

29 November 2024

**ABC TECHNOLOGIES ACQUISITIONS
LIMITED**
(as Bidco)

and

TI FLUID SYSTEMS PLC
(as Target)

COOPERATION AGREEMENT

related to the proposed acquisition of

TI FLUID SYSTEMS PLC

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THIS AGREEMENT (the “**Agreement**”) is made on 29 November 2024.

BETWEEN:

- (1) **ABC TECHNOLOGIES ACQUISITIONS LIMITED**, a private limited company registered in England and Wales with registered number 16078225, whose registered office is at Suite 1, 7th Floor 50 Broadway, London SW1H 0DB, United Kingdom (“**Bidco**”); and
- (2) **TI FLUID SYSTEMS PLC**, a public limited company registered in England and Wales with registered number 09402231, whose registered office is at 4650 Kingsgate Cascade Way, Oxford Business Park South, Oxford, Oxfordshire OX4 2SU, United Kingdom (“**Target**”),

(each a “**party**” and together the “**parties**”).

WHEREAS:

- (A) Bidco, a wholly-owned subsidiary of ABC Technologies, Inc. (“**Parentco**”), proposes to announce immediately following execution of this Agreement a firm intention to make a recommended offer for the entire issued and to be issued ordinary share capital of Target pursuant to Rule 2.7 of the Code.
- (B) It is intended that the Proposed Acquisition will be made on the terms and subject to the Conditions set out in the Announcement and this Agreement.
- (C) Target and Bidco intend that the Proposed Acquisition will be implemented by way of the Scheme, although Bidco reserves the right, subject to the terms of this Agreement and the Announcement, to implement the Proposed Acquisition by way of a Takeover Offer.
- (D) The parties are entering into this Agreement to set out certain obligations and commitments in relation to the implementation of the Proposed Acquisition (whether by way of the Scheme or a Takeover Offer).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, the terms and expressions listed in this Clause 1.1 shall have the meanings set out in this Clause 1.1.

“**Acceptance Condition**” means, if applicable, the acceptance condition to a Takeover Offer;

“**Acquisition Document**” means (i) if the Proposed Acquisition is to be implemented by way of the Scheme, the Scheme Document; or (ii) if the Proposed Acquisition is to be implemented by way of a Takeover Offer, the Offer Document;

“**Affiliate**” means: (i) in relation to a person, any other person directly or indirectly controlling, controlled by or under common control with such person, where “control” when used with respect to any person means the power to direct or cause the direction of the management, business, activities or policies of such person, directly or indirectly, whether through the ownership of voting securities or partnership or ownership interests, by contract or otherwise; and (ii) in relation to Bidco, includes Parentco and its subsidiary undertakings;

“**Agreed Switch**” means a Switch pursuant to Clause 6.1(a);

“**Announcement**” means the announcement detailing the terms and conditions of the Proposed Acquisition to be made pursuant to Rule 2.7 of the Code, in the form agreed by or on behalf of the parties;

“**Antitrust and FDI Conditions**” means the conditions set out in paragraphs 3.1 to 3.13 (inclusive) of Part A of Appendix 1 to the Announcement;

“**Bidco Directors**” means the directors of Bidco from time to time and “**Bidco Director**” shall be construed accordingly;

“**Bidco Group**” means Parentco and its subsidiary undertakings and “**member of the Bidco Group**” shall be construed accordingly;

“**Bidder Responsible Person**” means the Bidco Directors and the other individuals whom it is agreed with the Panel will accept responsibility with the Bidco Directors for the information in the Scheme Document and any supplementary circular (or, as the case may be, the Offer Document) for which a bidder is required to take responsibility under the Code;

“**Business Day**” means a day other than a Saturday or Sunday or public holiday in England and Wales on which banks in London are open for general commercial business;

“**Clearances**” means all approvals, consents, clearances, permissions, confirmations, comfort letters and waivers that are required to be obtained, all applications and filings that are required to be made and all waiting periods that are required to have expired, from or under any of the Laws, regulations or practices applied by any Relevant Authority (or under any agreements or arrangements to which any Relevant Authority is a party) necessary to satisfy one or more of the Regulatory Conditions (and any reference to any Clearance having been “**satisfied**” shall be construed as meaning that the foregoing has been obtained or, where relevant, made or expired);

“**Code**” means the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel;

“**Companies Act**” means the Companies Act 2006, as amended from time to time;

