



MANUELA  
FUNDACIÓN

GRANADA, June 5, 2020

**Re: HEAD OF TERMS**

On the one hand, this Head of Terms ("HOT") wishes to establish the proposed terms and conditions for an agreement between Mr. Shayne Bannan ("SB"), domiciled in [REDACTED] and Francisco Antonio Huertas González (FH), domiciled at [REDACTED]

**What**

- a) SB owns 100% of New Global Cycling Services Sagl, a Suisse company with registered office in [REDACTED], which manages and operates the World Tour Teams Mitchelton Scott Men and Women (the "Team") affiliated with the Union Cycliste Internationale (the "UCI");
- b) FH is interested in buying 100% of the company that manages and operates the Team's ongoing business (the "Paying Agent");
- c) The purpose of this HOT is to establish certain terms and conditions related to the proposed Acquisition as follows;

**now, therefore, taking into account the previous recitations and other good and valuable considerations, the receipt and sufficiency of which are acknowledged, the parties have agreed on the following.**

## 1. THEY AGREE.

SB confirms your interest in selling, and FH confirms your interest in buying..

## 2. CLOSING CONDITIONS

The obligations of the parties under this HOT, including the parties' obligations to close the proposed Acquisition, are subject to compliance or satisfaction on or before the closure of each of the following conditions:

a. FH will pay the total amount of 6,980,000 (six million, nine hundred and eighty thousand) euros to be executed as follows:

a.1 - A sponsorship agreement in favor of the Team from July 20, 2020 to December 31, 2020 for an amount of 3,780,000 euros. This cash amount of will be paid in the following bank account :

**WORLD TOUR TEAM – MITCHELTON-SCOTT:**

Beneficiary Name: NEW GLOBAL CYCLING SERVICES SAGL

Beneficiary Address: [REDACTED]

Bank Name: Crédit Suisse

Bank Address: [REDACTED]

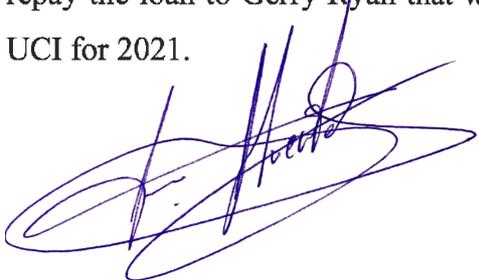
the company that will manage the team until the end of the season.

a.1.1 - the amount of 3.180.000 will pay on 20<sup>th</sup> July 2020

a.1.2 - the amount of 600,000 euros for expenses related to 2020 and UCI expenses for issue the 2021 World Tour Licenses for Men and Women Team will be paid when and if necessary according also to the UCI requirement .

a.2 – 1,800,000 euros will be paid as first installment for the purchase of the paying agent of the World Tour Team, the World Tour material and license, that will not be paid until the authorization of the license by the UCI for 2021.

a.3 - 700.000 euro will be paid as extra sponsorship amount and SB will use this amount to repay the loan to Gerry Ryan that will not be paid until the authorization of the license by the UCI for 2021.



a.4 - FH will pay 700,000 euros to SB as balance for the purchase of World Tour Material, will be paid before the first half of 2021. This amount will not be paid if there is no authorization of the license for 2021 by the UCI.

**b.** The Paying Agent shall have the right to confirm or renew, for at least one cycling season (i.e. until 31 December 2021) all existing agreements executed with cyclists and staff members under the terms and conditions currently registered with the ICU. The names of the pilots and staff members belonging to the Team are listed in Annex 3.1. b. (**Annex 3.1.b**, List of drivers and team staff members expiring on 31 December 2020)..

