be the agent of the Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Chargee; and

9.2.3 entitled to remuneration for his services at a rate to be fixed by the Chargee from time to time.

9.3 Statutory Powers of Appointment

The powers of appointment of a Receiver herein contained shall be in addition to all statutory and other powers of appointment of the Chargee under applicable law and such powers shall remain exercisable from time to time by the Chargee in respect of all or any part of the Charged Property.

10. POWERS OF RECEIVER

10.1 Powers of Receiver

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor, and subject to any existing security where applicable) have and be entitled to exercise, in relation to the Charged Property (and any assets of the Chargor which, when got in, would be Charged Property) or that part thereof in respect of which he was appointed, and as varied and extended by the provisions of this Deed (in the name of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor):

10.1.1 all the powers conferred by the Conveyancing and Property Ordinance (Cap. 219) of the Laws of Hong Kong on mortgagors and on mortgagees in possession and on

receivers appointed under that Ordinance (as if the Charged Property constituted property that is subject to that Ordinance and as if such Receiver were appointed under that Ordinance), free from any limitation under paragraph 11 of the Fourth Schedule to that Ordinance;

10.1.2 all the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do; and

10.1.3 the power to do all things (including without limitation bringing or defending proceedings in the name or on behalf of the Chargor) which seem to that Receiver to be incidental or conducive to (a) any of the functions, powers, authorities or discretions conferred on or vested in him or (b) the exercise of any Collateral Rights (including without limitation realisation of all or any part of the Charged Property) or (c) bringing to his hands any assets of the Chargor forming, or which, when got in, would be part of the Charged Property.

10.2 Additional Powers of Receiver

In addition to and without prejudice to the generality of the foregoing, every Receiver shall (subject to any limitations or restrictions expressed in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor and subject to any existing security where applicable) have the following powers in relation to the Charged Property (and any assets of the Chargor which, when got in, would be part of the Charged Property) in respect of which he was appointed (and every reference in this Clause 10.2 to the "Charged Property" shall be read as a reference to that part of the Charged Property in respect of which such Receiver was appointed):

10.2.1 Take Possession

power to enter upon, take immediate possession of, collect and get in the Charged Property including without limitation dividends and other income whether accrued before or after the date of his appointment;

10.2.2 Proceedings and Claims

power to bring, prosecute, enforce, defend and abandon applications, claims, disputes, actions, suits and proceedings in connection with all or any part of the Charged Property or this Deed in the name of the Chargor or in his own name and to submit to arbitration, negotiate, compromise and settle any such applications, claims, disputes, actions, suits or proceedings;

10.2.3 Carry on Business

power to carry on and manage, or concur in the carrying on and management of or to appoint a manager of, the whole or any part of the Charged Property or any business relating thereto in such manner as he shall in his absolute discretion think fit;

10.2.4 Deal with Charged Property

power, in relation to the Charged Property and each and every part thereof, to sell, transfer, convey, dispose of or concur in any of the foregoing by the Chargor or any other receiver or manager of the Chargor (including without limitation any sale, transfer, conveyance or disposal in favour of the Chargee) in such manner and generally on such terms as he thinks fit;

10.2.5 Acquisitions

power to purchase, lease, hire or otherwise acquire any assets or rights of any description which he shall in his absolute discretion consider necessary or desirable for the carrying on, improvement or realisation of the whole or any part of the Charged Property or otherwise for the benefit of the whole or any part of the Charged Property;

10.2.6 New Subsidiary

power to promote, procure the formation or otherwise acquire the share capital of, any body corporate with a view to such body corporate becoming a subsidiary of the Chargor or otherwise and purchasing, leasing or otherwise acquiring an interest in the whole or any part of the Charged Property or carrying on any business in succession to the Chargor or any subsidiary of the Chargor;

10.2.7 Insurance

power to effect, maintain or renew indemnity and other insurances and to obtain bonds and performance guarantees;

10.2.8 Borrowing

power to raise or borrow money from the Chargee or any other person to rank either in priority to the security constituted by this Deed or any part of it or otherwise and with or without a mortgage or charge on the Charged Property or any part of it on such terms as he shall in his absolute discretion think fit (and no person lending such money shall be concerned to see or enquire as to the propriety or purpose of the exercise of such power or the application of money so raised or borrowed);

10.2.9 Redemption of Security

power to redeem, discharge or compromise any security whether or not having priority to the security constituted by this Deed or any part of it;

10.2.10 Covenants, Guarantees and Indemnities

power to enter into bonds, covenants, guarantees, commitments, indemnities and other obligations or liabilities as he shall think fit, to make all payments needed to effect, maintain or satisfy such obligations or liabilities and to use the company seal of the Chargor; and

10.2.11 Exercise of Powers in Chargor's Name

power to exercise any or all of the above powers on behalf of and in the name of the Chargor (notwithstanding any winding-up or dissolution of the Chargor) or on his own behalf.

10.3 Terms of Disposition

In making any sale or other disposal of all or any part of the Charged Property or any acquisition in the exercise of their respective powers (including without limitation a disposal by a Receiver to any subsidiary of the Chargor or other body corporate as is referred to in Clause 10.2.6) a Receiver or the Chargee may accept or dispose of as, and by way of consideration for, such sale or other disposal or acquisition, cash, shares, loan capital or other obligations, including without limitation consideration fluctuating according to or dependent upon profit or turnover and consideration the amount whereof is to be determined by a third party. Any such consideration may, if thought expedient by the Receiver or the Chargee, be nil or may be payable or receivable in a lump sum or by instalments. Any contract for any such sale, disposal

or acquisition by the Receiver or the Chargee may contain conditions excluding or restricting the personal liability of the Receiver or the Chargee.

11. APPLICATION OF MONIES

11.1 Order of Application

Save as otherwise expressly provided in this Deed, all moneys and/or non-cash recoveries and/or proceeds received or recovered by the Chargee or any Receiver pursuant to this Deed or the powers conferred by it shall (subject to the claims of any person having prior rights thereto (including the claims of the Chargee as beneficiary of any existing security where applicable) and subject to Clause 11.2 (Suspense Account)) be applied in the payment of the costs, charges and expenses incurred and payments made by any Receiver, the payment of his remuneration and the discharge of any liabilities incurred by such Receiver in, or incidental to, the exercise of any of his powers.

11.2 Suspense Account

Until all Secured Obligations are paid in full, all monies received, recovered or realised under this Deed by the Chargee or any Receiver or the powers conferred by it (including the proceeds of any conversion of currency) may in its discretion be credited to and held in any suspense or impersonal account pending their application from time to time in or towards the discharge of any of the Secured Obligations in accordance with Clause 11.1 (Order of Application).

11.3 Application by Chargor

Any application under this Clause 11 shall override any application or appropriation by the Chargor.

12. RECEIPT AND PROTECTION OF PURCHASERS

12.1 Receipt and Consideration

The receipt of the Chargee or any Receiver shall be conclusive discharge to a purchaser of any part of the Charged Property from the Chargee or such Receiver and in making any sale or disposal of any part of the Charged Property or making any acquisition, the Chargee or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

12.2 Protection of Purchasers

No purchaser or other person dealing with the Chargee or any Receiver shall be bound to inquire whether the right of the Chargee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Chargee or such Receiver in such dealings. The protection given to purchasers from a mortgagee in sections 52 and 55 of the Conveyancing and Property Ordinance (Cap. 219) of the Laws of Hong Kong shall apply mutatis mutandis to purchaser(s) and other person(s) dealing with the Chargee or any Receiver.

13. POWER OF ATTORNEY

13.1 Appointment and Powers

The Chargor by way of security irrevocably (within the meaning of Section 4 of the Powers of Attorney Ordinance (Cap. 31) of the Laws of Hong Kong) appoints the Chargee and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to

execute, deliver and perfect all documents and do all things which the Chargee or such Receiver may consider to be necessary for:

13.1.1 carrying out any obligation imposed on the Chargor by this Deed or any other agreement binding on the Chargor to which the Chargee is party (including without limitation the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Property or any part thereof); and

13.1.2 enabling the Chargee and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Deed or by law (including, without limitation, upon or after the occurrence and during the continuance of an Event of Default, the exercise of any right of a legal or beneficial owner of the Charged Property or any part thereof).

13.2 Ratification

The Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

14. REPRESENTATIONS

The Chargor represents and warrants to the Chargee that:

14.1 Power and capacity

It is a company, duly incorporated with limited liability and is validly existing and in good standing under the laws of its jurisdiction of incorporation. It has the power to own its assets and carry on its business as it is being conducted.

14.2 Compliance with laws

It will comply with and observe all rules and guidelines from time to time imposed on it by such exchange and other relevant competent authorities in all material respects in relation to its ownership of shares in the Subject Entity and will promptly notify the Chargee of any material non-compliance or non-observance with or of such rules and guidelines.

14.3 Binding obligations

Subject to any general principles of law as at the date of this Deed limiting its obligations:

- (a) each of the obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above), this Deed creates the security interests which it purports to create and such security interests are valid and effective.

14.4 No conflict

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not:

- (a) conflict with any law or regulation applicable to it;
 - (b) conflict with its constitutional documents;
 - (c) conflict with any agreement or instrument binding upon it or any of its assets; or
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- (d) result in the existence of or oblige it to create any security over all or any of its assets (other than the security constituted pursuant to this Deed).

14.5 Power and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed.
- (b) No limit on its powers will be exceeded as a result of the grant of security contemplated by this Deed.
- (c) It is acting as principal for its own account and not as agent or trustee or in any other capacity on behalf of any third party.

14.6 Validity and admissibility in evidence

All Authorisations required:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed;
- (b) to make this Deed admissible in evidence in its jurisdiction of incorporation and/or Hong Kong; and/or
- (c) to enable it to create the security expressed to be created by it pursuant to this Deed and to ensure that such security has the priority and ranking it is expressed to have,

have been obtained or effected and are in full force and effect.

It has not taken any action nor have any other steps been taken or legal proceedings been started or (to the best of its knowledge and belief) threatened against it for its bankruptcy or winding-up or insolvency or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or of any or all of its assets and no other steps which are similar or which would have a similar effect have been taken in any jurisdiction

14.7 Choice of law

The choice of the laws of Hong Kong as the governing law of this Deed will be recognised and enforced in the courts of Hong Kong.

14.8 Enforceability

Any judgment obtained in the courts of Hong Kong in relation to this Deed will be recognised and enforced in Hong Kong.

14.9 No filing or stamp taxes

Under the law of its jurisdiction of incorporation it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration (except for the registration set out in Clause 3.1 (Perfection) of this Deed) or similar tax be paid on or in relation to this Deed.

14.10 Deduction of Tax

It is not required under the law applicable where it is incorporated or resident or at the address specified in this Deed to make any deduction for or on account of Tax from any payment it may make under the Loan Agreement or this Deed.

14.11 Pari passu ranking

- (a) This Deed creates (or once entered into, will create) in favour of the Chargee the security which it is expressed to create with the ranking and priority it is expressed to have.
- (b) Without limiting paragraph (a) above, its payment obligations under the Loan Agreement rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

14.12 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have (to the best of its knowledge and belief) been started or threatened against it.

14.13 Charged Property

- (a) All consents necessary to enable any asset that is expressed to be subject to any security under this Deed to be the subject of effective security under this Deed have been obtained and are in full force and effect.
 - (b) It is the sole legal and beneficial owner of the Charged Property (subject to the security constituted pursuant to this Deed).
 - (c) It has not sold or otherwise disposed of, or created, granted or permitted to subsist any Security over, all or any of its right, title and interest in the Charged Property (other than the security constituted pursuant to this Deed and other than as expressly permitted under this Deed).
 - (d) As at the date of this Deed, the particulars of the Shares as set out in Schedule 1 (Particulars of Shares) are accurate in all respects.
 - (e) The Shares have been validly issued by the Subject Entity and are fully paid up and there are no monies or liabilities payable or outstanding in relation to any of the Shares.
 - (f) It legally and beneficially owns all of the Charged Property, free and clear of all Security, except for any security constituted hereby.
 - (g) The constitutional documents of the Subject Entity do not restrict or inhibit any transfer of those Shares on creation or enforcement of the security under this Deed.
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14.14 Non-Hong Kong Company

On the date of this Deed, the Chargor is not registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622) of the Laws of Hong Kong nor has it made any application to be so registered.

14.15 Repetition

Each of the representations and warranties set out or referred to in Clause 14 above shall be deemed to be repeated by the Chargor on each date occurring after the date of this Deed, by reference to the facts and circumstances existing at the date on which such representation or warranty is deemed to be made or repeated.

15. EFFECTIVENESS OF SECURITY

15.1 Continuing Security

The security created by or pursuant to this Deed shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Chargee. No part of the security from time to time intended to be constituted by this Deed will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

15.2 Cumulative Rights

The security created by this Deed and the Collateral Rights shall be cumulative, in addition to and independent of every other security which the Chargee may at any time hold for any or all of the Secured Obligations or any rights, powers and remedies provided by law. No prior security held by the Chargee over the whole or any part of the Charged Property shall merge into the security constituted by this Deed.