“**Competing Proposal**” means any offer, scheme of arrangement, merger, demerger, acquisition or business combination (or the announcement of a firm intention to do the same) involving Target, the purpose of which is to acquire, directly or indirectly, 30 per cent. or more of the issued share capital of Target (when aggregated with the shares already held by the acquirer and any person acting or presumed or deemed to be acting in concert with the acquirer) or all or a significant proportion of its business and assets or any arrangement or series of arrangements which results in any person acquiring, consolidating or increasing control (as defined in the Code) of Target or any material reorganisation and/or liquidation involving all or a significant proportion of Target’s assets, whether implemented in a single transaction or a series of transactions, in each case which is not effected by Bidco or Parentco (or a person acting in concert with Bidco or Parentco) or at the direction of Bidco or Parentco;

“**Conditions**” means the conditions to the implementation of the Proposed Acquisition which are set out in Appendix 1 to the Announcement and to be set out in the Acquisition Document, together with any modifications or amendments to any such condition as may be required by the Panel or agreed by Bidco and Target (with the consent of the Panel where required), with such consequential amendments as may be reasonably necessary as a result of a Switch, and “**Condition**” shall be construed accordingly;

“**Confidentiality Agreement**” means the confidentiality agreement between Parentco and Target in relation to the Proposed Acquisition dated 9 October 2024;

“**Costs**” means losses, damages, costs (including reasonable legal costs) and expenses (including Taxation), in each case of any nature whatsoever;

“**Court**” means the High Court of Justice in England and Wales;

“**Court Meeting**” means the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of approving the Scheme, including any adjournment thereof, on the date set out in the Scheme Document (or such later date as may be agreed in writing between the parties with the consent of the Panel and with the approval of the Court (if such approval(s) are required));

“**Day 39**” means, should the Proposed Acquisition be implemented by way of a Takeover Offer following a Switch, the 21st day prior to Day 60;

“**Day 60**” means, should the Proposed Acquisition be implemented by way of a Takeover Offer following a Switch, the date that is the 60th day following publication of the Offer Document (or such later date as may be set by the Panel pursuant to Rule 31.3 of the Code);

“**Effective Date**” means:

- (a) the date on which the Scheme becomes effective in accordance with its terms; or
- (b) if Bidco elects to implement the Proposed Acquisition by means of a Takeover Offer, the date that the Takeover Offer becomes or is declared unconditional in all respects;

“**EU FSR Condition**” means the condition set out in paragraph 3.14 of Part A of Appendix 1 to the Announcement;

“**Form of Acceptance**” means the form of acceptance to be used by the Target Shareholders in relation to a Takeover Offer;

“**General Meeting**” means the general meeting of Target Shareholders to be convened in connection with the Scheme, notice of which will be set out in the Scheme Document, including any adjournment thereof, on the date set out in the Scheme Document (or such later date as may be agreed in writing between the parties with the consent of the Panel and with the approval of the Court (if such approval(s) are required));

“**Group**” means, in relation to any person, that person and any bodies corporate which are subsidiaries or subsidiary undertakings of that person from time to time;

“**Law**” means any applicable statute, law, rule, regulation, ordinance, code, order, judgment, injunction, writ, decree, directive, policy, guideline, interpretation or rule of common law issued, administered or enforced by any Relevant Authority, or any judicial or administrative interpretation thereof;

“**Listing Rules**” means the rules and regulations made by the Financial Conduct Authority under the Financial Services and Markets Act 2000 (as amended), and contained in the Financial Conduct Authority’s publication entitled “The UK Listing Rules sourcebook”;

“**Long-Stop Date**” means 29 August 2025, or such later date as may be agreed in writing by Bidco and Target (either with the Panel’s consent if required under the Note on Section 3 of Appendix 7 to the Code) and as the Court may approve (if such approval is required);

“**Notice**” has the meaning given to it in Clause 16.1;

“**Offer Document**” means, if (following the date of this Agreement) Bidco elects to implement the Proposed Acquisition by way of a Takeover Offer in accordance with Clause 6.1, the document to be sent to (among others) Target Shareholders setting out, among other things, the

full terms and conditions of the Takeover Offer, including (as the context requires) any revised or supplementary offer document;

“**Panel**” means the UK Panel on Takeovers and Mergers;

“**Parentco Associate**” means each person or entity holding a direct or indirect beneficial interest in Parentco and any person or entity acting in concert with such person or entity, excluding, in each case, any member of the Wider Bidco Group;

“**Proposed Acquisition**” means the proposed direct or indirect acquisition by Bidco of the entire issued and to be issued share capital of Target;

“**Regulatory Clean Team Agreement**” means the regulatory clean team agreement between Target, Parentco, Latham & Watkins (London) LLP and Paul, Weiss, Rifkind, Wharton & Garrison LLP in relation to the Proposed Acquisition dated 21 October 2024;