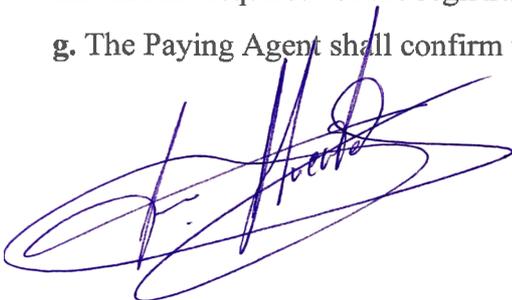
**c.** The Paying Agent shall make every effort to make it possible for brokers and staff members who actually belong to the Team to accept and commit, until 31 December 2020, the current reduction in their remuneration (i.e. the reduction is set at the highest amount between the minimum gross compensation set out in the Joint Agreement and 30% of the relevant annual gross compensation). In the event that a broker or staff member does not accept the proposed reduction, the paying agent and FH undertake to jointly negotiate an agreement with the relevant brokers and staff members;

**d.** FH will provide all documents requested by the UCI to be accepted as the new principal sponsor of the Team..

**e.** The Paying Agent will apply for the UCI World Tour license and team registration in the UCI for the years 2021-2023, FH will provide the Paying Agent with all documents to comply with the financial requirement (sponsorship, balance sheet, statements, etc.) that will be requested to comply with the application and registration procedure..

**f.** FH shall provide to the Paying Agent, as provided in the terms and conditions set forth in the UCI Regulations, which are recognized and accepted by both parties, a bank guarantee in the amount required for the registration of the 2021 Equipment; ;

**g.** The Paying Agent shall confirm the employment position of:



- Shayne Bannan as **Team Manager** of the Paying Agent with the position of **CEO**, Until 31 December 2023, and if the Team will get new license, until 31<sup>st</sup> December 2025 for the annual gross remuneration of [REDACTED]

- Mr. Alvaro Crespi, **Head of Finance Administrators** until 31 December 2023, , and if the Team will get new license, until 31<sup>st</sup> December 2025, with a gross annual remuneration of [REDACTED]

- Mr. Stefano Garzelli as assistant performance manager/ performance manager until 31 December 2023, , and if the Team will get new license, until 31<sup>st</sup> December 2025, with a gross annual remuneration of EUR 280,000.00 for 2020 and Eur 600,000.00 for the following years [REDACTED]

Contract expirations will be affected if UCI will not give the license/licenses up to the proposed date.

**h.** From the signing of the HOT, Mr. Garzelli will join the Team as the Sports Science and Performance Project as the same level as Kevin Tabotta.

**i.** from the signing of the HOT, SB and Mr. Emilio Rodríguez will manage the campaign together until December 2020..

**j.** as of January 1, 2021, Mr. Emilio Rodríguez will be appointed **Team Manager of the Team along with SB..**

**k.** By SB with all of the above, it undertakes::

k.1- Transfer of the World Tour license in the name of FH.

k.2 – The MANUELA FUNDACION undertakes to make its sports image available as an advertising medium for the 2020 sports season from the signing of this contract- (the **“Sponsorship”**):

a) The advertising text "MANUELA FUNDACION" will be placed, ,in competition, training, leisure clothing, and more specifically in T-shirts, sweaters, jackets, caps, gloves, tracksuits, socks, light shoe covers, etc. according to the rules approved by the U.C.I.

The wording "MANUELA FUNDACION" will be placed on the front and back of the competitive T-shirts; it will also be shown on the sides of the jersey, the collar, the cap beak and on the sides of the shorts in accordance with Annex 1 (Annex 1.a, Jersey Sample). Clothes must be at least the world tour team World for the start of this season on July 28, 2020.

All of the above provisions shall comply with U.C.I. standards.

b) In equipment cars and transport vehicles used to assist athletes, advertising texts shall be fixed to the vehicle in accordance with Annex 1.b (Annex 1.b, Branded Vehicles).

k.3 With the signing of this contract and under the circumstances described above, at the time of signing this FH contract you become the owner of the World Tour team with effect from the date of the issuing of the World Tour Team License from UCI for 2021

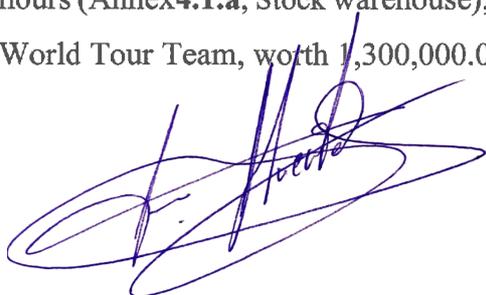
k.4 The transfer of the companies managed by SB to FH shall be debt-free.