15.3 **Chargor's Obligations**

None of the obligations of the Chargor under this Deed, the Collateral Rights or the security constituted by this Deed shall be affected by an act, omission, matter, thing or event which, but for this Clause 15.3, would reduce, release or prejudice any of the obligations of the Chargor under this Deed, the Collateral Rights or the security constituted by this Deed, including (without limitation and whether or not known to the Chargor or the Chargee):

- 15.3.1 the winding-up, dissolution, administration, reorganisation, death, insolvency, incapacity or bankruptcy of the Chargor or any other person or any change in its status, function, control or ownership;
 - 15.3.2 any of the obligations of the Chargor or any other person under the Loan Agreement, or under any other security relating to the Loan Agreement being or becoming illegal, invalid, unenforceable or ineffective in any respect;
 - 15.3.3 any time, waiver or consent granted to, or composition with, the Chargor or other person;
 - 15.3.4 the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor of the Chargor or other person;
 - 15.3.5 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Chargor or other person or any non-presentation or non-observance of any formality or other
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requirement in respect of any instrument or any failure to realise the full value of any security;

15.3.6 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;

15.3.7 any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of the Loan Agreement or any other document or security or of the Secured Obligations;

15.3.8 any unenforceability, illegality or invalidity of any obligation of any person under the Loan Agreement or any other document or security;

15.3.9 any insolvency or similar proceedings;

15.3.10 any claims or set-off right that the Chargor may have; or

15.3.11 any law, regulation or decree or order of any jurisdiction affecting the Chargor.

15.4 Chargor Intent

Without prejudice to the generality of Clause 16.3 (*Chargor's Obligations*), the Chargor expressly confirms that it intends that the security created under this Deed, and the Collateral Rights, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to the Loan Agreement and/or any facility or amount made available under the Loan Agreement for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

15.5 Remedies and Waivers

No failure on the part of the Chargee to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver thereof, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

15.6 No Liability

None of the Chargee, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with all or any part of the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part (as finally judicially determined).

15.7 Partial Invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed under such laws nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of that security.

15.8 No Prior Demand

The Chargee shall not be obliged to make any demand of or enforce any rights or claim against the Chargor or any other person, to take any action or obtain judgment in any court against the Chargor or any other person or to make or file any proof or claim in a liquidation, bankruptcy or insolvency of the Chargor or any other person or to enforce or seek to enforce any other security in respect of any or all of the Secured Obligations before exercising any Collateral Right.

15.9 Deferral of rights

Until the time when (i) all Secured Obligations have been irrevocably discharged in full, (ii) all amounts which may be or become payable by the Chargor under or in connection with the Loan Agreement have been irrevocably paid in full and (iii) the Chargee is no longer under any further obligation (whether actual or contingent) to provide any further advance or financial accommodation to the Chargor under the Loan Agreement, the Chargor will not (unless the Chargee otherwise directs) exercise any rights which it may have by reason of performance by it of its obligations under this Deed:

15.9.1 to be indemnified by the Chargor;

15.9.2 to claim any contribution from any guarantor of the Chargor's obligations under the Loan Agreement; and/or

15.9.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Chargee under the Loan Agreement or of any other guarantee or security taken pursuant to, or in connection with, the Loan Agreement by the Chargee.

15.10 Settlement conditional

Any settlement, discharge or release hereunder in relation to the Chargor or all or any part of the Charged Property shall be conditional upon no security or payment by the Chargor to, or recovery from the Chargor by, the Chargee being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws of general application or any similar event or for any other reason and shall in the event of any such avoidance or reduction or similar event be void.

16. RELEASE OF SECURITY

16.1 Redemption of Security

Upon the time when (i) all Secured Obligations have been irrevocably discharged in full, (ii) all amounts which may be or become payable by the Chargor under or in connection with the Loan Agreement have been irrevocably paid in full and (iii) the Chargee is no longer under any further obligation (whether actual or contingent) to provide any further advance or financial accommodation to the Chargor under the Loan Agreement, the Chargee shall, at the request (with reasonable notice) and cost of the Chargor, release and cancel the security constituted by this Deed and procure the reassignment to the Chargor of the property and assets assigned to the Chargee pursuant to this Deed (to the extent not otherwise sold, assigned or otherwise disposed of or applied in accordance with this Deed), in each case subject to Clause 18.2 (Avoidance of Payments) and 17.10 (Settlement conditional) and without recourse to, or any representation or warranty by, the Chargee or any of its nominees.

16.2 Avoidance of Payments

If the Chargee considers that any amount paid or credited to or recovered by the Chargor is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or

similar laws, the liability of the Chargor under this Deed and the security constituted by this Deed shall continue and such amount shall not be considered to have been irrevocably paid.

17. SUBSEQUENT AND PRIOR SECURITY INTERESTS

17.1 Subsequent security interests

If the Chargee at any time receives or is deemed to have received notice of any subsequent Security or other interest affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Deed or the Loan Agreement, all payments thereafter by or on behalf of the Chargor to the Chargee shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations as at the time when (or at any time after) the Chargee received such notice of such subsequent Security or other interest or such assignment or transfer.

17.2 Prior security interests

In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security or upon the exercise by the Chargee or any Receiver of any power of sale under this Deed or any Collateral Right, the Chargee may redeem any prior ranking Security over or affecting any Charged Property or procure the transfer of any such prior ranking Security to itself. The Chargee may settle and agree the accounts of the beneficiary of any such prior Security and any accounts so settled and agreed will be conclusive and binding on the Chargor. All principal, interest, costs, charges, expenses and/or other amounts relating to and/or incidental to any such redemption or transfer shall be paid by the Chargor to the Chargee upon demand.

18. CURRENCY CONVERSION AND INDEMNITY

18.1 Currency Conversion

For the purpose of or pending the discharge of any of the Secured Obligations the Chargee may convert any money received, recovered or realised or subject to application by it under this Deed from one currency to another, as the Chargee may think fit, and any such conversion shall be effected at the Chargee's spot rate of exchange (or, if no such spot rate of exchange is quoted by the Chargee, such other rate of exchange as may be available to the Chargee as selected by the Chargee) for the time being for obtaining such other currency with such first-mentioned currency.

18.2 Currency Indemnity

If any sum (a "Sum") owing by the Chargor under this Deed or any order or judgment given or made in relation to this Deed has to be converted from the currency (the "First Currency") in which such Sum is payable into another currency (the "Second Currency") for the purpose of:

18.2.1 making or filing a claim or proof against the Chargor;

18.2.2 obtaining an order or judgment in any court or other tribunal;

18.2.3 enforcing any order or judgment given or made in relation to this Deed; or

18.2.4 applying the Sum in satisfaction of any of the Secured Obligations,

the Chargor shall indemnify the Chargee from and against any loss suffered or incurred as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert

such Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange available to the Chargee at the time of such receipt or recovery of such Sum.

19. COSTS, EXPENSES AND INDEMNITY

19.1 Costs and expenses

The Chargor shall, on demand of the Chargee, reimburse the Chargee on a full indemnity basis for all costs and expenses (including legal fees and any value added tax) reasonably incurred by the Chargee in connection with (a) the execution of this Deed or otherwise in relation to this Deed, and (b) the perfection or enforcement of the security constituted by this Deed.

19.2 Stamp taxes

The Chargor shall pay all stamp, registration and other Taxes to which this Deed, the security contemplated in this Deed and/or any judgment given in connection with this Deed is, or at any time may be, subject and shall, from time to time, indemnify the Chargee on demand against any liabilities, costs, claims and/or expenses resulting from any failure to pay or delay in paying any such Tax.

19.3 Indemnity

The Chargor shall, notwithstanding any release or discharge of all or any part of the security constituted by this Deed, indemnify the Chargee, its agents, attorneys and any Receiver against any action, proceeding, claims, losses, liabilities and costs which it may sustain as a consequence of any breach by the Chargor of the provisions of this Deed, the exercise or purported exercise of any of the rights and powers conferred on any of them by this Deed or otherwise relating to the Charged Property or any part thereof.

20. PAYMENTS FREE OF DEDUCTION

20.1 Tax gross-up

All payments to be made to the Chargee under this Deed shall be made free and clear of and without deduction for or on account of Tax unless the Chargor is required to make such payment subject to the deduction or withholding of Tax, in which case the sum payable by the Chargor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the person on account of whose liability to Tax such deduction or withholding has been made receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

20.2 No set-off or counterclaim

All payments to be made by the Chargor under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

21. DISCRETION AND DELEGATION

21.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Chargee or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

21.2 Delegation

Each of the Chargee and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including without limitation the power of attorney under Clause 13 (Power of Attorney)) on such terms and conditions as it shall see fit which delegation shall not preclude any subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Chargee or any Receiver.

22. SET-OFF

The Chargee may set off any matured obligation due from the Chargor under the Loan Agreement (to the extent beneficially owned by the Chargee) against any matured obligation owed by the Chargee to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If such obligations are in different currencies, the Chargee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of such set-off.

23. CHANGES TO PARTIES

23.1 Successors

This Deed shall be binding upon and enure to the benefit of each party hereto and its and/or any subsequent successors and permitted assigns and transferees. Without prejudice to the foregoing, this Deed shall remain in effect despite any amalgamation or merger (however effected) relating to the Chargee; and references to the Chargee herein shall be deemed to include any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Chargee under this Deed or to which, under such laws, those rights and obligations have been transferred.

23.2 No Assignment or Transfer by Chargor

The Chargor may not assign or transfer any or all of its rights (if any) and/or obligations under this Deed.

23.3 Assignment and Transfer by Chargee to Successor

The Chargee may:

23.3.1 assign all or any of its rights under this Deed; and

23.3.2 transfer all or any of its obligations (if any) under this Deed,

and the Chargor shall, upon the reasonable request of the Chargee, enter into such documentation as the Chargee may require to give effect to any such assignment or transfer.

23.4 Disclosure

The Chargor agrees to any disclosure of any information.

24. AMENDMENTS AND WAIVERS

Any provision of this Deed may be amended or waived only by agreement in writing between the Chargor and the Chargee.

25. NOTICES

25.1 Communications in writing

Each communication to be made by a party hereto to the other party hereto under or in connection with this Deed shall be made in writing and, unless otherwise stated, shall be made by fax or letter.

25.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party hereto for any communication or document to be made or delivered under or in connection with this Deed is that identified with its signature below, or any substitute address, fax number, or department or officer as that party may notify to the other party by not less than five Business Days' notice.

25.3 Delivery

Any communication or document made or delivered by one party hereto to the other party hereto under or in connection with this Deed will only be effective:

25.3.1 if by way of fax, when received in legible form; or

25.3.2 if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of the address details of such other party provided under Clause 25.2 (Addresses), if addressed to that department or officer, provided that any communication or document to be made or delivered to the Chargee will be effective only when actually received by the Chargee and then only if it is expressly marked for the attention of the department or officer identified with the Chargee's signature below (or any substitute department or officer as the Chargee shall specify for this purpose).

25.4 Language

Any notice given under or in connection with this Deed must be in English. All other documents provided under or in connection with this Deed must be:

25.4.1 in English; or

25.4.2 if not in English, and if so required by the Chargee, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

26. COUNTERPARTS

This Deed may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

27. GOVERNING LAW

This Deed is governed by and construed in accordance with the laws of Hong Kong.

28. JURISDICTION

28.1 Hong Kong Courts

The courts of Hong Kong have exclusive jurisdiction to settle any dispute (a "Dispute") arising out of, or connected with this Deed (including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity).

28.2 Convenient Forum

The parties hereto agree that the courts of Hong Kong are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

28.3 Exclusive Jurisdiction

This Clause 28 (Jurisdiction) is for the benefit of the Chargee only. As a result and notwithstanding Clause 28.1 (Hong Kong Courts), nothing herein shall prevent the Chargee from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Chargee may take concurrent proceedings in any number of jurisdictions.

28.4 Waiver of immunity

The Chargor waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:

28.4.1 the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and/or

28.4.2 the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues.

IN WITNESS WHEREOF this Deed has been signed on behalf of the Chargee and executed as a deed by the Chargor and is intended to be and is hereby delivered by it as a deed.

SCHEDULE 1
PARTICULARS OF SHARES

Beneficial owner	Shares of the Subject Entity
PELICAN HOLDCO LIMITED	100 ordinary shares of HK\$1.00 each in the share capital of the Subject Entity

SCHEDULE 2
INSTRUMENT OF TRANSFER

Super Dragon Ltd.
(the "Company")

We ___ PELICAN HOLDCO LIMITED
(the "Transferor") in consideration of the Sum of Dollars
paid to me by (name in full)
of (full address)
(hereinafter called "the said Transferee") do hereby transfer to the said Transferee the
_____ share(s) numbered

standing in my name in the Register of the Company to hold unto the said Transferee or (his/her
Executors or Administrators/its Assigns), subject to the several conditions upon which I hold the same
at the time of execution hereof. And we the said Transferee do hereby agree to take the said Share(s)
subject to the same conditions.

Witness our hands the _____ day of

Signed by the Transferor)
in the presence of the witness:-)

Witness' address _____)

) Signature:

_____))
Witness' signature _____)

PELICAN HOLDCO LIMITED
(Transferor)

Signed by the Transferee)
in the presence of the witness:-)

Witness' full name _____)

Witness' address _____)

) Signature:

_____))
Witness' signature _____)

(Transferee)

CONTRACT NOTES

SOLD NOTE

Transferee _____
Address _____

Name of company in which the share(s) to be transferred -

Super Dragon Ltd.