“**Regulatory Conditions**” means, together, the Antitrust and FDI Conditions and the EU FSR Condition;

“**Regulatory Information Service**” means any information service authorised from time to time by the Financial Conduct Authority for the purpose of disseminating regulatory announcements;

“**Relevant Authority**” means any central bank, ministry, governmental, quasi-governmental, supranational (including the European Union), statutory, regulatory or investigative body, authority or tribunal (including any national or supranational antitrust, competition or merger control authority, any sectoral ministry or regulator and foreign investment review body), national, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction;

“**Relevant Third Parties**” has the meaning given in Clause 24.1;

“**Remedies**” means any conditions, measures, commitments, undertakings, remedies (including disposals (whether before or following completion of the Proposed Acquisition) and any pre-divestiture reorganisations by a party) or assurance (financial or otherwise) offered or required in connection with the obtaining of any Clearances and “**Remedy**” shall be construed accordingly;

“**Sanction Hearing**” means the hearing of the Court at which Target seeks an order to sanction the Scheme, including any adjournment thereof;

“**Scheme**” means the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Target and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Target and Bidco;

“**Scheme Conditions**” means the Conditions referred to in paragraph 2 of Part A of Appendix 1 to the Announcement;

“**Scheme Document**” means the document to be sent to (among others) Target Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the General Meeting, including (as the context requires) any revised or supplementary scheme document;

“**Scheme Shareholders**” has the meaning given in the Announcement;

“**Switch**” has the meaning given in Clause 6.1;

“**Takeover Offer**” means a takeover offer (within the meaning of section 974 of the Companies Act) to be made by or on behalf of Bidco to acquire the entire issued and to be issued share capital of Target on the terms and conditions to be set out in the Offer Document;

“**Target Board**” means the board of directors of Target from time to time;

“**Target Board Recommendation**” means a unanimous and unqualified recommendation from the Target Board to Target Shareholders in respect of the Proposed Acquisition: (i) to vote in favour of the Scheme at the Court Meeting and the Target Resolutions at the General Meeting; or (ii) if Bidco elects to switch to a Takeover Offer in accordance with the terms of this Agreement, to accept the Takeover Offer;

“**Target Board Recommendation Change**” means:

- (a) if Target makes an announcement prior to the publication of the Scheme Document that:
 - (i) the Target Board no longer intends to make the Target Board Recommendation or intends adversely to modify or qualify such recommendation;
 - (ii) it shall not convene the Court Meeting or the General Meeting; or
 - (iii) it intends not to publish the Scheme Document;
- (b) any failure to include the Target Board Recommendation in the Scheme Document (or Offer Document, as the case may be) and, if different, the document convening the General Meeting;
- (c) if, prior to the Court Meeting and the General Meeting, the Target Board indicates that it no longer intends to make the Target Board Recommendation or that it intends to withdraw or adversely modify or qualify such recommendation;
- (d) if, after the Scheme has been approved by Scheme Shareholders and/or the Target Resolutions have been approved by Target Shareholders at the General Meeting, the Target Board announces that it shall not implement the Scheme (other than: (i) in connection with an announcement of a Takeover Offer or revised offer by Bidco or one of its concert parties for Target; or (ii) because Bidco has invoked any of the Conditions (with the consent of the Panel, if required));
- (e) the Target or a third party announces such third party’s firm intention to make an offer or revised offer (whether or not it is subject to the satisfaction or waiver of any pre-conditions) for Target which is recommended by the Target Board in whole or in part; or
- (f) if the Target Board makes an announcement that the Target Board recommends, intends or is minded to recommend, any firm offer or possible offer which would result in any person other than Bidco (or a person acting in concert with Bidco or Parentco) acquiring control (as defined in the Code) of Target;

“**Target Directors**” means the directors of Target from time to time;

“**Target Group**” means Target and its subsidiary undertakings from time to time and “**member of the Target Group**” shall be construed accordingly;

“**Target Resolutions**” means such shareholder resolutions of Target as are necessary to implement the Proposed Acquisition, including any changes to Target’s articles of association contemplated in the Announcement, at the General Meeting;

“**Target Share Schemes**” has the meaning given in Schedule 1 to this Agreement;

“**Target Shareholders**” means the holders of Target Shares from time to time;

“**Target Shares**” means the ordinary shares of £0.01 each in the capital of Target, from time to time;

“**Tax**” or “**Taxation**” means all forms of taxation and statutory and governmental, state, provincial, local governmental or municipal charges, duties, contributions and levies, withholdings and deductions wherever and whenever imposed and all related penalties and interest;

“**UK**” or “**United Kingdom**” means the United Kingdom of Great Britain and Northern Ireland;

“**Unconditional Date**” means, should the Proposed Acquisition be implemented by way of a Takeover Offer following an Agreed Switch, Day 60 or such earlier date as Bidco may (subject to Clause 6.2(b)(ii)) specify in any acceleration statement (as defined in the Code) unless, where permitted, it has withdrawn that statement; and

“**Wider Bidco Group**” has the meaning given in the Announcement.

1.2 In this Agreement, unless the context otherwise requires:

- (a) the expressions “**subsidiary**” and “**subsidiary undertaking**” have the meanings given in the Companies Act;
- (b) the expressions “**acting in concert**” and “**concert parties**” shall be construed in accordance with the Code;
- (c) “**interest**” in shares or securities shall be construed in accordance with the Code;
- (d) 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;
- (e) references to a “**person**” include any individual, an individual’s executors or administrators, a partnership, a firm, a body corporate (wherever incorporated), an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality);
- (f) references to a recital, paragraph, clause or Schedule (other than a schedule to a statutory provision) shall refer to those of this Agreement unless stated otherwise;
- (g) headings do not affect the interpretation of this Agreement, the singular shall include the plural and vice versa, and references to one gender include all genders;
- (h) references to time are to London time;
- (i) any reference to a “**day**” (including within the phrase “**Business Day**”) shall mean a period of 24 hours running from midnight to midnight;

- (j) 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 construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;
 - (k) references to “**writing**” shall include any modes of reproducing words in any legible form and include email except where otherwise expressly stated;
 - (l) references to “**£**”, “**GBP**”, “**pounds sterling**”, “**Sterling**”, “**pence**” and “**p**” are references to the lawful currency from time to time of the United Kingdom;
 - (m) any phrase introduced by the terms “**including**”, “**include**”, “**in particular**” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
 - (n) the rule known as the ejusdem generis rule shall not apply and accordingly general words introduced by the word “**other**” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;
 - (o) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied or supplemented at any time; and
 - (p) references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.
- 1.3 The Schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.
- 2. PUBLICATION OF THE ANNOUNCEMENT AND THE TERMS OF THE PROPOSED ACQUISITION**
- 2.1 The obligations of the parties under this Agreement, other than this Clause 2.1, Clauses 10 to 19 (inclusive) and 21 to 25 (inclusive) and all related provisions of Clause 1, shall be conditional on the release of the Announcement through a Regulatory Information Service at or before 6.30 p.m. on the date of this Agreement or such later time and date as Target and Bidco may agree (and, where required by the Code, the Panel may approve). This Clause 2.1, Clauses 10 to 19 (inclusive) and 21 to 25 (inclusive) and all related provisions of Clause 1 shall take effect on and from execution of this Agreement.
- 2.2 The terms of the Proposed Acquisition shall be as set out in the Announcement, together with such other terms as may be agreed by the parties in writing (save in the case of an improvement to the terms of the Proposed Acquisition in favour of the Target Shareholders, which will be at the sole discretion of Bidco) and, where required by the Code, approved by the Panel.
- 2.3 The terms of the Proposed Acquisition at the date of posting of the Scheme Document shall be set out in the Scheme Document. Should Bidco elect to implement the Proposed Acquisition by way of a Takeover Offer, the terms of the Proposed Acquisition shall be set out in the announcement made in accordance with paragraph 8 of Appendix 7 of the Code of the switch to a Takeover Offer and in the Offer Document and any Form of Acceptance.
- 3. REGULATORY CLEARANCES**
- 3.1 Bidco undertakes to Target on behalf of the Wider Bidco Group, to the extent permitted by applicable Law and without prejudice to Bidco’s ability to invoke any of the Conditions (with

the consent of the Panel, if required) or their obligations under the Code, to cooperate with Target and its professional advisers and promptly to prepare and file all necessary documentation and to use all reasonable endeavours to secure the Clearances and procure the satisfaction of the Regulatory Conditions (excluding any Regulatory Conditions that have been waived by Bidco in writing) as soon as is practicable and, in any event, in sufficient time to enable the Effective Date to occur by the Long-Stop Date, including by using all reasonable endeavours to accept the imposition of, or offer and execute any Remedies required as a condition to obtaining any Clearances at each stage of any Relevant Authority's review process and, where such Clearance is nevertheless not obtained, proceeding to the next phase of any such review process; provided that any such Remedy applies only to members of the Wider Bidco Group and/or its and their business and/or members of the Target Group and/or its and their business and not, for the avoidance of doubt, to any Parentco Associate.

3.2 Except where otherwise required by Law or a Relevant Authority, Bidco shall:

- (a) after prior consultation with Target, and subject to Clause 3.1, determine the strategy for obtaining the relevant Clearances, satisfying the Regulatory Conditions and for engagement with any Relevant Authority including, if it becomes reasonably apparent to Bidco (which shall promptly inform Target of this fact together with any other relevant details) or to Target (which shall promptly inform Bidco of this fact together with any other relevant details) that Remedies will or are likely to be required to secure the relevant Clearances and to satisfy the Regulatory Conditions:
 - (i) the timing and sequencing of any discussion, offer or agreement of Remedies with the Relevant Authorities; and
 - (ii) the determination of Remedies agreed with Relevant Authorities;
- (b) contact and correspond with the Relevant Authorities in relation to such Clearances (including submitting and preparing all filings (in draft form where appropriate) set out in Appendix 1 to the Announcement as soon as practicable and in any event: (i) in respect of the Antitrust and FDI Conditions, within 20 Business Days (or, where the Relevant Authority is closed, on the next business day in which such Relevant Authority is open); and (ii) in respect of the EU FSR Condition, within 30 Business Days (or, where the Relevant Authority is closed, on the next business day in which such Relevant Authority is open), provided, in each case, it has received all information and documents reasonably required from Target to submit such filings, and responding to any supplemental enquiries by a Relevant Authority as soon as reasonably practicable after receipt of such request); and
- (c) be responsible for the payment of all filing fees to the Relevant Authorities required in connection with the Clearances.

3.3 Except where otherwise required by Law or a Relevant Authority, Bidco and Target shall:

- (a) provide each other, in a timely manner and in any event before any applicable deadline or due date, with such information and assistance as may be reasonably required for:
 - (i) Bidco to determine in which jurisdictions any merger control, regulatory or other filing, notification or submission with a Relevant Authority may be necessary or appropriate for the purposes of obtaining the Clearances;
 - (ii) Bidco (and, where required, each party) to make any filings, notifications or submissions to the Relevant Authorities as may be necessary or appropriate in connection with the obtaining of the Clearances (or for inclusion in any responses to any requests for further information consequent upon such filings,

notifications or submissions) and the implementation of the transactions contemplated by the Announcement, taking into account all applicable waiting periods; and

- (iii) all such other assistance as may reasonably be required for the purposes of obtaining the Clearances;
- (b) ensure that all information necessary (and that is in the possession of, or reasonably obtainable by, such party):
 - (i) for any such filings, notifications, submissions (including draft versions) and responding to any information requests (whether written or oral) from any Relevant Authorities; and
 - (ii) for the identification, structuring and preparation of any Remedies,

is supplied accurately and as promptly as reasonably practicable and in any event before any applicable deadline or due date.

3.4 Without prejudice to the generality of Clauses 3.1 and 3.3, and except to the extent that to do so is prohibited by Law or a Relevant Authority:

- (a) subject to the other party complying with its obligations under Clause 3.3(a) and Clause 3.4(b), Bidco or, as may be required, Target shall submit a filing (or draft filing, as applicable), notification or submission (as required) to each Relevant Authority as soon as reasonably practicable and in any event: (i) in respect of the Antitrust and FDI Conditions, within 20 Business Days (or, where the Relevant Authority is closed, on the next business day in which such Relevant Authority is open); and (ii) in respect of the EU FSR Condition, within 30 Business Days (or, where the Relevant Authority is closed, on the next business day in which such Relevant Authority is open), provided, in each case, it has received all information and documents reasonably required from the other party to submit such filings, or, in each case, by any applicable mandatory time periods (whichever is the earlier) where it is necessary or expedient to do so to obtain the Clearances;
- (b) each party shall provide such cooperation as is reasonably required by the others in connection with the preparation of all such filings, notifications or submissions (as required) referred to in Clause 3.4(a) and in relation to the preparation of any other submissions, material correspondence or material communications to any Relevant Authority in connection with the Clearances;
- (c) each party shall provide, or procure the provision of, draft copies of all filings, submissions, material correspondence and material communications (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications) intended to be sent or communicated to any Relevant Authority or otherwise in relation to obtaining any Clearances to the other party and its legal advisers at such time as will allow the receiving party a reasonable opportunity to provide comments on such filings, submissions, material correspondence and material communications before they are submitted, sent or made (taking due consideration of any reasonable and timely comments or suggested amendments which the other party may have in relation to any such submissions or material communications) and each party shall provide the other party with copies of all such filings, submissions, material correspondence and material communications in the form finally submitted or sent (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications);

