

Strictly Private & Confidential

MEMORANDUM OF UNDERSTANDING

Relating to certain economic interests in HSQ Investment Limited

This Deed is made on 26 February 2025

References to "this MoU" shall be construed as references to this Deed.

	Terms	
1.	Parties	HSQ Investment Limited (" HSQ "). KPI (Nominees) Limited (" KPI ").
2.	KPI's interests in HSQ	The parties acknowledge that at the date of this MoU KPI is entitled to the benefit of certain economic rights in HSQ pursuant to: (a) the side letter agreement (" KPI Side Letter ") between HSQ and KPI dated December 2019; and (b) the call option deed (" KPI Call Option ") between HSQ and KPI dated 28 February 2020.
3.	Previous MoU	The parties acknowledge that they previously entered into a memorandum of understanding relating to KPI's economic interests in HSQ on 30 October 2024 (the " Previous MoU ") and agree that that Previous MoU is hereby terminated in full and superseded by this MoU.
4.	Make Whole Instrument	The secured promissory note issued by Kingswood Holdings Limited (" KHL ") on 30 September 2019 (as amended from time to time) pursuant to which KHL undertakes to pay to HSQ certain amounts as detailed therein.
5.	UK and Irish Business	HSQ shall use all reasonable endeavours to arrange for a sale of the UK and Irish businesses of KHL as soon as reasonably practicable and shall seek to maximise returns from the sale for the shareholders in HSQ. HSQ shall procure (so far as they are lawfully able to) that KHL distributes the sale proceeds from the sale of the UK and Irish businesses. HSQ will distribute any proceeds that it receives from KHL as a result of any sale of the UK and Irish business (" UK&I Sale Proceeds ") as soon as reasonably practicable.
6.	Proceeds Waterfall	The parties hereby agree that, notwithstanding the terms of any existing agreements or arrangements among the parties including but not limited to the KPI Side Letter and KPI Call Option, on any distribution of proceeds from KHL by HSQ, whether on a dividend, redemption or other distribution of capital or

Strictly Private & Confidential

		<p>income, or on winding up, the proceeds shall be divided as follows ("Proceeds Waterfall"):</p> <ol style="list-style-type: none"> 1. First, up to the amount of the UK&I Sale Proceeds received by HSQ (whether such proceeds are paid to HSQ pursuant to the Make Whole Instrument or as a shareholder distribution or return), which shall be distributed among all HSQ stakeholders, with KPI participating in its pro rata, being 7%, share. 2. Secondly, after satisfaction of limb 1 above, up to the amount of the Historic Preference Interest (as defined below), which shall be distributed among all HSQ stakeholders, with KPI participating in its pro rata, being 7%, share. 3. Thirdly, after satisfaction of limb 1 and limb 2 above, up to the amount of USD\$50,000,000 which shall be distributed in the following proportions: (A) 90% among the HSQ stakeholders with the exception of KPI; and (B) 10% to KPI. 4. Thereafter, after the satisfaction of limb 1, limb 2 and limb 3 above, all available amounts shall be distributed in the following proportions: (C) 93% among the HSQ stakeholders with the exception of KPI; and (D) 7% to KPI. <p>The term "Historic Preference Interest" shall refer to the interest that has accrued and is payable (but at the time of this MOU is unpaid) by KHL to HSQ, on HSQ's historic shareholding of convertible preference shares in KHL (in accordance with article 34.6 of KHL's articles of association, in force at the time of this MOU).</p> <p>HSQ will not take or approve any steps which have the purpose of, and would have the effect of, circumventing the Proceeds Waterfall.</p> <p>5.</p>
<p>7.</p>	<p>KPI Put</p>	<p>The parties further agree that on the date which is three years after the date of this MoU (the "Put Date"), KPI shall have the right (such right being the "KPI Put"), but not the obligation, to require HSQ (or its nominee) to acquire all interests held by KPI in HSQ for an aggregate consideration ("KPI Put Consideration") equal to the lower of:</p> <ol style="list-style-type: none"> (a) US\$5,250,000; and (b) $KWUS\ 2027\ EBITDA / \\$10,000,000 * \\$5,250,000$ <p><u>less</u></p> <p>the amount of all and any proceeds received by KPI pursuant to limb 2 and/or limb 3 of the Proceeds Waterfall prior to completion of the acquisition of interests pursuant to the KPI Put.</p>
<p>8.</p>	<p>Put Exercise</p>	<p>The KPI Put may be exercised by KPI delivering an irrevocable and unconditional written exercise notice to HSQ within 30 days of the Put Date. The KPI Put may not be exercised on more than one occasion.</p>

Strictly Private & Confidential

		HSQ shall have a period of 1 year from the date on which it receives such exercise notice to acquire all interests held by KPI in HSQ for the KPI Put Consideration, less the amount of any proceeds which have been received by KPI prior to the date of payment in respect of its interests in HSQ.
9.	Binding nature of this MoU and long-form documentation	<p>The Parties acknowledge and agree that (i) this MoU and the terms contained herein constitute a legally binding agreement between the parties and (ii) the provisions of this MoU will be reflected in definitive long-form documentation which the parties shall use reasonable efforts to agree (the "Long-form Documentation").</p> <p>Upon execution, the Long-form Documentation will supersede this MoU, the KPI Side Letter and KPI Call Option each of which shall be terminated and replaced in their entirety by the Long-form Documentation.</p>
10.	Governing Law, Competent Jurisdiction	<p>This MoU, and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English law (without regard to conflict of law principles).</p> <p>The courts of England shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this MoU.</p> <p>Once executed, this MoU is intended to be legally binding in all respects.</p>

[Signature Page follows]

Strictly Private & Confidential

Execution Page

Executed as a DEED and delivered on the date first shown above.

EXECUTED as a deed by **HSQ**)
Investment Limited acting by)
)

 
Director

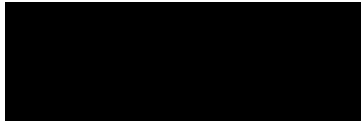
 
Director

Strictly Private & Confidential

EXECUTED as a deed by **KPI**)
(**Nominees**) **Limited**, acting by a)
director in the presence of a witness:)

)
)
) ...
) Director

Witness's signature:



Name:



Occupation:



Address:

