|  |  |  |
| --- | --- | --- |
|  |  |  |
|  | Share Purchase Deed |  |
|  |  |  |
|  |  |  |
|  | Dated [●] 2022  |  |
|  | DFS FURNITURE PLCandPEEL HUNT LLP |  |
|  |  |  |

Share Purchase Deed

**This Deed** is made on • • 2022 between:

1. **DFS FURNITURE PLC**, a company incorporated in England and Wales with company number 07236769 whose registered office is at 1 Rockingham Way, Redhouse Interchange, Adwick-le-Street, Doncaster DN6 7NA (the “**Company**”); and
2. **PEEL HUNT LLP**, a limited liability partnership incorporated in England and Wales with company number OC357088 whose registered office is at 7th Floor, 100 Liverpool Street, London EC2M 2AT (the “**Shareholder**”).

**Whereas**:

1. The Company has been conducting a share buyback programme pursuant to which the Shareholder has acted as broker (the “**Programme**”).
2. Between 25 May 2022 and 14 September 2022 (inclusive), buybacks conducted under the Programme were made otherwise than in accordance with the Companies Act 2006 (the “**Act**” and the “**Relevant Buybacks**”). As a result of the Relevant Buybacks being conducted otherwise than in accordance with the Act, title to the Shares has not passed from the Shareholder to the Company and the Shares therefore remain in issue.
3. The Shareholder has therefore agreed to sell and the Company has agreed to purchase the Shares (as defined below) on the terms of this Deed.

**It is agreed** as follows:

1. Interpretation

In this Deed, unless the context otherwise requires, the provisions in this Clause 1 apply:

* 1. **Definitions**

“**Act**” has the meaning given in Recital (B);

“**Business Day**” means a day which is not a Saturday, a Sunday or a public holiday in England;

“**Completion**” means completion of the sale and purchase of the Shares in accordance with the terms of this Deed;

“**Completion Time**” has the meaning given in Clause 3.1;

“**Encumbrance**” means any claim, charge, mortgage, lien, option, equity, power of sale, hypothecation, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;

“**Engagement Letter**” has the meaning given in Clause 4.1;

“**Programme**” has the meaning given in Recital (A);

“**Purchase Price**” means £1;

“**Relevant Buybacks**” has the meaning given in Recital (B);

“**Share Certificate**” has the meaning given in Clause 3.2.2; and

“**Shares**” means 7,031,724 ordinary shares of 10 pence each in the capital of the Company.

* 1. **Interpretation**
		1. A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
		2. References to one gender include all genders and references to the singular include the plural and vice versa.
		3. References to Clauses are to Clauses of this Deed.
		4. Headings shall be ignored in interpreting this Deed.
1. Share Repurchase and Consideration
	1. To complete the Programme, the Shareholder agrees to sell, and the Company agrees to purchase, the Shares on and subject to the terms of this Deed.
	2. The Shareholder shall sell the Shares with full title guarantee free from Encumbrances and together with all rights and advantages attaching to them as at Completion.
	3. The consideration for the purchase of the Shares under this Deed shall be an amount equal to the Purchase Price.
2. Completion
	1. Completion shall take place at the registered office of the Company one minute after the execution of this Deed (the “**Completion Time**”).
	2. Immediately upon execution of this Deed:
		1. the Shareholder shall be reinstated on the Company’s register of members reflecting the fact that, due to the Relevant Buybacks being conducted otherwise than in accordance with the Act, title to the Shares did not pass from the Shareholder to the Company as intended; and
		2. the Company shall issue the Shareholder a share certificate in respect of the Shares (the “**Share Certificate**”).
	3. Following the reinstatement of the Shareholder on the Company’s register of members pursuant to Clause 3.1, at the Completion Time:
		1. the Shareholder shall deliver to the Company the Share Certificate; and
		2. the Company shall pay the Purchase Price to the Shareholder.
3. Further provisions
	1. The Company unconditionally and irrevocably waives and releases the Shareholder from any and all liability that it has or may have to the Company and all claims and demands the Company has or may have against it (including, without limitation, any derivative action from or on behalf of shareholders of the Company and any claims or demands that the Company has or may have in respect of monies previously paid by the Company to the Shareholder in respect of the Shares) in connection with the Relevant Buybacks, **provided that** nothing herein will or is intended to release the Shareholder from any liability that it has to the Company in relation to the Programme generally pursuant to the engagement letter between the Parties dated 11 March 2022 (as amended by a side letter dated 23 May 2022) (the “**Engagement Letter**”).
	2. The Shareholder:
		1. acknowledges and agrees that its reinstatement to the Company’s register of members immediately upon execution of this Deed pursuant to Clause 3.2.1 satisfies any and all of the Company’s obligations to restore legal title to the Shares to it (on the basis that the Relevant Buybacks were conducted otherwise than in accordance with the Act); and
		2. waives any rights or claims it has or may have to dividends that would otherwise be due to it in respect of the Shares, the current value of the Shares and any other rights, claims, interests or benefits which may have arisen in respect of the Shares prior to the date hereof. For the avoidance of doubt, this Clause 4.2.2 does not apply to any rights or claims that the Shareholder may have pursuant to the Engagement Letter or Clause 4.3 below.
	3. For the avoidance of doubt, the Company and the Shareholder acknowledge and agree that clause 4 of the Engagement Letter does and is intended to cover all or any Claims or Losses (as each term is defined therein) incurred by each and every Indemnified Person (as defined therein) in connection with (i) the Relevant Buybacks having been conducted otherwise than in accordance with the Act and (ii) the Shareholder’s entry into this Deed.
4. Notices
	1. Any notice or other communication in connection with this Deed (a “**Notice**”) shall be:
		1. in writing;
		2. delivered by hand, pre-paid first class post or courier; and
		3. sent to such address as the intended recipient may notify to the sender from time to time.
	2. A Notice shall be effective upon receipt and shall be deemed to have been received:
		1. 60 hours after posting, if delivered by pre-paid first class post; or
		2. at the time of delivery, if delivered by hand or courier;

but if the result is that a Notice would be deemed to be received on a day that is not a Business Day, it will be deemed to be received at the commencement of business on the next Business Day.

1. Whole Agreement

This Deed, together with the Engagement Letter, contains the whole agreement between the parties relating to the subject matter of this Deed at the date of this Deed to the exclusion of any terms implied by law which may be excluded by contract and, with the exception of the Engagement Letter, supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Deed.

1. Further Assurances

Each party agrees to do all things and execute all agreements, deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Deed and the transactions contemplated by it.

1. Assignment

The rights and obligations of the parties under this Deed may not be assigned.

1. Counterparts

This Deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

1. Governing Law and Jurisdiction

This Deed is governed by the laws of England. Each party submits to the exclusive jurisdiction of the English courts in connection with matters concerning this Deed.

1. Third Party Rights

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of, or enjoy any benefit under, this Deed.

**In witness** whereof this Deed has been duly executed by the parties on the day and year first before written.

|  |  |  |
| --- | --- | --- |
| Signed as a deed by **DFS FURNITURE PLC** by two authorised signatories |  | .................................................Authorised Signatory  |
|  |  | .................................................Authorised Signatory |

|  |  |  |
| --- | --- | --- |
| Signed as a deed by **PEEL HUNT LLP** by two authorised signatories |  | .................................................Authorised Signatory |
|  |  | .................................................Authorised Signatory |