Number of share(s) _____

Consideration received _____

For and on behalf of
PELICAN HOLDCO LIMITED

(Transferor) _____
Authorised Signature(s)

Dated _____

BOUGHT NOTE

Transferor PELICAN HOLDCO LIMITED

Address 3 Cadogan Gate, London SW1X 0AP, England

Name of company in which the share(s) to be transferred -

Super Dragon Ltd.

Number of share(s) _____

Consideration paid _____

(Transferee) _____
Authorised Signature(s)

Dated

SCHEDULE 3

FORM OF DEED OF APPOINTMENT OF PROXY AND POWER OF ATTORNEY

We, PELICAN HOLDCO LIMITED, hereby:

1. appoint _____ as my proxy to vote at meeting of the shareholders of Super Dragon Ltd. (the "Company") in respect of the Shares (as defined in the Share Charge (referred to below)) which may have been or may from time to time be issued and/or registered in our name; and
2. irrevocably appoint _____ as my duly authorised representative and duly appointed attorney-in-fact to sign resolutions in writing of the Company in respect of the Shares (as defined in the Share Charge (referred to below)) which may have been or may from time to time be issued and/or registered in our name.

This power of attorney granted hereunder is irrevocable by reason of being given for valuable consideration.

The power of attorney shall become effective only after the security created under the Share Charge dated 2019 granted and delivered by PELICAN HOLDCO LIMITED in favour of KVH MEDIA GROUP LIMITED (the "Share Charge") becomes enforceable under the terms thereof.

IN WITNESS whereof this instrument has been duly executed as a deed this ____ day of _____.

EXECUTED AS A DEED BY

)

)

PELICAN HOLDCO LIMITED

)

) _____
For and on behalf of

PELICAN HOLDCO LIMITED

In the presence of:

Signature of Witness

Name: _____

Address: _____

Occupation: _____

EXECUTION

THE CHARGOR

SEALED, EXECUTED and DELIVERED as a)
DEED for and on behalf of)
PELICAN HOLDCO LIMITED) Alex Collins
by /s/ ALEX COLLINS) Director
) _____
Title:

in the presence of
/s/ SAM FENTON- WHITTET

Witness Name: Sam Fenton-Whittet

Occupation: Finance

Address: 3 Cadogan Gate, London SW1X 0AS

Telephone: ***

Fax:

Attention:

THE CHARGEE

SIGNED for and on behalf of
KVH MEDIA GROUP LIMITED

By: Mark Woodhead

)
)
) /s/ MARK WOODHEAD
)
)
) _____
) Title: Director

Address: 2A Queens Street, Leeds

Telephone: ****

Fax: ****

Attention: Mark Woodhead

Dated 13 May 2019

PELICAN HOLDCO LIMITED
as Chargor

in favour of

KVH MEDIA GROUP LIMITED
as Chargee

SHARE CHARGE

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THIS DEED OF SHARE CHARGE is made on 13 May 2019

BY

- (1) PELICAN HOLDCO LIMITED, a company incorporated under the laws of England and Wales with company number 11988300 and registered office at 3 Cadogan Gate, London SW1X 0AP, England (the "Chargor")

in favour of

- (2) KVH MEDIA GROUP LIMITED, a company incorporated in England and Wales with registered number 06462774 and having its registered office at 2a Queen Street, Leeds, West Yorkshire LS1 2TW (the "Chargee", which expression shall include its successors, assigns and transferees).

NOW THIS DEED WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, terms defined in the Loan Agreement (as defined below) shall, unless otherwise defined in this Deed or unless a contrary intention appears, bear the same meaning when used in this Deed and the following terms shall have the following meanings:

"Charged Property" means all the assets and/or undertaking of the Chargor which from time to time are the subject of the security created or expressed to be created in favour of the Chargee by or pursuant to this Deed.

"Chargor's Investment Group" means the Investor, the General Partner and the Partnerships (as each term is defined in the Equity Commitment Letter).

"CO" means Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

"Collateral Rights" means all rights, powers and remedies of the Chargee provided by or pursuant to this Deed or by law.

"Equity Commitment Letter" means the equity commitment letter dated on or around the date hereof from Oakley Capital IV Master SCSp (as Investor) to the Chargor and the Chargee.

"Event of Default" means:

- (a) any non-payment of the Advance and accrued interest thereon on the Maturity Date in accordance with clause 5 of the Loan Agreement;
 - (b) any breach by the Chargor of its obligations under the other clauses of the Loan Agreement or any clause under this Deed, provided that no Event of Default will occur if such failure to comply is capable of remedy and is remedied within 30 days of the earlier of (i) the Lender giving notice to the Chargor and (ii) the Chargor becoming aware of the failure to comply;
 - (c) any representation by the Chargor and/or the Chargor's Investment Group under the Loan Agreement and/or this Deed and/or the Equity Commitment Letter is or proves to have been incorrect or misleading in any material respect when made, provided that no Event of Default will occur if such misrepresentation is capable of remedy and is
-

remedied within 30 days of the earlier of (i) the Lender giving notice to the Chargor and (ii) the Chargor becoming aware of such misrepresentation;

- (d) the Chargor or any member of the Chargor's Investment Group is or is presumed or deemed to be unable or admits inability to pay its debts as they fall due, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Lender in such capacity) with a view to rescheduling any of its indebtedness; or
- (e) any corporate action, legal proceedings or other procedure or step is taken in relation to (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Chargor or any member of the Chargor's Investment Group, (ii) a composition, compromise, assignment or arrangement with any creditor of the Chargor or any member of the Chargor's Investment Group, (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Chargor or any member of the Chargor's Investment Group or any of its or their assets or (iv) enforcement of any Security over any assets of the Chargor or any member of the Chargor's Investment Group, or any analogous procedure or step is taken in any jurisdiction (save that this paragraph (e) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement),

provided always that no Event of Default will occur under paragraph (c), (d) or (e) with respect to the Chargor's Investment Group, if the Investor is not prevented from performing its obligations under the Equity Commitment Letter.

"Loan Agreement" means the loan agreement dated the date hereof between the Chargor, as borrower, and the Chargee, as lender.

"Receiver" means a receiver or receiver and manager or an administrative receiver of the whole or any part of the Charged Property and that term will include any appointee under a joint and/or several appointment.

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
 - (b) all rights under any licence, agreement for sale, lease or other disposal in respect of that asset;
 - (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities and/or covenants for title in respect of that asset;
 - (d) any moneys and proceeds paid or payable in respect of that asset;
 - (e) (in the case where such asset comprises any share, equity interest or other security) all dividends, distributions, interest and monies payable in respect thereof and any rights, assets, shares and/or securities deriving therefrom or accruing thereto whether by way of redemption, bonus, preference, option, substitution, conversion, compensation or otherwise; and/or
 - (f) (in the case where such asset comprises any share, equity interest or other security) any rights against any clearing system in which such asset is held,
-

(in each case) from time to time.

"Secured Obligations" means all moneys, liabilities and obligations owing or expressed to be owing to the Chargee under or pursuant to the Loan Agreement and /or this Deed whether present or future, actual or contingent, whether now existing or hereafter arising, whether or not for payment of money and including any obligation or liability to pay damages (and whether as principal or surety or in some other capacity), including without limitation any such obligations in respect of any further advances and/or financial accommodation from time to time.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Shares" means all the ordinary shares in the share capital of the Subject Entity beneficially owned by the Chargor, including those ordinary shares of the Subject Entity specified in Schedule 1 (Particulars of Shares).

"Subject Entity" means Videotel Marine Asia Limited, a company incorporated under the laws of Hong Kong with limited liability with company number 1110854 and having its registered office currently at 16/F Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Hong Kong.

1.2 Construction

1.2.1 In this Deed:

- (a) any reference to the Chargor, the Chargee or the Subject Entity shall be construed so as to include its or their (and any subsequent) successors and any permitted assigns and transferees in accordance with their respective interests; and
- (b) save where the context otherwise requires, references in this Deed to any Clause or Schedule shall be to a clause or schedule contained in this Deed.

1.2.2 A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) (the "Third Parties Ordinance") to enforce or to enjoy the benefit of any term of this Deed. Notwithstanding any term of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

2. PAYMENT OF SECURED OBLIGATIONS

The Chargor hereby covenants with the Chargee that it shall on demand of the Chargee discharge all of the Secured Obligations when due and payable, and the Chargor shall pay to the Chargee any Secured Obligations when due and payable provided that neither such covenant nor the security constituted by this Deed shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law.

3. CHARGE AND ASSIGNMENT

3.1 Charge

3.1.1 The Chargor hereby charges as beneficial owner, as security for the payment and discharge of the Secured Obligations, by way of first fixed charge, all the Chargor's right, title and interest from time to time in and to the Shares and all Related Rights in relation thereto.

3.1.2 To the extent and at any time they are not effectively charged by way of fixed charge referred to in Clauses 3.1.1 above, charges by way of first floating charge the Charged Property, the Shares and all Related Rights in relation thereto.

4. FURTHER ASSURANCE

4.1 Further Assurance: General

The Chargor shall promptly at its own cost do all such acts and/or execute all such documents (including without limitation assignments, transfers, mortgages, charges, notices and instructions) as the Chargee may reasonably specify (and in such form as the Chargee may reasonably require in favour of the Chargee or its nominee(s)):

4.1.1 to perfect the security created or intended to be created in respect of the Charged Property (which may include, without limitation, (a) the execution by the Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, any part of the Charged Property; (b) procure that this Deed shall promptly be registered with the companies registry or registrar in the applicable jurisdictions which are, in the opinion of the Chargee, to be so registered or be submitted for registration; and (c) procure that this Deed be promptly recorded or noted in the registers of mortgages, charges or encumbrances of the Chargor and/or registers of shareholders of the Subject Entity which are, in the opinion of the Chargee, to be so recorded or noted) or for the exercise of the Collateral Rights; and/or

4.1.2 to facilitate the realisation of the Charged Property.

4.2 Necessary Action

The Chargor shall from time to time take all such action (whether or not requested to do so by the Chargee) as is or shall be available to it (including without limitation obtaining and/or effecting all Authorisations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the Chargee by or pursuant to this Deed.

4.3 Information

The Chargor shall promptly deliver to the Chargee all information that is available to it and that is required in order for the Chargee to comply with any applicable laws or regulations in respect of any Charged Property (including without limitation section 329 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) or any similar provision in any articles of association or constitutional documents relating to any Charged Property.

4.4 Implied Covenants for Title

The obligations of the Chargor under this Deed shall be in addition to any covenants for title deemed to be included in this Deed under applicable law.

5. NEGATIVE PLEDGE, DISPOSALS AND OTHER UNDERTAKINGS

5.1 Negative Pledge

Unless otherwise agreed in writing by the Chargee, the Chargor undertakes that it shall not, at any time during the subsistence of this Deed, create or permit to subsist any Security over all or any part of the Charged Property except for the security constituted by this Deed.

5.2 Delivery of Documents

The Chargor shall deliver or procure that there shall be delivered to the Chargee (a) such documents relating to the Charged Property as the Chargee reasonably requires and (b) the documents listed in paragraphs (i) to (iii) below relating to the Charged Property within 10 Business Days (or such other time period agreed by the Chargee) after the execution of this Deed, each of which may be held by the Chargee until the security constituted by this Deed is released:

- (i) share certificates or other documents of title in respect of the Shares in suitable form for transfer by delivery;
- (ii) duly executed instruments of transfer and contract notes in respect of the Shares substantially set out in the form set out in Schedule 2 (Form of Instrument of Transfer and Contract Note) but, in each case, with the dates and names of the transferees left blank; and
- (iii) signed but undated deed of appointment of proxy and irrevocable appointment of power of attorney from the Chargor substantially in the form set out in Schedule 3.

The Chargor shall promptly deliver to the Chargee certificates or other instruments representing or evidencing the Shares acquired or received by it after the date of this Deed with instruments of transfer and contract notes in blank duly executed by the Chargor.

At any time after the security created by or pursuant to this Deed has become enforceable, the Chargee shall have the right to complete, date and put into effect the documents referred to in this Clause 5.2.

5.3 Register of Members

Without prejudice to the generality of Clause 4 (Further assurance), the Chargor shall procure that the Subject Entity provides the Chargee with a certified true copy of the Register of Members within ten (10) Business Days (or such other time period agreed by the Chargee) of the execution of this Deed.

5.4 Undertaking in respect of Non-Hong Kong company

The Chargor agrees not to apply to have itself registered as a non-Hong Kong company under Part 16 of the CO.

5.5 No Disposal of Interests

The Chargor undertakes that, during the subsistence of this Deed, it shall not, and shall not agree to, sell, assign, transfer or otherwise dispose of any Charged Property except (a) pursuant to this Deed and/or (b) any disposal consented to in writing by the Chargee.

6. OPERATIONS BEFORE AND AFTER EVENTS OF DEFAULT

6.1 Dividends

- 6.1.1 The Chargor shall ensure that any and all dividends, distributions, interest and/or other monies received and/or recovered in respect of all or any part of the Charged Property are directly paid to the Chargee.
- 6.1.2 After the occurrence and during the continuance of an Event of Default, the Chargee may apply in accordance with this Deed any and all dividends, distributions, interest

and/or other monies received and/or recovered in respect of all or any part of the Charged Property.

- 6.1.3 Any and all dividends, distributions, interest and/or other monies received, recovered or paid/delivered to the order of the Chargor (other than in cash) in respect of any or all of the Charged Property shall be held by the Chargor subject to the security constituted by this Deed, provided that if such receipt or recovery is made after the occurrence and during the continuance of an Event of Default, the Chargor shall promptly deliver such dividends, distributions, interest and/or other monies to the Chargee for application in accordance with this Deed.

6.2 Operation: Before Event of Default

In the absence of an Event of Default, the Chargor shall be entitled to exercise all voting rights in relation to any or all of the Shares provided that the Chargor shall not exercise such voting rights in any manner that could give rise to, or otherwise permit or agree to, any (a) variation of the rights attaching to or conferred by any of the Shares or (b) any liability on the part of the Chargee.

6.3 Operation: After Event of Default

The Chargee may, upon and/or after the occurrence and during the continuance of an Event of Default, at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):

- 6.3.1 exercise (or refrain from exercising) any voting rights in respect of the Charged Property;
- 6.3.2 apply all dividends, distributions, interest and other monies arising from all or any of the Charged Property in accordance with Clause 11 (*Application of Monies*);
- 6.3.3 transfer all or any of the Charged Property into the name of such nominee(s) of the Chargee as it shall think fit;
- 6.3.4 cause the conversion or dematerialisation of any of the Charged Property into scripless securities and the deposit of such scripless securities into the any account (whether in the name of the Chargor, the Chargee or otherwise); and
- 6.3.5 exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Charged Property, including without limitation the right, in relation to any company, corporation or entity whose shares, equity interests or other securities are included in the Charged Property or any part thereof, to concur or participate in:
- (a) the reconstruction, amalgamation, sale or other disposal of such company, corporation or entity or any of its assets or undertaking (including without limitation the exchange, conversion or reissue of any shares, equity interests or securities as a consequence thereof);
 - (b) the release, modification or variation of any rights or liabilities attaching to such shares, equity interests or securities; and
 - (c) the exercise, renunciation or assignment of any right to subscribe for any shares, equity interests or securities,
-

in each case in such manner and on such terms as the Chargee may think fit, and the proceeds of any such action shall form part of the Charged Property and may be applied by the Chargee in accordance with Clause 11 (*Application of Monies*).

6.4 Payment of Calls

The Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Charged Property, and in any case of default by the Chargor in such payment, the Chargee may, if it thinks fit, make such payment on behalf of the Chargor in which case any sums paid by the Chargee shall be reimbursed by the Chargor to the Chargee on demand and shall carry interest from the date of payment by the Chargee until reimbursed in full at the rate and in accordance with Clause 2.2 (Interest on Demands).

6.5 Exercise of Rights

The Chargor shall not exercise any of its rights and powers in relation to any of the Charged Property in any manner which, in the opinion of the Chargee, would prejudice the value of, or the ability of the Chargee to realise, the security created by this Deed.

7. ENFORCEMENT OF SECURITY

7.1 Enforcement

Upon and after the occurrence and during the continuance of an Event of Default or if the Chargor requests the Chargee to exercise any of its powers under this Deed, the security created by or pursuant to this Deed is immediately enforceable and the Chargee may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

7.1.1 enforce all or any part of such security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property; and

7.1.2 whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by this Deed on any Receiver or otherwise conferred by law on mortgagees and/or Receivers.

7.2 No Liability as Mortgagee in Possession

Neither the Chargee nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property to which a mortgagee or a mortgagee in possession might otherwise be liable.

8. POWERS OF SALE

8.1 Extension of Powers

The power of sale or other disposal conferred on the Chargee and on any Receiver by this Deed shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) upon the occurrence and during the continuance of an Event of Default.

8.2 Restrictions

Any restrictions imposed by law on the power of sale or on the consolidation of security (including without limitation any restriction under paragraph 11 of the Fourth Schedule to the

Conveyancing and Property Ordinance (Cap. 219) of the Laws of Hong Kong) shall be excluded to the fullest extent permitted by law.

9. APPOINTMENT OF RECEIVER

9.1 Appointment and Removal

Upon and after the occurrence and during the continuance of an Event of Default or if requested to do so by the Chargor, the Chargee may by deed or otherwise (acting through an authorised officer of the Chargee), without prior notice to the Chargor:

9.1.1 appoint one or more persons to be a Receiver of the whole or any part of the Charged Property;

9.1.2 appoint two or more Receivers of separate parts of the Charged Property;

9.1.3 remove (so far as it is lawfully able) any Receiver so appointed; and/or

9.1.4 appoint another person(s) as an additional or replacement Receiver(s).

9.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 9.1 (Appointment and Removal) shall be:

9.2.1 entitled to act individually or together with any other person appointed or substituted as Receiver;

9.2.2 for all purposes deemed to be the agent of the Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Chargee; and

9.2.3 entitled to remuneration for his services at a rate to be fixed by the Chargee from time to time.

9.3 Statutory Powers of Appointment

The powers of appointment of a Receiver herein contained shall be in addition to all statutory and other powers of appointment of the Chargee under applicable law and such powers shall remain exercisable from time to time by the Chargee in respect of all or any part of the Charged Property.

10. POWERS OF RECEIVER

10.1 Powers of Receiver

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor, and subject to any existing security where applicable) have and be entitled to exercise, in relation to the Charged Property (and any assets of the Chargor which, when got in, would be Charged Property) or that part thereof in respect of which he was appointed, and as varied and extended by the provisions of this Deed (in the name of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor):

10.1.1 all the powers conferred by the Conveyancing and Property Ordinance (Cap. 219) of the Laws of Hong Kong on mortgagors and on mortgagees in possession and on

receivers appointed under that Ordinance (as if the Charged Property constituted property that is subject to that Ordinance and as if such Receiver were appointed under that Ordinance), free from any limitation under paragraph 11 of the Fourth Schedule to that Ordinance;

10.1.2 all the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do; and

10.1.3 the power to do all things (including without limitation bringing or defending proceedings in the name or on behalf of the Chargor) which seem to that Receiver to be incidental or conducive to (a) any of the functions, powers, authorities or discretions conferred on or vested in him or (b) the exercise of any Collateral Rights (including without limitation realisation of all or any part of the Charged Property) or (c) bringing to his hands any assets of the Chargor forming, or which, when got in, would be part of the Charged Property.

10.2 Additional Powers of Receiver

In addition to and without prejudice to the generality of the foregoing, every Receiver shall (subject to any limitations or restrictions expressed in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor and subject to any existing security where applicable) have the following powers in relation to the Charged Property (and any assets of the Chargor which, when got in, would be part of the Charged Property) in respect of which he was appointed (and every reference in this Clause 10.2 to the "Charged Property" shall be read as a reference to that part of the Charged Property in respect of which such Receiver was appointed):

10.2.1 Take Possession

power to enter upon, take immediate possession of, collect and get in the Charged Property including without limitation dividends and other income whether accrued before or after the date of his appointment;

10.2.2 Proceedings and Claims

power to bring, prosecute, enforce, defend and abandon applications, claims, disputes, actions, suits and proceedings in connection with all or any part of the Charged Property or this Deed in the name of the Chargor or in his own name and to submit to arbitration, negotiate, compromise and settle any such applications, claims, disputes, actions, suits or proceedings;

10.2.3 Carry on Business

power to carry on and manage, or concur in the carrying on and management of or to appoint a manager of, the whole or any part of the Charged Property or any business relating thereto in such manner as he shall in his absolute discretion think fit;

10.2.4 Deal with Charged Property

power, in relation to the Charged Property and each and every part thereof, to sell, transfer, convey, dispose of or concur in any of the foregoing by the Chargor or any other receiver or manager of the Chargor (including without limitation any sale, transfer, conveyance or disposal in favour of the Chargee) in such manner and generally on such terms as he thinks fit;

10.2.5 Acquisitions

power to purchase, lease, hire or otherwise acquire any assets or rights of any description which he shall in his absolute discretion consider necessary or desirable for the carrying on, improvement or realisation of the whole or any part of the Charged Property or otherwise for the benefit of the whole or any part of the Charged Property;

10.2.6 New Subsidiary

power to promote, procure the formation or otherwise acquire the share capital of, any body corporate with a view to such body corporate becoming a subsidiary of the Chargor or otherwise and purchasing, leasing or otherwise acquiring an interest in the whole or any part of the Charged Property or carrying on any business in succession to the Chargor or any subsidiary of the Chargor;

10.2.7 Insurance

power to effect, maintain or renew indemnity and other insurances and to obtain bonds and performance guarantees;

10.2.8 Borrowing

power to raise or borrow money from the Chargee or any other person to rank either in priority to the security constituted by this Deed or any part of it or otherwise and with or without a mortgage or charge on the Charged Property or any part of it on such terms as he shall in his absolute discretion think fit (and no person lending such money shall be concerned to see or enquire as to the propriety or purpose of the exercise of such power or the application of money so raised or borrowed);

10.2.9 Redemption of Security

power to redeem, discharge or compromise any security whether or not having priority to the security constituted by this Deed or any part of it;

10.2.10 Covenants, Guarantees and Indemnities

power to enter into bonds, covenants, guarantees, commitments, indemnities and other obligations or liabilities as he shall think fit, to make all payments needed to effect, maintain or satisfy such obligations or liabilities and to use the company seal of the Chargor; and

10.2.11 Exercise of Powers in Chargor's Name

power to exercise any or all of the above powers on behalf of and in the name of the Chargor (notwithstanding any winding-up or dissolution of the Chargor) or on his own behalf.

10.3 Terms of Disposition

In making any sale or other disposal of all or any part of the Charged Property or any acquisition in the exercise of their respective powers (including without limitation a disposal by a Receiver to any subsidiary of the Chargor or other body corporate as is referred to in Clause 10.2.6) a Receiver or the Chargee may accept or dispose of as, and by way of consideration for, such sale or other disposal or acquisition, cash, shares, loan capital or other obligations, including without limitation consideration fluctuating according to or dependent upon profit or turnover and consideration the amount whereof is to be determined by a third party. Any such consideration may, if thought expedient by the Receiver or the Chargee, be nil or may be payable or receivable in a lump sum or by instalments. Any contract for any such sale, disposal

or acquisition by the Receiver or the Chargee may contain conditions excluding or restricting the personal liability of the Receiver or the Chargee.

11. APPLICATION OF MONIES

11.1 Order of Application

Save as otherwise expressly provided in this Deed, all moneys and/or non-cash recoveries and/or proceeds received or recovered by the Chargee or any Receiver pursuant to this Deed or the powers conferred by it shall (subject to the claims of any person having prior rights thereto (including the claims of the Chargee as beneficiary of any existing security where applicable) and subject to Clause 11.2 (Suspense Account)) be applied in the payment of the costs, charges and expenses incurred and payments made by any Receiver, the payment of his remuneration and the discharge of any liabilities incurred by such Receiver in, or incidental to, the exercise of any of his powers.

11.2 Suspense Account

Until all Secured Obligations are paid in full, all monies received, recovered or realised under this Deed by the Chargee or any Receiver or the powers conferred by it (including the proceeds of any conversion of currency) may in its discretion be credited to and held in any suspense or impersonal account pending their application from time to time in or towards the discharge of any of the Secured Obligations in accordance with Clause 11.1 (Order of Application).

11.3 Application by Chargor

Any application under this Clause 11 shall override any application or appropriation by the Chargor.

12. RECEIPT AND PROTECTION OF PURCHASERS

12.1 Receipt and Consideration

The receipt of the Chargee or any Receiver shall be conclusive discharge to a purchaser of any part of the Charged Property from the Chargee or such Receiver and in making any sale or disposal of any part of the Charged Property or making any acquisition, the Chargee or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

12.2 Protection of Purchasers

No purchaser or other person dealing with the Chargee or any Receiver shall be bound to inquire whether the right of the Chargee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Chargee or such Receiver in such dealings. The protection given to purchasers from a mortgagee in sections 52 and 55 of the Conveyancing and Property Ordinance (Cap. 219) of the Laws of Hong Kong shall apply mutatis mutandis to purchaser(s) and other person(s) dealing with the Chargee or any Receiver.

13. POWER OF ATTORNEY

13.1 Appointment and Powers

The Chargor by way of security irrevocably (within the meaning of Section 4 of the Powers of Attorney Ordinance (Cap. 31) of the Laws of Hong Kong) appoints the Chargee and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to

execute, deliver and perfect all documents and do all things which the Chargee or such Receiver may consider to be necessary for:

13.1.1 carrying out any obligation imposed on the Chargor by this Deed or any other agreement binding on the Chargor to which the Chargee is party (including without limitation the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Property or any part thereof); and

13.1.2 enabling the Chargee and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Deed or by law (including, without limitation, upon or after the occurrence and during the continuance of an Event of Default, the exercise of any right of a legal or beneficial owner of the Charged Property or any part thereof).

13.2 Ratification

The Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

14. REPRESENTATIONS

The Chargor represents and warrants to the Chargee that:

14.1 Power and capacity

It is a company, duly incorporated with limited liability and is validly existing and in good standing under the laws of its jurisdiction of incorporation. It has the power to own its assets and carry on its business as it is being conducted.