- (d) each party shall have regard in good faith to reasonable comments made in a timely manner by the other party on draft copies of filings, submissions, material correspondence and material communications provided pursuant to Clause 3.4(c);
 - (e) each party shall notify the other party, and provide copies (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications), in a timely manner of any material correspondence or material communications from any Relevant Authority in relation to obtaining any Clearance;
 - (f) each party shall keep the other party reasonably informed as to the progress of any notification submitted pursuant to Clause 3.4(a) and 3.4(b) and shall reasonably consider requests by the other party or its advisers: (i) to attend all meetings or material calls with any Relevant Authority or other persons or bodies (unless prohibited by the Relevant Authority, Law or other person or body) relating to obtaining any Clearance; and (ii) to make reasonable oral submissions at such meetings or calls (provided that such oral submissions have been discussed in advance); and
 - (g) where reasonably requested by a party, and insofar as permitted by the Relevant Authority, the other party shall make available appropriate representatives for meetings and calls with any Relevant Authority in connection with the obtaining of any Clearances.
- 3.5 Each party undertakes to keep the other party informed promptly of: (a) developments which are material or potentially material to the obtaining of a Clearance; and (b) the satisfaction of the Regulatory Conditions. Bidco shall give notice in writing to Target of the satisfaction or, if applicable, the non-satisfaction of a Regulatory Condition as soon as reasonably practicable and in any event within one Business Day after becoming aware of the same.
- 3.6 Bidco undertakes to Target not to withdraw a filing, submission or notification made to any Relevant Authority pursuant to Clause 3.4(a) or 3.4(b) without the prior consent of Target (such consent not to be unreasonably withheld or delayed), save for circumstances in which it is impracticable to do so, in which case Bidco will notify Target as soon as reasonably practicable thereafter.
- 3.7 Bidco undertakes to Target that until the Regulatory Conditions are satisfied it shall not, and shall procure that no other member of the Wider Bidco Group shall, without the prior written consent of Target, enter into an agreement for, or consummate, any acquisition or other transaction or matter which would, or would be reasonably likely to, have the effect of preventing satisfaction of the Regulatory Conditions.
- 3.8 If a provision of this Agreement obliges Bidco or Target to disclose any information to the other in connection with securing the Clearances:
- (a) that is personally identifiable information of a director, partner, officer or employee of the disclosing party or any member of its Group or any of their respective Affiliates, unless that information can reasonably be anonymised (in which case the disclosing party shall provide the relevant information on an anonymous basis);
 - (b) which the disclosing party reasonably considers to be commercially or competitively sensitive or which constitutes or contains business secrets;
 - (c) which the disclosing party is prohibited from disclosing by applicable Law (including, for the avoidance of doubt, any applicable antitrust Laws) or the terms of an existing contract; or

- (d) where such disclosure would result in the loss of privilege that subsists in relation to such information (including legal professional privilege),

such information shall be communicated between Bidco and the Target's solicitors on an 'external counsel only' basis (with a non-confidential and redacted version of the relevant notification, submission or material communication being provided to the other party), or, pursuant to the Regulatory Clean Team Agreement or any additional procedures agreed between Bidco and the Target to ensure compliance with all Laws provided that, neither of the parties will be required to disclose information to the other under this Clause 3 if and to the extent such disclosure would be reasonably likely to have a material adverse effect on the disclosing party's legitimate business interest, and such information may be provided by the disclosing party directly to the Relevant Authority (and in such circumstances, the disclosing party shall provide to, or procure the provision of, the other a non-confidential version of such information).