L. any consent required for the transfer of the Paying Agent, including under any law, regulation, agreement, lease or contract, will have been obtained;

m. The paying agent will keep the Green Edge Cycling logo on the team jersey until the end of the 2020 cycling season. For the next few seasons it will be a deference from FH to Green Edge Cycling that will depend on the term of the license if it is until 2023.. You will agree ha to have maintained it until that date.

### **3. PURCHASE PRICE.**

3.1 The purchase price shall be determined on the basis of the heritage value to that of the Paying Agent as of 30 June 2020 (estimated at about 550,000.00 euros - five hundred and fifty thousand - which includes in all claims and debts, here it excluded the debt to GreenEDGE Cycling LTD of Gerry Ryan, in point (4), adjusted for the valuation of the market price of depreciated vehicles and small assets (estimated at about 262,000.00 euros – two hundred sixty-two annexes. 4.1, Vehicle List), plus warehouse stock according to the accompanying hours (Annex4.1.a, Stock warehouse), plus goodwill and UCI License for the Male and Female World Tour Team, worth 1,300,000.00 euros (this amount will be paid directly to GreenEdge



Cycling LTD which has been supporting the costs of the UCI License and the operation of the Equipment for all these years).

3.2 The purchase price is set at 6.980.000.00 (six million nine hundred and eighty thousand euros) as determined in the previous point. All income not included in the attached list (Annex4. 2, Revenue) will belong to SB.

3.3 All due diligence on the Paying Agent carried out by FH shall have no effect on the purchase price, as the Acquisition shall be deemed "in a state of *fact*" well known to the Foundation.

3.4 SB represents and guarantees only balance correction.

#### **4. CONFIDENTIALITY AND NO OTHER AGREEMENT**

4.1 All information relating to the Paying Agent and the Equipment and all information disclosed to FH in connection with this HOT, whether in writing, orally, in electronic forms, by observation or otherwise, including, but not limited to, financial information and knowledge, will be treated by FH as strictly confidential information and, therefore, FH will not disclose this information in parts thereof to third parties (the "Confidential Information"). **Confidential**). FH will use such Confidential Information for any purpose other than the implementation of this HOT.

4.2 This HOT establishes the understanding of the parties as of this date, and there are no other written or oral agreements or understandings between the parties. This HOT may only be amended by a letter executed by all parties to this letter at the time of such amendment.

#### **5. ASSIGNMENT**

FH may assign its rights hereunder to a designee who is jointly and severally liable to such designee for the exact enforcement and enforcement of this HOT and the Final Agreement. Subject to the above sentence, this letter shall be binding and in the best interests of the parties hereby and their respective successors and assigns.

#### **6. ADVERTISING.**



Neither SB nor FH shall issue any press release or other notice, whether written or oral, with respect to the possible negotiation contemplated here here without first providing the other party with a copy of such proposed release or notice and an opportunity to comment on it. Notwithstanding the foregoing, either party may make any notice required by applicable law, provided that the party making the disclosure or notice notifies the other party immediately upon knowledge of such requirement and in good faith attempts to comply with this section. The official Communiqué will be made on June 12, 2020 jointly by both sides.

#### **7.COSTS**

SB and FH agree that whether or not the proposed Acquisition is executed on this HOT, each party shall pay its own fees and expenses incurred in connection with the negotiation, preparation, execution and delivery of this HOT any other document or instrument contemplated by this HOT including, without limitation, legal advisory fees and expenses, accountants, investment bankers, brokers or search engines, printers, copiers, consultants or other representatives for the services used, contracted or related to the proposed Acquisition.

#### **8. TAXES.**

Each Party shall pay its own taxes.

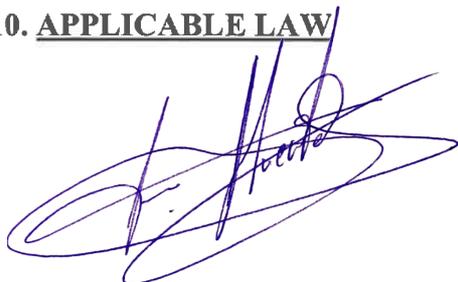
#### **9.VARIOUS .**

**9.1** The Paying Agent will apply for the UCI World Tour license and team registration in the UCI for the years 2021-2023, FH will provide the Paying Agent with all documents to comply with the application and registration procedure.