14.2 Compliance with laws

It will comply with and observe all rules and guidelines from time to time imposed on it by such exchange and other relevant competent authorities in all material respects in relation to its ownership of shares in the Subject Entity and will promptly notify the Chargee of any material non-compliance or non-observance with or of such rules and guidelines.

14.3 Binding obligations

Subject to any general principles of law as at the date of this Deed limiting its obligations:

- (a) each of the obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above), this Deed creates the security interests which it purports to create and such security interests are valid and effective.

14.4 No conflict

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not:

- (a) conflict with any law or regulation applicable to it;
 - (b) conflict with its constitutional documents;
 - (c) conflict with any agreement or instrument binding upon it or any of its assets; or
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- (d) result in the existence of or oblige it to create any security over all or any of its assets (other than the security constituted pursuant to this Deed).

14.5 Power and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed.
- (b) No limit on its powers will be exceeded as a result of the grant of security contemplated by this Deed.
- (c) It is acting as principal for its own account and not as agent or trustee or in any other capacity on behalf of any third party.

14.6 Validity and admissibility in evidence

All Authorisations required:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed;
- (b) to make this Deed admissible in evidence in its jurisdiction of incorporation and/or Hong Kong; and/or
- (c) to enable it to create the security expressed to be created by it pursuant to this Deed and to ensure that such security has the priority and ranking it is expressed to have,

have been obtained or effected and are in full force and effect.

It has not taken any action nor have any other steps been taken or legal proceedings been started or (to the best of its knowledge and belief) threatened against it for its bankruptcy or winding-up or insolvency or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or of any or all of its assets and no other steps which are similar or which would have a similar effect have been taken in any jurisdiction

14.7 Choice of law

The choice of the laws of Hong Kong as the governing law of this Deed will be recognised and enforced in the courts of Hong Kong.

14.8 Enforceability

Any judgment obtained in the courts of Hong Kong in relation to this Deed will be recognised and enforced in Hong Kong.

14.9 No filing or stamp taxes

Under the law of its jurisdiction of incorporation it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration (except for the registration set out in Clause 3.1 (Perfection) of this Deed) or similar tax be paid on or in relation to this Deed.

14.10 Deduction of Tax

It is not required under the law applicable where it is incorporated or resident or at the address specified in this Deed to make any deduction for or on account of Tax from any payment it may make under the Loan Agreement or this Deed.

14.11 Pari passu ranking

- (a) This Deed creates (or once entered into, will create) in favour of the Chargee the security which it is expressed to create with the ranking and priority it is expressed to have.
- (b) Without limiting paragraph (a) above, its payment obligations under the Loan Agreement rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

14.12 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have (to the best of its knowledge and belief) been started or threatened against it.

14.13 Charged Property

- (a) All consents necessary to enable any asset that is expressed to be subject to any security under this Deed to be the subject of effective security under this Deed have been obtained and are in full force and effect.
 - (b) It is the sole legal and beneficial owner of the Charged Property (subject to the security constituted pursuant to this Deed).
 - (c) It has not sold or otherwise disposed of, or created, granted or permitted to subsist any Security over, all or any of its right, title and interest in the Charged Property (other than the security constituted pursuant to this Deed and other than as expressly permitted under this Deed).
 - (d) As at the date of this Deed, the particulars of the Shares as set out in Schedule 1 (Particulars of Shares) are accurate in all respects.
 - (e) The Shares have been validly issued by the Subject Entity and are fully paid up and there are no monies or liabilities payable or outstanding in relation to any of the Shares.
 - (f) It legally and beneficially owns all of the Charged Property, free and clear of all Security, except for any security constituted hereby.
 - (g) The constitutional documents of the Subject Entity do not restrict or inhibit any transfer of those Shares on creation or enforcement of the security under this Deed.
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14.14 Non-Hong Kong Company

On the date of this Deed, the Chargor is not registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622) of the Laws of Hong Kong nor has it made any application to be so registered.

14.15 Repetition

Each of the representations and warranties set out or referred to in Clause 14 above shall be deemed to be repeated by the Chargor on each date occurring after the date of this Deed, by reference to the facts and circumstances existing at the date on which such representation or warranty is deemed to be made or repeated.

15. EFFECTIVENESS OF SECURITY

15.1 Continuing Security

The security created by or pursuant to this Deed shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Chargee. No part of the security from time to time intended to be constituted by this Deed will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

15.2 Cumulative Rights

The security created by this Deed and the Collateral Rights shall be cumulative, in addition to and independent of every other security which the Chargee may at any time hold for any or all of the Secured Obligations or any rights, powers and remedies provided by law. No prior security held by the Chargee over the whole or any part of the Charged Property shall merge into the security constituted by this Deed.

15.3 **Chargor's Obligations**

None of the obligations of the Chargor under this Deed, the Collateral Rights or the security constituted by this Deed shall be affected by an act, omission, matter, thing or event which, but for this Clause 15.3, would reduce, release or prejudice any of the obligations of the Chargor under this Deed, the Collateral Rights or the security constituted by this Deed, including (without limitation and whether or not known to the Chargor or the Chargee):

- 15.3.1 the winding-up, dissolution, administration, reorganisation, death, insolvency, incapacity or bankruptcy of the Chargor or any other person or any change in its status, function, control or ownership;
 - 15.3.2 any of the obligations of the Chargor or any other person under the Loan Agreement, or under any other security relating to the Loan Agreement being or becoming illegal, invalid, unenforceable or ineffective in any respect;
 - 15.3.3 any time, waiver or consent granted to, or composition with, the Chargor or other person;
 - 15.3.4 the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor of the Chargor or other person;
 - 15.3.5 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Chargor or other person or any non-presentation or non-observance of any formality or other
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requirement in respect of any instrument or any failure to realise the full value of any security;

15.3.6 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;

15.3.7 any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of the Loan Agreement or any other document or security or of the Secured Obligations;

15.3.8 any unenforceability, illegality or invalidity of any obligation of any person under the Loan Agreement or any other document or security;

15.3.9 any insolvency or similar proceedings;

15.3.10 any claims or set-off right that the Chargor may have; or

15.3.11 any law, regulation or decree or order of any jurisdiction affecting the Chargor.

15.4 Chargor Intent

Without prejudice to the generality of Clause 16.3 (*Chargor's Obligations*), the Chargor expressly confirms that it intends that the security created under this Deed, and the Collateral Rights, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to the Loan Agreement and/or any facility or amount made available under the Loan Agreement for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

15.5 Remedies and Waivers

No failure on the part of the Chargee to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver thereof, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

15.6 No Liability

None of the Chargee, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with all or any part of the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part (as finally judicially determined).

15.7 Partial Invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed under such laws nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of that security.

15.8 No Prior Demand

The Chargee shall not be obliged to make any demand of or enforce any rights or claim against the Chargor or any other person, to take any action or obtain judgment in any court against the Chargor or any other person or to make or file any proof or claim in a liquidation, bankruptcy or insolvency of the Chargor or any other person or to enforce or seek to enforce any other security in respect of any or all of the Secured Obligations before exercising any Collateral Right.

15.9 Deferral of rights

Until the time when (i) all Secured Obligations have been irrevocably discharged in full, (ii) all amounts which may be or become payable by the Chargor under or in connection with the Loan Agreement have been irrevocably paid in full and (iii) the Chargee is no longer under any further obligation (whether actual or contingent) to provide any further advance or financial accommodation to the Chargor under the Loan Agreement, the Chargor will not (unless the Chargee otherwise directs) exercise any rights which it may have by reason of performance by it of its obligations under this Deed:

15.9.1 to be indemnified by the Chargor;

15.9.2 to claim any contribution from any guarantor of the Chargor's obligations under the Loan Agreement; and/or

15.9.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Chargee under the Loan Agreement or of any other guarantee or security taken pursuant to, or in connection with, the Loan Agreement by the Chargee.

15.10 Settlement conditional

Any settlement, discharge or release hereunder in relation to the Chargor or all or any part of the Charged Property shall be conditional upon no security or payment by the Chargor to, or recovery from the Chargor by, the Chargee being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws of general application or any similar event or for any other reason and shall in the event of any such avoidance or reduction or similar event be void.

16. RELEASE OF SECURITY

16.1 Redemption of Security

Upon the time when (i) all Secured Obligations have been irrevocably discharged in full, (ii) all amounts which may be or become payable by the Chargor under or in connection with the Loan Agreement have been irrevocably paid in full and (iii) the Chargee is no longer under any further obligation (whether actual or contingent) to provide any further advance or financial accommodation to the Chargor under the Loan Agreement, the Chargee shall, at the request (with reasonable notice) and cost of the Chargor, release and cancel the security constituted by this Deed and procure the reassignment to the Chargor of the property and assets assigned to the Chargee pursuant to this Deed (to the extent not otherwise sold, assigned or otherwise disposed of or applied in accordance with this Deed), in each case subject to Clause 18.2 (Avoidance of Payments) and 17.10 (Settlement conditional) and without recourse to, or any representation or warranty by, the Chargee or any of its nominees.

16.2 Avoidance of Payments

If the Chargee considers that any amount paid or credited to or recovered by the Chargor is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or

similar laws, the liability of the Chargor under this Deed and the security constituted by this Deed shall continue and such amount shall not be considered to have been irrevocably paid.

17. SUBSEQUENT AND PRIOR SECURITY INTERESTS

17.1 Subsequent security interests

If the Chargee at any time receives or is deemed to have received notice of any subsequent Security or other interest affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Deed or the Loan Agreement, all payments thereafter by or on behalf of the Chargor to the Chargee shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations as at the time when (or at any time after) the Chargee received such notice of such subsequent Security or other interest or such assignment or transfer.

17.2 Prior security interests

In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security or upon the exercise by the Chargee or any Receiver of any power of sale under this Deed or any Collateral Right, the Chargee may redeem any prior ranking Security over or affecting any Charged Property or procure the transfer of any such prior ranking Security to itself. The Chargee may settle and agree the accounts of the beneficiary of any such prior Security and any accounts so settled and agreed will be conclusive and binding on the Chargor. All principal, interest, costs, charges, expenses and/or other amounts relating to and/or incidental to any such redemption or transfer shall be paid by the Chargor to the Chargee upon demand.

18. CURRENCY CONVERSION AND INDEMNITY

18.1 Currency Conversion

For the purpose of or pending the discharge of any of the Secured Obligations the Chargee may convert any money received, recovered or realised or subject to application by it under this Deed from one currency to another, as the Chargee may think fit, and any such conversion shall be effected at the Chargee's spot rate of exchange (or, if no such spot rate of exchange is quoted by the Chargee, such other rate of exchange as may be available to the Chargee as selected by the Chargee) for the time being for obtaining such other currency with such first-mentioned currency.

18.2 Currency Indemnity

If any sum (a "Sum") owing by the Chargor under this Deed or any order or judgment given or made in relation to this Deed has to be converted from the currency (the "First Currency") in which such Sum is payable into another currency (the "Second Currency") for the purpose of:

18.2.1 making or filing a claim or proof against the Chargor;

18.2.2 obtaining an order or judgment in any court or other tribunal;

18.2.3 enforcing any order or judgment given or made in relation to this Deed; or

18.2.4 applying the Sum in satisfaction of any of the Secured Obligations,

the Chargor shall indemnify the Chargee from and against any loss suffered or incurred as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert

such Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange available to the Chargee at the time of such receipt or recovery of such Sum.

19. COSTS, EXPENSES AND INDEMNITY

19.1 Costs and expenses

The Chargor shall, on demand of the Chargee, reimburse the Chargee on a full indemnity basis for all costs and expenses (including legal fees and any value added tax) reasonably incurred by the Chargee in connection with (a) the execution of this Deed or otherwise in relation to this Deed, and (b) the perfection or enforcement of the security constituted by this Deed.

19.2 Stamp taxes

The Chargor shall pay all stamp, registration and other Taxes to which this Deed, the security contemplated in this Deed and/or any judgment given in connection with this Deed is, or at any time may be, subject and shall, from time to time, indemnify the Chargee on demand against any liabilities, costs, claims and/or expenses resulting from any failure to pay or delay in paying any such Tax.

19.3 Indemnity

The Chargor shall, notwithstanding any release or discharge of all or any part of the security constituted by this Deed, indemnify the Chargee, its agents, attorneys and any Receiver against any action, proceeding, claims, losses, liabilities and costs which it may sustain as a consequence of any breach by the Chargor of the provisions of this Deed, the exercise or purported exercise of any of the rights and powers conferred on any of them by this Deed or otherwise relating to the Charged Property or any part thereof.

20. PAYMENTS FREE OF DEDUCTION

20.1 Tax gross-up

All payments to be made to the Chargee under this Deed shall be made free and clear of and without deduction for or on account of Tax unless the Chargor is required to make such payment subject to the deduction or withholding of Tax, in which case the sum payable by the Chargor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the person on account of whose liability to Tax such deduction or withholding has been made receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

20.2 No set-off or counterclaim

All payments to be made by the Chargor under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

21. DISCRETION AND DELEGATION

21.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Chargee or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

21.2 Delegation

Each of the Chargee and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including without limitation the power of attorney under Clause 13 (Power of Attorney)) on such terms and conditions as it shall see fit which delegation shall not preclude any subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Chargee or any Receiver.

