Annex 13 – Commitment Restructuring
to the Frame Agreement for Technology Services
between NGi Systems and GoodBox

1. References to the Frame Agreement

- The Vendor - NGI Systems & Solutions Limited, Suite 114, 372 Old Street, City of London, EC1V 9LT, Registered No 9070535, VAT GB 197863638
- The Client - The Good Box Co Labs LTD, Unit 21, Greenway Business Centre, Harlow, England, CM19 5QE, Registered No 10272838, VAT GB 264061912

This is an annex to the Agreement from the 1st of November 2018 between the listed Parties.

The effective date of this Annex is the 29th of June 2022, conditional on the sanction by the Court of the restructuring plan pursuant to Part 26A of the Companies Act 2006, proposed by the Vendor.

All definitions and clauses apply from the Agreement and its Annexes unless specifically stated otherwise. In case of any conflict among the terms of the original Agreement and any of its Annexes the terms of the most recent Annex shall prevail.

2. Restructuring Terms

2.1. Context

The Client continued to allocate work to competitor contractors using the cost saving derived from the voluntary reductions agreed by the Vendor in Annex 12 of the Agreement, in excess of the agreed quotas. The reductions were intended to provide financial relief to the Client from the commitments it duly agreed to in the Agreement but could not sustain. As per the terms agreed in Annex 12 mandatory purchases of Service Credits were triggered and subsequently invoiced. The Client failed to pay these invoices for over 9 months and failed to engage in numerous attempts to reach compromises and restructuring.

Aside from the above, the Client became insolvent and failed to make payment for the regular monthly invoices for services for May and June 2022. The Vendor took legal action against the Client as per CR-2022-LDS-000414 and was granted an Administration Order against the Client as of 28th of June 2022. As part of the Court case one of the Directors of the Client raised disputes regarding the pre-Administration debts toward the Vendor which are pending to be independently adjudicated.

2.2. Restructuring Approach

The Client requires a substantial reduction of the monthly costs to align with its business plan to reach profitability in the near term.

The Vendor is supportive of restructuring the commitment profile, the Capacity Schedule, in a manner suitable for the Client as long as a minimum commitment baseline, or retainer is agreed, and the overall outstanding commitment remains the same and is to be fully honoured over time.

Additional flexibility is granted to the Client to have a larger quota of using alternative vendors for supplier diversification.

2.3. Monthly Retainer

The monthly retainer, or minimum-spend commitment of the Client applicable from the 29th of June 2022 will be set at £27,000 + VAT. The Vendor may not invoice higher amounts per months without the express request for additional capacity and subsequent approval of the Client.

The agreement is intentionally backdated to cover the full Administration period to create contractual continuity and allow the Client to retain the Service Credits accumulated during the Administration period where only the minimum services were provided as requested by the Administrators. Any pre-Administration Service Credits, subject to the adjudication of claims, will also be retained to be redeemed in accordance with the terms of the Agreement. For clarity, no late payment charges are applicable during the Administration period.

The stipulated amount of £27,000 + VAT equates to a capacity of approximately 5 FTE per month. This is aligned to the technology platform and solution maintenance effort that is anticipated going forward in the near to medium term as agreed based on analysis and reviews aligned between the Vendor and the Client. For reference, the pre-Administration commitment level as agreed in Annex 12 varies between 9 FTE and 14 FTE over the subsequent 3 years. The reduction in monthly costs is therefore more than 50% on average.

To align the retainer with the FTE and Hourly Rates based mechanics of the Agreement, the payable amount shall be defined as a monthly purchase of Service Credits to the value of £27,000 + VAT, with the payment due on the first calendar day of the respective month. The delivered capacity for the respective month will be off-set against the Service Credits with any surplus or shortfall being added to the Service Credits balance of the Client.

For the purposes of the Capacity Schedule, until further variations are agreed at a later date, the Capacity Schedule is defined to be flat at 5 FTE per month, running until such time as the sum total of the outstanding pre-Administration FTE months capacity from Annex 12 is fully utilized.

2.3. Amendments to the Capped Dynamic Capacity Level Scaling of Annex 12

Section 2.3 of Annex 12 is amended with the introduction of a floor limit of £30,000 + VAT per month (where applicable) of total technology spend allowance is granted for the Client for vendors, contractors, and internal team other than the Vendor.

Any spend above this amount must be in accordance with the original terms set out in Annex 12.

The Vendor,

NGi Systems & Solutions Limited

Beni Gal, Partner

Daniel Jecan, Partner

The Client,

The Good Box Co Labs LTD