4. SCHEME DOCUMENT

4.1 If the Proposed Acquisition is implemented by means of the Scheme, Bidco agrees:

- (a) to provide Target (and/or its legal advisers) all such information about itself, its directors, the Wider Bidco Group and any other person acting in concert with Bidco or Parentco, as may reasonably be requested and which is required by Target and/or its legal advisers (having regard to the Code and other applicable Law) for inclusion in the Scheme Document (including any supplementary circular) or in any other documentation required to be produced by the Target in connection with the Scheme, in each case as soon as reasonably practicable upon request;
- (b) to provide Target with all such other assistance and access as may reasonably be required in connection with the preparation of the Scheme Document (including any supplementary circular) and any other document required under the Code or by other applicable Law to be published in connection with the Proposed Acquisition, including access to, and ensuring the provision of reasonable assistance by, Bidco's relevant professional advisers, in each case as soon as reasonably practicable upon request; and
- (c) to procure that each relevant Bidder Responsible Person accepts responsibility, as applicable and in the terms required by the Code, for all the information (including any expressions of opinion) in the Scheme Document (including any supplementary circular) and any other document required under the Code or by other applicable Law to be published in connection with the Scheme relating to themselves (and members of their immediate families, related trusts and persons connected with them), the Wider Bidco Group, the financing of the Proposed Acquisition, information on Bidco's future plans for the Target Group, its business and its management and employees, any statements of opinion, belief or expectation of the Bidco Directors in relation to the Proposed Acquisition following the Effective Date and any other information in the Scheme Document for which an offeror and/or any directors of an offeror is required to accept responsibility under the Code.

4.2 Bidco shall correct any information provided by it for use in the Scheme Document or any supplementary circular to be prepared in connection with the Scheme to the extent that such information has become false or misleading as promptly as reasonably practicable after it becomes aware that such information has become false or misleading and shall notify Target as promptly as reasonably practicable after it becomes aware that such information has become false or misleading.

5. IMPLEMENTATION OF THE PROPOSED ACQUISITION

- 5.1 The parties intend that the Scheme Document shall be published and dispatched as soon as reasonably practicable and in any event within 28 days of the Announcement (or such later date as the parties may jointly agree, each acting reasonably, and (if required) with the consent of the Panel).
- 5.2 Where the Proposed Acquisition is being implemented by way of the Scheme:
- (a) Bidco undertakes:
 - (i) save in respect of obligations with respect to obtaining the Clearances, which shall be determined in accordance with Clause 3, to co-operate with Target and its advisers and to take or cause to be taken all such steps as are permissible by the Code and Law and are within its power that are necessary or reasonably requested by Target to implement the Proposed Acquisition in accordance with, and subject to the terms and conditions set out in, the Announcement and the Scheme Document (or, following a Switch, the Offer Document);
 - (ii) not to lapse or seek to lapse the Scheme under the Condition in paragraph 2.3 of Part A of Appendix 1 to the Announcement in circumstances where the delay in holding the Sanction Hearing on or before the 22nd day after the expected date of the Sanction Hearing arises solely as a result of any of the Regulatory Conditions not having been satisfied by such time; and
 - (iii) that it will not object to the Sanction Hearing being convened, provided that it is scheduled for a date that is not earlier than the date falling 10 Business Days following satisfaction or waiver of the Regulatory Conditions without Bidco's prior written consent;
 - (b) Bidco undertakes that, by no later than 5.00 p.m. on the Business Day immediately preceding the Sanction Hearing, it shall deliver a notice in writing to Target either:
 - (i) confirming the satisfaction or waiver of all Conditions (other than the Scheme Conditions); or
 - (ii) confirming its intention to invoke one or more Conditions (if permitted by the Panel) and providing reasonable details of the event which has occurred, or circumstances which have arisen, which Bidco reasonably considers entitle it to invoke such Condition(s) or treat it as unsatisfied or incapable of satisfaction and why (if applicable under the Code) Bidco considers such event or circumstance to be sufficiently material for the Panel to permit it to invoke such Condition(s);
 - (c) where Bidco confirms the satisfaction or waiver of all Conditions (other than the Scheme Conditions) in accordance with Clause 5.2(b)(i) Bidco shall instruct Target's counsel to appear on its behalf at the Sanction Hearing and undertake to the Court to be bound by the terms of the Scheme in so far as it relates to Bidco, and shall provide such documentation or information as may be reasonably required by Target's counsel or the Court in relation to such undertaking.
- 5.3 If Bidco intends to seek the Panel's permission to invoke any of the Conditions, Bidco (subject to any restriction under applicable Law) shall inform Target as soon as reasonably practicable, providing reasonable details of the grounds on which it intends to invoke such Conditions.

6. SWITCHING TO A TAKEOVER OFFER

6.1 The parties intend as at the date of this Agreement that the Proposed Acquisition will be implemented by way of a Scheme. Bidco shall be entitled, with the consent of the Panel (if required), to implement the Proposed Acquisition by way of a Takeover Offer rather than the Scheme (such election being a “Switch”) only if:

- (a) Target provides its prior written consent;
- (b) a third party announces a firm intention to make a Competing Proposal which is recommended in whole or in part by the Target Board;
- (c) a Target Board Recommendation Change occurs; or
- (d) save with the consent of Bidco, the Court Meeting or the General Meeting are not held on or before the 22nd day after the expected date of the relevant meeting, as set out in the Scheme Document (or such later date as may be agreed in writing between Bidco and Target with the consent of the Panel and the approval of the Court (if such approval is required)), or if Target makes an announcement that it will or intends to delay the convening of, or will adjourn or postpone, the Court Meeting or the General Meeting, in each case, other than if such adjournment or postponement is caused by logistical or practical reasons beyond the Target’s reasonable control (provided that Target has used reasonable endeavours to mitigate any such reasons).