22. SET-OFF

The Chargee may set off any matured obligation due from the Chargor under the Loan Agreement (to the extent beneficially owned by the Chargee) against any matured obligation owed by the Chargee to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If such obligations are in different currencies, the Chargee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of such set-off.

23. CHANGES TO PARTIES

23.1 Successors

This Deed shall be binding upon and enure to the benefit of each party hereto and its and/or any subsequent successors and permitted assigns and transferees. Without prejudice to the foregoing, this Deed shall remain in effect despite any amalgamation or merger (however effected) relating to the Chargee; and references to the Chargee herein shall be deemed to include any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Chargee under this Deed or to which, under such laws, those rights and obligations have been transferred.

23.2 No Assignment or Transfer by Chargor

The Chargor may not assign or transfer any or all of its rights (if any) and/or obligations under this Deed.

23.3 Assignment and Transfer by Chargee to Successor

The Chargee may:

23.3.1 assign all or any of its rights under this Deed; and

23.3.2 transfer all or any of its obligations (if any) under this Deed,

and the Chargor shall, upon the reasonable request of the Chargee, enter into such documentation as the Chargee may require to give effect to any such assignment or transfer.

23.4 Disclosure

The Chargor agrees to any disclosure of any information.

24. AMENDMENTS AND WAIVERS

Any provision of this Deed may be amended or waived only by agreement in writing between the Chargor and the Chargee.

25. NOTICES

25.1 Communications in writing

Each communication to be made by a party hereto to the other party hereto under or in connection with this Deed shall be made in writing and, unless otherwise stated, shall be made by fax or letter.

25.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party hereto for any communication or document to be made or delivered under or in connection with this Deed is that identified with its signature below, or any substitute address, fax number, or department or officer as that party may notify to the other party by not less than five Business Days' notice.

25.3 Delivery

Any communication or document made or delivered by one party hereto to the other party hereto under or in connection with this Deed will only be effective:

25.3.1 if by way of fax, when received in legible form; or

25.3.2 if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of the address details of such other party provided under Clause 25.2 (Addresses), if addressed to that department or officer, provided that any communication or document to be made or delivered to the Chargee will be effective only when actually received by the Chargee and then only if it is expressly marked for the attention of the department or officer identified with the Chargee's signature below (or any substitute department or officer as the Chargee shall specify for this purpose).

25.4 Language

Any notice given under or in connection with this Deed must be in English. All other documents provided under or in connection with this Deed must be:

25.4.1 in English; or

25.4.2 if not in English, and if so required by the Chargee, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

26. COUNTERPARTS

This Deed may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

27. GOVERNING LAW

This Deed is governed by and construed in accordance with the laws of Hong Kong.

28. JURISDICTION

28.1 Hong Kong Courts

The courts of Hong Kong have exclusive jurisdiction to settle any dispute (a "Dispute") arising out of, or connected with this Deed (including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity).

28.2 Convenient Forum

The parties hereto agree that the courts of Hong Kong are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

28.3 Exclusive Jurisdiction

This Clause 28 (Jurisdiction) is for the benefit of the Chargee only. As a result and notwithstanding Clause 28.1 (Hong Kong Courts), nothing herein shall prevent the Chargee from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Chargee may take concurrent proceedings in any number of jurisdictions.

28.4 Waiver of immunity

The Chargor waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:

28.4.1 the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and/or

28.4.2 the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues.

IN WITNESS WHEREOF this Deed has been signed on behalf of the Chargee and executed as a deed by the Chargor and is intended to be and is hereby delivered by it as a deed.

SCHEDULE 1
PARTICULARS OF SHARES

Beneficial owner	Shares of the Subject Entity
PELICAN HOLDCO LIMITED	100 ordinary shares of HK\$1.00 each in the share capital of the Subject Entity

SCHEDULE 2
INSTRUMENT OF TRANSFER

Videotel Marine Asia Limited
(the "Company")

We ___ PELICAN HOLDCO LIMITED

(the "Transferor") in consideration of the Sum of Dollars

paid to me by (name in full)

of (full address)

(hereinafter called "the said Transferee") do hereby transfer to the said Transferee the

_____ share(s) numbered

standing in my name in the Register of the Company to hold unto the said Transferee or (his/her Executors or Administrators/its Assigns), subject to the several conditions upon which I hold the same at the time of execution hereof. And we the said Transferee do hereby agree to take the said Share(s) subject to the same conditions.

Witness our hands the _____ day of

Signed by the Transferor)
in the presence of the witness:-)

Witness' address _____)

) Signature:

_____)

PELICAN HOLDCO LIMITED
(Transferor)

Witness' signature _____)

Signed by the Transferee)
in the presence of the witness:-)

Witness' full name _____)

Witness' address _____)

) Signature:

_____)

(Transferee)

Witness' signature _____)

CONTRACT NOTES

SOLD NOTE

Transferee _____
Address _____

Name of company in which the share(s) to be transferred -

Videotel Marine Asia Limited

Number of share(s) _____

Consideration received _____

For and on behalf of
PELICAN HOLDCO LIMITED

(Transferor) _____
Authorised Signature(s)

Dated _____

BOUGHT NOTE

Transferor PELICAN HOLDCO LIMITED

Address 3 Cadogan Gate, London SW1X 0AP, England

Name of company in which the share(s) to be transferred -

Videotel Marine Asia Limited

Number of share(s) _____

Consideration paid _____

(Transferee) _____
Authorised Signature(s)

Dated

SCHEDULE 3

FORM OF DEED OF APPOINTMENT OF PROXY AND POWER OF ATTORNEY

We, PELICAN HOLDCO LIMITED, hereby:

1. appoint _____ as my proxy to vote at meeting of the shareholders of Videotel Marine Asia Limited (the "Company") in respect of the Shares (as defined in the Share Charge (referred to below)) which may have been or may from time to time be issued and/or registered in our name; and
2. irrevocably appoint _____ as my duly authorised representative and duly appointed attorney-in-fact to sign resolutions in writing of the Company in respect of the Shares (as defined in the Share Charge (referred to below)) which may have been or may from time to time be issued and/or registered in our name.

This power of attorney granted hereunder is irrevocable by reason of being given for valuable consideration.

The power of attorney shall become effective only after the security created under the Share Charge dated 2019 granted and delivered by PELICAN HOLDCO LIMITED in favour of KVH MEDIA GROUP LIMITED (the "Share Charge") becomes enforceable under the terms thereof.

IN WITNESS whereof this instrument has been duly executed as a deed this ____ day of _____.

EXECUTED AS A DEED BY

)

)

PELICAN HOLDCO LIMITED

)

) _____
For and on behalf of

PELICAN HOLDCO LIMITED

In the presence of:

Signature of Witness

Name: _____

Address: _____

Occupation: _____

EXECUTION

THE CHARGOR

SEALED, EXECUTED and DELIVERED as a)
DEED for and on behalf of)
PELICAN HOLDCO LIMITED) /s/ ALEX COLLINS
by Alex Collins)
Title: Director

in the presence of
/s/ SAM FENTON- WHITTET

Witness Name: Sam Fenton-Whittet

Occupation: Finance

Address: 3 Cadogan Gate, London SW1X 0AS

Telephone: ***

Fax:

Attention:

THE CHARGEE

SIGNED for and on behalf of
KVH MEDIA GROUP LIMITED

By: Mark Woodhead

)
)
) /s/ MARK WOODHEAD
)
)
) _____
) Title: Director

Address: 2A Queens Street, Leeds

Telephone: ****

Fax: ****

Attention: Mark Woodhead

CONSENT

This Consent (this "Consent"), dated as of May 13, 2019, is made by and between KVH INDUSTRIES, INC., a Delaware corporation ("Borrower"), and BANK OF AMERICA, N.A., as administrative agent for the Lenders (in such capacity, together with its successors and assigns, "Administrative Agent").

WITNESSETH:

WHEREAS, Borrower and Administrative Agent are parties to a certain Amended and Restated Credit Agreement, dated as of October 30, 2018 (as the same now exists and may hereafter be amended, modified, supplemented, extended, renewed, restated, or replaced from time to time, the "Credit Agreement");

WHEREAS, Borrower has advised Administrative Agent that KVH MEDIA GROUP LIMITED, a private limited company incorporated under the laws of England with registered number 06462774 ("Seller"), is selling 100% of the Equity Interest (the "Sale") of each of SUPER DRAGON LIMITED, a private company incorporated under the laws of Hong Kong with company number 1327525 ("Super Dragon") and VIDEOTEL MARINE ASIA LIMITED, a private company incorporated under the laws of Hong Kong with company number 1110854 ("Videotel" and together with Super Dragon, the "Companies"), pursuant to that certain Share Purchase Agreement, dated as of May 13, 2019, by and among Seller and [Oakley SPV], as purchaser ("Purchaser"), and the Borrower, as a guarantor of the obligations of the Seller under such agreement (as the same now exists and may hereafter be amended, modified, supplemented, extended, renewed, restated, or replaced from time to time, the "Purchase Agreement");

WHEREAS, each of Seller and the Companies is a Subsidiary of Borrower;

WHEREAS, concurrently with the Sale, Purchaser and Seller have entered or will enter into a financing arrangement, pursuant to which Seller will make available to Purchaser a loan or other financial accommodations in the aggregate amount of \$90,000,000, and Purchaser and Seller will enter into a Loan Agreement (the "Loan Agreement") in respect thereof (the "Bridge Loan");

WHEREAS, the proceeds of the Bridge Loan shall be used by the Purchaser to consummate the Sale, and the Bridge Loan shall mature thirty (30) Business Days after the incurrence thereof;

WHEREAS, (i) the Sale is a Disposition (as defined in the Credit Agreement), (ii) pursuant to Section 7.05 of the Credit Agreement, Seller, as a Subsidiary of Borrower, is prohibited from making such a Disposition, and (iii) pursuant to Section 8.01(b), the making by Seller of such Disposition without the consent of Required Lenders would constitute an Event of Default under the Credit Agreement;

WHEREAS, the Bridge Loan is an Investment (as defined in the Credit Agreement), (ii) pursuant to Section 7.03 of the Credit Agreement, Seller, as a Subsidiary of Borrower, is prohibited from making such an Investment, and (iii) pursuant to Section 8.01(b), the making by Seller of such Investment without the consent of Required Lenders would constitute an Event of Default under the Credit Agreement;

WHEREAS, pursuant to Section 2.05(b) of the Credit Agreement, in the event of a Disposition, Seller is required to prepay the Loans in an aggregate amount equal to 100% of the Net Cash Proceeds received by Seller from the Sale, to be applied first, to the principal repayment installments of the Term Loan in inverse order of maturity for all such principal repayment installments, and, second, to the Revolving Facility in the manner set forth in clause (vi) of Section 2.05(b) of the Credit Agreement;

WHEREAS, Borrower wishes for Required Lenders to Consent to: (i) the Sale, (ii) the Bridge Loan, and (iii) the retention by Seller of the Retained Net Cash Proceeds (as defined in Section 2(c) hereof), in each case subject to the terms and conditions set forth herein, and Required Lenders wish so to consent.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, it is hereby agreed as follows:

1. Defined Terms Generally. Capitalized terms used but not otherwise defined in this Consent shall have the meanings ascribed to them in the Credit Agreement.
2. Consents.
 - (a) Notwithstanding Sections 7.05 and 8.01(b) of the Credit Agreement, any other provision of the Credit Agreement, or any of the other Loan Documents to the contrary, subject to the satisfaction of all conditions set forth in Section 6 hereof, Required Lenders hereby consent to and authorize (i) the execution and delivery by Borrower and Seller of the Purchaser Agreement and (ii) the Sale pursuant to and in accordance with the terms of the Purchase Agreement as in effect on the date hereof.
 - (b) Notwithstanding Sections 7.03 and 8.01(b) of the Credit Agreement, any other provision of the Credit Agreement, or any of the other Loan Documents to the contrary, subject to the satisfaction of all conditions set forth in Section 6 hereof, Required Lenders hereby consent to and authorize the Bridge Loan pursuant to and in accordance with the terms of the Loan Agreement as in effect on the date hereof.
 - (c) Notwithstanding Section 2.05(b) of the Credit Agreement, any other provision of the Credit Agreement, or any of the other Loan Documents to the contrary, subject to the satisfaction of all conditions set forth in Section 6 hereof, Required Lenders hereby consent to and authorize Borrower and its Subsidiaries to retain any Net Cash Proceeds of the Sale that may remain following the application by Borrower of the Net Cash Proceeds of the Sale, promptly upon the receipt by Seller, to (i) the Term Loan (and any accrued interest thereon) until repaid in full then (ii) Total Revolving Outstandings until, on a pro forma basis, the Consolidated Leverage Ratio is not more than 2.75x (the "Retained Net Cash Proceeds").
3. Maintenance of Revolving Commitment. Notwithstanding any prepayment of the Revolving Loan made pursuant to this Consent, the Revolving Commitment shall remain \$20,000,000, subject to the terms and conditions of the Credit Agreement, including but

not limited to the decrease in the Revolving Commitment effective as of December 31, 2019, as set forth therein.