**9.2** This HOT shall enter into force from the date of its signature by both parties.

**9.3** Where one of the conditions set out in Article 3 is not even fulfilled, SB reserves, in its sole discretion, without any obligation to give a reason, the right to withdraw from any negotiation or to interrupt the sale process, regardless of the trading situation, without liability for damages.

#### **10. APPLICABLE LAW**



This HOT is made and governed by, and will be construed and enforced in accordance with, the substantial internal laws of Suisse.

**12. PLACE, SHIPPING AND JURISDICTION.**

Each party submits to the exclusive and exclusive jurisdiction of the House of the Court of Bellinzona, Republic of Canton Ticino (Suisse), any action or proceeding arising out of or relating to this HOT, agrees that all claims with respect to the action or proceeding may be heard and determined in such court, and undertakes not to bring any action or proceeding arising out of or relating to this HOT in any other court.

Annexes:

**Annex 3.1.b**, List of pilots and team staff members expiring on 31 December 2020;

**Annex 4.1**, List of vehicles;

**Annex 4.1.a**, Warehouse stock;

**Annex 4.2**, Revenue; ;

If this HOT accurately reflects our understanding of the terms and conditions related to the proposed Acquisition, please indicate it by signing and returning a copy of this HOT.



Really yours,

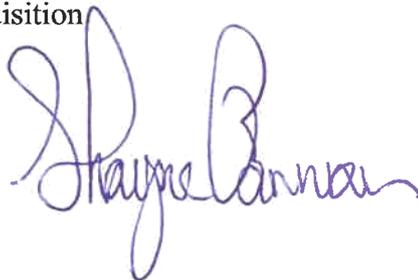
Francisco Antonio Huertas González

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ACCEPTED AND AGREE:

This HOT Annex accurately reflects our understanding of the terms and conditions related to the proposed Acquisition

Shayne Bannan



**ANNEX 3.1.b**

**WOMEN TEAM RIDERS**



**WOMEN TEAM STAFF**



**MEN RIDERS**



MARCA

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**STAFF MEN TEAM**

MARCA





MARCA

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**WAREHOUSE STOCK ANNEX 4.1.a**

<b>BICYCLES &amp; EQUIPMENT</b>	<b>Quantity</b>	<b>Item Value €</b>	<b>Total Value €</b>
Wheels (pairs) Disc.Brake	125	800,00	100.000,00
Shimano Group Sets, Road Bikes	60	2000,00	120.000,00
Shimano Group Sets, Time Trial Bikes	25	1200,00	30.000,00
Tyres, Pirelli (racing tubulars)	870	30,00	26.100,00
		<b>SUB TOTAL</b>	<b>276.100,00</b>



## ANNEX 4.1 LIST OF VEHICLES

LIST OF VEHICLES      Estimated price

BUS IRIZAR	200.000
BUS RABO	40000
Truck	40000
Truck	30000
Fiat Daily	6000
Fiat Daily	6000
VW Crafter	6000
Renaul Trafic	5000
Renault megane	5000
scooter	500
scooter	500
scooter	500
Autocaravan	7000
<b>TOTAL</b>	<b>404.500</b>
<b>Warehouse stuffs</b>	<b>25000</b>
<b>TOTAL</b>	<b>429.500</b>
<b>Net book Value</b>	<b>168.000</b>
<b>DIFFERENCE</b>	<b>261.500</b>



**ANNEX 4.2 REVENUE**

	July	Aug	Sept	Oct	Nov	Dec	TOTAL
<b>MEN TEAM</b>							
Scott			628,250				628,250
Pirelli		73,200					73,200
Toprak		15,000					15,000
race organizers		100,000	150,000	200,000	200,000	150,000	800,000
bikes and clothes sales			29,700	26,000	40,000	70,000	165,700
<b>WOMEN TEAM</b>							
Scott	179,500			179,500			359,000
different income / bike sales					10,000		10,000
<b>TOTAL</b>	<b>179,500</b>	<b>188,200</b>	<b>807,950</b>	<b>405,500</b>	<b>250,000</b>	<b>220,000</b>	<b>2,051,150</b>

estimation  
estimation



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