4. Ratification. Except as provided for herein, all terms and conditions of the Credit Agreement and the other Loan Documents remain in full force and effect. Borrower hereby ratifies, confirms, and reaffirms all representations, warranties, and covenants contained therein, and acknowledges and agrees that the Obligations, as modified hereby, are and continue to be secured by the Collateral. Borrower warrants and represents to Administrative Agent that as of the date hereof, no Event of Default exists or has occurred and is continuing.
5. Release. In consideration of the agreements of Administrative Agent contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby releases and forever discharges Administrative Agent and the Required Lenders and the respective directors, officers, employees, agents, attorneys, affiliates, subsidiaries, successors and assigns of each of the Administrative Agent and the Required Lenders from any and all liabilities, obligations, actions, contracts, claims, causes of action, damages, demands, costs and expenses whatsoever (collectively "Claims"), of every kind and nature, however evidenced or created, whether known or unknown, other than Claims arising out of fraud or willful misconduct, arising prior to or on the date hereof, including, but not limited to, any Claims involving the extension of credit under the Credit Agreement or the other Loan Documents, as each may be amended, the Obligations incurred by the Borrower or any other transactions evidenced by or related to the Credit Agreement or any of the other Loan Documents.
6. Conditions Precedent. This Consent shall not be effective (other than Section 2(a)(i) hereof, which is effective upon the execution hereof) until each of the following conditions precedent has been fulfilled to the satisfaction of Administrative Agent:
 - (a) This Consent shall have been duly executed and delivered by the respective parties thereto, and shall be in full force and effect;
 - (b) Each of the conditions precedent to the consummation of the Sale under the Purchase Agreement and Loan Agreement shall have been fulfilled in accordance with the terms thereof or waived with the consent of the Administrative Agent, which consent may not be unreasonably withheld;
 - (c) Administrative Agent shall have received duly executed copies of the Purchase Agreement, Loan Agreement, and any other documentation evidencing the same; and
 - (d) All actions on the part of Borrower and Seller necessary for the legal, valid, binding, and enforceable execution, delivery, and performance by Borrower of this Consent, and by Seller for the legal, valid, binding, and enforceable performance by Seller of the Purchase Agreement and the consummation of the Sale and other transactions contemplated thereby, shall have been duly and

effectively taken, and evidence thereof reasonably satisfactory to Administrative Agent shall have been provided to Administrative Agent.

7. Miscellaneous.

- (a) This Consent shall be governed by, and construed in accordance with, the laws of the State of New York.
- (b) This Consent may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument.
- (c) This Consent expresses the entire understanding of the parties with respect to the transactions contemplated hereby. No prior negotiations or discussions shall limit, modify, or otherwise affect the provisions hereof.
- (d) Any determination that any provision of this Consent or any application hereof is invalid, illegal or unenforceable in any respect and in any instance shall not affect the validity, legality, or enforceability of such provision in any other instance, or the validity, legality or enforceability of any other provisions of this Consent.
- (e) Borrower shall pay on demand all costs and expenses of Administrative Agent, including, without limitation, reasonable attorneys' fees in connection with the preparation, negotiation, execution and delivery of this Consent.
- (f) Borrower warrants and represents that Borrower has consulted with independent legal counsel of Borrower's selection in connection with this Consent and is not relying on any representations or warranties of Administrative Agent or its counsel in entering into this Consent.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Consent to be duly executed as a sealed instrument of the date first written above.

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.

By: /s/ NICHOLAS STORTI

Name: Nicholas Storti

Title: Senior Vice President

LENDERS:

BANK OF AMERICA, N.A.

By: /s/ NICHOLAS STORTI

Name: Nicholas Storti

Title: Senior Vice President

THE WASHINGTON TRUST COMPANY

By: /s/ SCOTT A McCAUGHEY

Name: Scott A. McCaughey

Title: Vice President

BORROWER:

KVH INDUSTRIES, INC.

By: /s/ DONALD W. REILLY

Name: Donald W. Reilly

Title: Chief Financial Officer

FOR IMMEDIATE RELEASE**Contact:**

KVH Industries, Inc.
Brent Bruun
401-845-8194
bbruun@kvh.com

FTI Consulting
Christine Mohrmann
212-850-5600

KVH Announces the Sale of Videotel for \$90 Million to Focus on Core Strategic Initiatives

Plans to increase its investment in photonic integrated chip technology, AgilePlans acceleration, and Internet of Things (IoT) connectivity

MIDDLETOWN, RI - May 13, 2019 - KVH Industries, Inc., (Nasdaq: KVHI), today announced that it has sold its maritime training business, the Videotel group of companies, to an affiliate of Oakley Capital for a base purchase price of \$90 million, on a cash-free, debt-free basis, subject to working capital adjustments. The sale was completed immediately upon execution of definitive agreements.

“As part of our long-term strategic roadmap, we are focusing on the large and growing markets of our core mobile connectivity and inertial navigation businesses,” says Martin Kits van Heyningen, chief executive officer of KVH. “We intend to use the net proceeds of the sale to invest in three key growth initiatives that we expect will drive significant value creation, as well as to reduce our debt. Specifically, we plan to invest in the development and commercialization of our photonic integrated chip technology for use in autonomous vehicles and other commercial and military platforms, to support the further acceleration of our AgilePlans (Connectivity as a Service) program, and also to finalize the development and launch of our IoT connectivity solution. Videotel helped us to penetrate the commercial maritime markets initially, but our strategic approach has evolved to focus on faster growing markets that we believe will produce greater long-term shareholder value.” To maintain continuity for KVH’s AgilePlans customers, KVH has retained certain rights to continue including the Videotel training content with the AgilePlans program.

Management expects to issue revised financial guidance for the second quarter and full fiscal year of 2019 reflecting the sale of Videotel, along with select pro forma disclosures, on or about May 15, followed by an investor conference call. In light of the anticipated financial impact of the transaction, investors should no longer rely on the guidance previously issued by KVH, which included anticipated revenues and expenses of the Videotel business.

The base purchase price was \$90 million, subject to adjustment for Videotel’s cash, indebtedness, and working capital. KVH expects to receive payment of the purchase price within 30 business days, subject to subsequent adjustment for working capital. Payment of the purchase price is pursuant to a loan agreement secured by a charge (a type of foreign security interest) over the shares of Super Dragon Limited and Videotel Marine Asia Limited, and is further backed by an equity commitment letter from Oakley Capital IV Master SCSp, Oakley Capital’s fourth and newest fund that has recently raised in excess of €1 billion of capital commitments.

KVH expects to use a portion of the net proceeds of the sale to repay the full balance of its outstanding term loans and a substantial portion of outstanding borrowings under its revolving credit facility.

The definitive share purchase agreement contains various warranties regarding the Videotel business given by KVH Media Group Limited (“KMG”), the direct seller of the Videotel companies, and KMG also agreed to provide the direct purchaser with a tax indemnity. The purchase agreement provides a cap on KMG’s liability for breach of commercial warranties equal to 20% of the purchase price and, for breach of the title and capacity warranties and the tax indemnity, a cap equal to the purchase price.

For the last 12 months ending March 31, 2019 Videotel’s revenue was \$17.0 million and its operating income was \$3.1 million. Depreciation and amortization for this period was \$4.8 million, and equity compensation was \$0.1 million. KVH is analyzing whether the Videotel business will be reported as a discontinued operation in its future financial statements.

The Videotel group of companies includes Super Dragon Ltd., Videotel Marine International Ltd., Videotel Training Services Ltd., Videotel Consultants and Rentals Ltd., Videotel Marine Asia Ltd., and Videotel Pte Ltd.

About KVH Industries, Inc.

KVH Industries, Inc., is a global leader in mobile connectivity and inertial navigation systems, innovating to enable a mobile world. A market leader in maritime VSAT, KVH designs, manufactures, and provides connectivity and content services globally. KVH is also a premier manufacturer of high-performance sensors and integrated inertial systems for defense and commercial applications. Founded in 1982, the company is based in Middletown, RI, with research, development, and manufacturing operations in Middletown, RI, and Tinley Park, IL, and more than a dozen offices around the globe.

About Oakley Capital

Oakley Capital Private Equity L.P. and its successor funds, Oakley Capital Private Equity II, Oakley Capital Private Equity III and Oakley Capital IV, are unlisted, Western Europe focused mid-market private equity funds with the aim of providing investors with significant long-term capital appreciation. The investment strategy of the funds is to focus on buy-out opportunities in industries with the potential for growth, consolidation and performance improvement.

This press release contains forward-looking statements that involve risks and uncertainties. For example, forward-looking statements include statements regarding the future finalization of the purchase price for Videotel, our strategic roadmap, the anticipated growth of our markets, the intended use of proceeds, our research and development priorities, the ability to achieve stated goals with available funds, the impact of our efforts on shareholder value, the anticipated receipt and timing of payment of the purchase price, future financial reporting, the availability of net proceeds as a source of liquidity, and the timing of announcement of financial guidance. Actual results could differ materially from the forward-looking statements made in this press release. Factors that might cause these differences include, but are not limited to: changes in market needs or structure, changes in strategic priorities, the impact of broader economic trends, unanticipated demands for liquidity in other areas, unanticipated technical challenges or obstacles, the potential need to acquire or license intellectual property, unanticipated expenses, potential delays in anticipated events or actions, the impact of competition, potential claims by the purchaser or other parties, including potential warranty claims that may reduce our net proceeds, the potential failure of counterparties to comply with their payment and other obligations, the potential need to pursue litigation, the risks, uncertainties and expenses of litigation, the potential inadequacy of litigation recoveries or settlements to offset all damages, the potential unavailability of capital resources and the impact of reduced cash flow from operations. These and other factors are or may be discussed in more detail in KVH's Form 10-K filed with the SEC on March 1, 2019. Copies are available through its Investor Relations department and website, <http://investors.kvh.com>. KVH does not assume any obligation to update our forward-looking statements to reflect new information and developments.

KVH Industries, Inc. has used, registered, or applied to register its trademarks in the U.S.A. and other countries around the world, including but not limited to the following marks: KVH, TracPhone, mini-VSAT Broadband, CommBox, IP-MobileCast, AgilePlans, TracVision, NEWSlink, and SPORTSlink. All other trademarks are the property of their respective companies.

KVH INDUSTRIES, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

Background

On May 13, 2019, KVH Industries, Inc., a Delaware corporation (the “Company”), and Oakley Capital, a UK company, entered into a Stock Purchase Agreement (the “Purchase Agreement”) pursuant to which Oakley agreed to purchase from the Company all of the outstanding equity of Super Dragon Limited and Videotel Marine Asia Limited (together referred to as “Videotel”) for \$90.0 million in cash, on a cash-free, debt-free basis, subject to working capital adjustments. The sale (“Transaction”) was completed immediately upon execution of definitive agreements. The Company expects to receive payment of the purchase price within 30 business days, subject to subsequent adjustment for working capital. Payment of the purchase price is pursuant to a loan agreement (the “Bridge Loan”) secured by a charge (a type of foreign security interest) over the shares of Super Dragon Limited and Videotel Marine Asia Limited, and is further backed by an equity commitment letter from Oakley Capital IV Master SCSp that has recently raised in excess of €1 billion of capital commitments.

The Company entered into a consent with Bank of America, N.A., the administrative agent of its Credit Agreement, authorizing the Purchase Agreement and Bridge Loan. The proceeds of the sale will be used to repay the term note in full and any outstanding amounts on the Revolver such that the Consolidated Leverage Ratio is not more than 2.75:1.00. The Revolver will remain at \$20.0 million through the term of the Credit Agreement.

Pro Forma Information

The accompanying unaudited pro forma consolidated statement of operations of the Company for the years ended December 31, 2018, 2017, and 2016 are presented as if the Transaction had occurred on January 1, 2016. The accompanying unaudited pro forma consolidated statement of operations of the Company for the three months ended March 31, 2019 is presented as if the Transaction had occurred on January 1, 2019. The unaudited consolidated balance sheet of the Company as of March 31, 2019 is presented as if the Transaction had occurred on March 31, 2019. The pro forma adjustments related to the Transaction do not reflect the final purchase price or final asset and liability balances of the Videotel Business. Accordingly, the pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma consolidated financial information. The unaudited pro forma financial information is not necessarily indicative of the results of operations or financial position that might have been achieved for the dates or periods indicated, nor is it necessarily indicative of the results of operations or financial position that may occur in the future.

The historical consolidated financial information has been adjusted in the unaudited pro forma financial information to give effect to pro forma events that are (1) directly attributable to the disposal, (2) factually supportable, and (3) with respect to the statements of operations, expected to have a continuing impact on the combined results. The pro forma information does not reflect several changes the Company expects to realize after the Transaction because the changes are not certain.

The following is a brief description of the amounts recorded under each of the column headings in the unaudited pro forma consolidated statements of operations and consolidated balance sheet:

KVH Industries, Inc.

This column reflects the Company’s audited operating results for the years ended December 31, 2018, 2017, and 2016 and the unaudited operating results and financial condition as of and for the three months ended March 31, 2019 prior to any adjustment for the Transaction. As of March 31, 2019, the Company had determined that the Videotel Business had not met the held for sale criteria, as prescribed in ASC 205-20-45.

Disposal of Videotel

This column reflects the elimination of the historical operating results of the Videotel Business for the years ended December 31, 2018, 2017, and 2016 and the three months ended March 31, 2019 at the amounts that have been reflected in the Company's consolidated statements of operations for those periods. Videotel was a part of the Company's mobile connectivity segment. The disposal column on the unaudited pro forma consolidated balance sheet as of March 31, 2019 reflects the recorded amounts of assets and liabilities included in Videotel Business as of that date.

The tax expense on the disposal is a preliminary estimate and is based on the statutory tax rate for the three months ended March 31, 2019 and the years ended December 31, 2018, 2017, and 2016.

Pro Forma Adjustments

This column on the unaudited pro forma consolidated balance sheet reflects the pro forma effect of the receipt and use of the cash consideration, and estimated gain from the Transaction as well as the repayment of the Term Note. This column on the unaudited pro forma consolidated statements of operations reflects the pro forma effect of the associated interest expense related to the repayment of the Term Note as if it had not been outstanding in each period. See the notes below which describe the pro forma adjustments as reflected in the unaudited pro forma consolidated financial statements based on preliminary estimates, which may change as additional information is obtained.

UNAUDITED PRO FORMA COMBINED CONSOLIDATED BALANCE SHEET
MARCH 31, 2019
(In thousands, except share data)

	March 31, 2019				
	KVH Industries, Inc.	Disposal of Videotel	Pro Forma Adjustments	Note	Pro Forma KVH Industries, Inc.
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 14,259	\$ (1,696)	\$ 69,913	a	\$ 82,476
Marketable securities	25	—	—		25
Accounts receivable, net	28,832	(1,496)	—		27,336
Intercompany accounts receivable	—	(12,236)	12,236	c	—
Inventories	26,062	(23)	—		26,039
Prepaid expenses and other assets	4,320	(906)	—		3,414
Current contracts assets	3,678	—	—		3,678
Total current assets	<u>77,176</u>	<u>(16,357)</u>	<u>82,149</u>		<u>142,968</u>
Property and equipment, net	53,697	(2,788)	—		50,909
Intangible assets, net	9,807	(4,258)	—		5,549
Goodwill	32,845	(17,572)	—		15,273
Right of use asset operating lease	9,411	(90)	—		9,321
Other non-current assets	7,021	(1,415)	—		5,606
Non-current contract assets	7,342	—	—		7,342
Non-current deferred income tax asset	210	—	—		210
Total assets	<u>\$ 197,509</u>	<u>\$ (42,480)</u>	<u>\$ 82,149</u>		<u>\$ 237,178</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	\$ 20,270	\$ (1,086)	\$ —		\$ 19,184
Accrued compensation and employee-related expenses	4,249	(154)	—		4,095
Accrued other	10,131	(2,138)	17,434	b,d	25,427
Accrued product warranty costs	2,021	—	—		2,021
Current portion of long-term debt	10,585	—	(3,034)	a	7,551
Contract liabilities	12,211	(2,971)	—		9,240
Current operating lease liability	4,749	(86)	—		4,663
Liability for uncertain tax positions	1,141	(496)	496	d	1,141
Total current liabilities	<u>65,357</u>	<u>(6,931)</u>	<u>14,896</u>		<u>73,322</u>
Other long-term liabilities	1,752	—	—		1,752
Long-term operating lease liability	4,672	(4)	—		4,668
Long-term contract liabilities	9,634	—	—		9,634
Long-term debt, excluding current portion	18,749	—	(18,749)	a	—
Non-current deferred income tax liability	1,747	(840)	—		907
Total liabilities	<u>\$ 101,911</u>	<u>\$ (7,775)</u>	<u>\$ (3,853)</u>		<u>\$ 90,283</u>
Stockholders' equity:					
Preferred stock, \$0.01 par value. Authorized 1,000,000 shares; none issued	—	—	—		—
Common stock, \$0.01 par value. Authorized 30,000,000 shares, 19,134,469 issued and 17,743,971 shares outstanding	191	—	—		191
Additional paid-in capital	140,790	—	—		140,790
Accumulated (deficit) earnings	(21,576)	—	39,585	b,e	18,009
Accumulated other comprehensive loss	(13,643)	11,712	—		(1,931)
	<u>105,762</u>	<u>11,712</u>	<u>39,585</u>		<u>157,059</u>
Less: treasury stock at cost, common stock, 1,282,422 shares	(10,164)	—	—		(10,164)
Total stockholders' equity	<u>95,598</u>	<u>11,712</u>	<u>39,585</u>		<u>146,895</u>
Total liabilities and stockholders' equity	<u>\$ 197,509</u>	<u>\$ 3,937</u>	<u>\$ 35,732</u>		<u>\$ 237,178</u>

See accompanying Notes to Pro Forma Combined Consolidated Financial Information

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 2019
(in thousands, except per share amounts)

	Three Months Ended March 31, 2019			
	KVH Industries, Inc.	Disposal of Videotel	Pro Forma Adjustments	Pro Forma KVH
Sales:				
Product	\$ 12,874	\$ —	\$ —	\$ 12,874
Service	27,098	(3,987)	50 ^h	23,161
Net sales	<u>39,972</u>	<u>(3,987)</u>	<u>50</u>	<u>36,035</u>
Costs and expenses:				
Costs of product sales	7,853	—	—	7,853
Costs of service sales	16,697	(1,374)	—	15,323
Research and development	3,868	—	—	3,868
Sales, marketing and support	9,303	(1,169)	30 ^g	8,164
General and administrative	8,080	(1,125)	75 ^g	7,030
Total costs and expenses	<u>45,801</u>	<u>(3,668)</u>	<u>105</u>	<u>42,238</u>
(Loss) income from operations	(5,829)	(319)	(55)	(6,203)
Interest income	175	—	—	175
Interest expense	385	—	(325) ^f	60
Other expense, net	(106)	9	—	(97)
(Loss) income before income tax expense	(6,145)	(310)	270	(6,185)
Income tax expense (benefit)	34	(78)	—	(44)
Net (loss) income	<u>\$ (6,179)</u>	<u>\$ (232)</u>	<u>\$ 270</u>	<u>\$ (6,141)</u>
Pro forma per share information:				
Net loss per share, basic and diluted	<u>\$ (0.36)</u>			<u>\$ (0.35)</u>
Number of shares used in pro forma per share calculation:				
Basic and Diluted	<u>17,302</u>			<u>17,302</u>

See accompanying Notes to Pro Forma Combined Consolidated Financial Information

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2018
(in thousands, except per share amounts)

For the year ended
December 31, 2018

	KVH Industries, Inc.	Disposal of Videotel	Pro Forma Adjustments	Notes	Pro Forma KVH
Sales:					
Product	\$ 63,277	\$ —	\$ —		\$ 63,277
Service	107,484	(17,939)	207	<i>h</i>	89,752
Net sales	<u>170,761</u>	<u>(17,939)</u>	<u>207</u>		<u>153,029</u>
Costs and expenses:					
Costs of product sales	39,510	—	—		39,510
Costs of service sales	60,590	(5,353)	—		55,237
Research and development	14,951	—	—		14,951
Sales, marketing and support	34,910	(4,339)	106	<i>g</i>	30,677
General and administrative	27,964	(4,842)	545	<i>g</i>	23,667
Total costs and expenses	<u>177,925</u>	<u>(14,534)</u>	<u>651</u>		<u>164,042</u>
(Loss) income from operations	(7,164)	(3,405)	(444)		(11,013)
Interest income	635	(13)	—		622
Interest expense	1,793	(9)	(1,300)	<i>f</i>	484
Other income (expense), net	655	55	—		710
(Loss) income before income tax expense	(7,667)	(3,354)	856		(10,165)
Income tax expense	565	(236)	—		329
Net (loss) income	<u>\$ (8,232)</u>	<u>\$ (3,118)</u>	<u>\$ 856</u>		<u>\$ (10,494)</u>
Pro forma per share information:					
Net loss per share, basic and diluted	<u>\$ (0.48)</u>				<u>\$ (0.61)</u>
Number of shares used in pro forma per share calculation:					
Basic and Diluted	<u>17,211</u>				<u>17,211</u>

See accompanying Notes to Pro Forma Combined Consolidated Financial Information

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2017
(in thousands, except per share amounts)

For the year ended
December 31, 2017

	KVH Industries, Inc.	Disposal of Videotel	Pro Forma Adjustments	Notes	Pro Forma KVH
Sales:					
Product	\$ 56,968	\$ —	\$ —		\$ 56,968
Service	103,120	(19,330)	—		83,790
Net sales	<u>160,088</u>	<u>(19,330)</u>	<u>—</u>		<u>140,758</u>
Costs and expenses:					
Costs of product sales	37,474	—	—		37,474
Costs of service sales	52,692	(5,350)	—		47,342
Research and development	15,858	—	—		15,858
Sales, marketing and support	33,896	(4,640)	77	<i>g</i>	29,333
General and administrative	28,932	(5,004)	586	<i>g</i>	24,514
Total costs and expenses	<u>168,852</u>	<u>(14,994)</u>	<u>663</u>		<u>154,521</u>
(Loss) income from operations	(8,764)	(4,336)	(663)		(13,763)
Interest income	659	(5)	—		654
Interest expense	1,467	—	(685)	<i>f</i>	782
Other expense, net	(366)	26	—		(340)
(Loss) income before income tax expense	(9,938)	(4,315)	22		(14,231)
Income tax expense	1,096	(795)	—		301
Net (loss) income	<u>\$ (11,034)</u>	<u>\$ (3,520)</u>	<u>\$ 22</u>		<u>\$ (14,532)</u>
Pro forma per share information:					
Net loss per share, basic and diluted	<u>\$ (0.67)</u>				<u>\$ (0.89)</u>
Number of shares used in pro forma per share calculation:					
Basic and Diluted	<u>16,419</u>				<u>16,419</u>

See accompanying Notes to Pro Forma Combined Consolidated Financial Information

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2016
(in thousands, except per share amounts)

	For the year ended December 31, 2016				Pro Forma KVH
	KVH Industries, Inc.	Disposal of Videotel	Pro Forma Adjustments	Notes	
Sales:					
Product	\$ 73,075	\$ —	\$ —		\$ 73,075
Service	103,047	(21,463)	—		81,584
Net sales	<u>176,122</u>	<u>(21,463)</u>	<u>—</u>		<u>154,659</u>
Costs and expenses:					
Costs of product sales	46,334	—	—		46,334
Costs of service sales	52,966	(6,370)	—		46,596
Research and development	16,030	—	—		16,030
Sales, marketing and support	33,942	(4,103)	79	<i>g</i>	29,918
General and administrative	28,172	(5,198)	463	<i>g</i>	23,437
Total costs and expenses	<u>177,444</u>	<u>(15,671)</u>	<u>542</u>		<u>162,315</u>
(Loss) income from operations	(1,322)	(5,792)	(542)		(7,656)
Interest income	513	—	—		513
Interest expense	1,436	—	(495)	<i>f</i>	941
Other income (expense), net	275	230	—		505
(Loss) income before income tax expense	(1,970)	(5,562)	(47)		(7,579)
Income tax expense	5,547	(1,209)	—		4,338
Net (loss) income	<u>\$ (7,517)</u>	<u>\$ (4,353)</u>	<u>\$ (47)</u>		<u>\$ (11,917)</u>
Pro forma per share information:					
Net loss per share, basic and diluted	<u>\$ (0.47)</u>				<u>\$ (0.75)</u>
Number of shares used in pro forma per share calculation:					
Basic and Diluted	<u>15,834</u>				<u>15,834</u>

See accompanying Notes to Pro Forma Combined Consolidated Financial Information

Notes to the Unaudited Pro Forma Consolidated Financial Statements
(unaudited)

Notes to the Unaudited Pro forma adjustments:

- a) Represents the estimated cash proceeds that will be received by the Company received when the Bridge Loan is settled as if the Disposition occurred on March 31, 2019, and net of the repayment of the then outstanding amount on the Term Note. Potential working capital adjustments are excluded from this estimate as the amount of such adjustments, if any, are unknown at this time.
- b) As the value received from the Disposition exceeded the tax basis of Videotel, a pro forma tax adjustment was made using the statutory tax rate with respect to the gain. It should be noted that the estimated gain on sale, in particular the tax impact associated with this sale, based on the March 31, 2019 balance sheet, may be significantly different from the gain that will be recognized during the six months ended June 30, 2019.
- c) Reflects the cancellation of the then outstanding amount due on the intercompany receivable.
- d) Reflects the estimated transaction costs and other debt-like liabilities assumed by the Company.
- e) Represents the estimated gain on sale, net of estimated transaction costs, cancellation of the net intercompany receivable, other debt-like liabilities assumed, and estimated taxes on the proceeds, as if the Disposition occurred on March 31, 2019. As the gain is directly attributable to the Disposition and is not expected to have a continuing impact on the Company's operations, it is only reflected in retained earnings on the unaudited pro forma consolidated balance sheet.
- f) Reflects the associated reduction in interest expense for the repayment of the Term Note.
- g) Reflects the allocated costs which will remain with KVH after the Disposition of Videotel.
- h) Reflects Videotel's intercompany revenue which is eliminated in KVH's consolidation.

Other information:

The following table summarizes non-cash, and non-recurring financial information associated with Videotel for the three months ended March 31, 2019 and the years ended December 31, 2018, 2017, and 2016.

	March 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Depreciation	\$ 475	\$ 1,784	\$ 1,867	\$ 2,279
Amortization	711	3,039	3,115	3,576
Stock-based compensation expense	3	79	147	199
Other non-recurring costs	—	—	126	358