6.2 In the event of an Agreed Switch, unless otherwise agreed in writing between Bidco and Target or required by the Panel and provided that none of the circumstances referred to in Clauses 6.1(b) to 6.1(d) (inclusive) have arisen:

- (a) Bidco shall:
 - (i) prepare, as soon as reasonably practicable, the Offer Document and Form of Acceptance each to be used by the Target Shareholders in relation to the Takeover Offer;
 - (ii) consult with Target as to the timing of the publication of the Offer Document and Form of Acceptance each to be used by the Target Shareholders in relation to the Takeover Offer;
 - (iii) consult with Target in relation to the Offer Document and Form of Acceptance each to be used by the Target Shareholders in relation to the Takeover Offer and shall allow Target a reasonable opportunity to consider the draft Offer Document and Form of Acceptance for review and comment, and shall consider in good faith comments proposed by Target and received by Bidco within a reasonable period prior to publication;
 - (iv) seek Target’s approval of the contents of the information on Target contained in the Offer Document before it is published, and to afford Target sufficient time to consider such document in order to give its approval of information for which Target or the Target Directors are taking responsibility (such approval not to be unreasonably withheld or delayed). Bidco shall only publish the Offer Document once the information in the Offer Document for which Target or the Target Directors are taking responsibility is in a form satisfactory to Bidco and Target (both acting reasonably), provided that if Target does not approve the Offer Document within 10 days from the date of the Agreed Switch, Bidco shall be entitled to publish the Offer Document containing only information required

by Rule 24 of the Code and excluding such information as may be approved by the Panel;

- (v) consult with Target in a timely manner as to the form and content and timing of publication of any announcements relating to the Agreed Switch and its implementation and any proposed changes to the timetable in relation to the implementation of the Agreed Switch; and
 - (vi) procure that the Acceptance Condition shall be set at not more than ninety (90) per cent. of the Target Shares to which the Takeover Offer relates (or such other percentage as may be agreed between the parties in writing after, to the extent necessary, consultation with the Panel, being in any case more than fifty (50) per cent. of the voting rights attaching to the Target Shares);
- (b) Bidco agrees:
- (i) not to take any action which would cause the Takeover Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of any Condition, prior to the Unconditional Date (including, without limitation, by specifying in the Offer Document an unconditional date which is earlier than the 60th day after publication of the Offer Document), and to ensure that the Takeover Offer remains open for acceptances until such time;
 - (ii) not to, without the prior written consent of Target, make any acceleration statement (as defined in the Code); and
 - (iii) if any Regulatory Condition has not been satisfied (or waived (if capable of waiver)) by 5.00 p.m. on the second day prior to Day 39, Bidco shall consult Target as to whether it should seek the consent of the Panel to a timetable suspension pursuant to Rule 31.4(a) of the Code to a date agreed with Target and the Panel which, in the reasonable opinion of the parties, allows sufficient time for the satisfaction of the relevant Regulatory Condition;
- (c) Bidco shall ensure that, subject to the terms of this Agreement, the Takeover Offer is made on the same terms and conditions as those set out in the Announcement and the only conditions to the Takeover Offer shall be the Conditions (subject to replacing the Scheme Conditions with the Acceptance Condition), unless the parties agree otherwise in writing or with any modification or amendments to such terms and Conditions as may be required by the Panel; and
- (d) Bidco shall keep Target informed, on a confidential basis within three Business Days following receipt of a written request from Target, of the number of Target Shareholders that have validly returned their acceptance or withdrawal forms or incorrectly completed their acceptance or withdrawal forms, the identity of such shareholders and the number of Target Shares to which such forms relate.

6.3 The parties agree that in the event of an Agreed Switch:

- (a) all provisions of this Agreement shall continue to apply, save as set out in this Clause 6; and
- (b) all provisions of this Agreement relating to the Scheme and the Scheme Document and its implementation shall apply to the Takeover Offer and the Offer Document or its implementation *mutatis mutandis* with the minimum amendment as is reasonably required to account for the different implementation method, save as set out in this Clause 6.

7. TARGET SHARE SCHEMES AND EMPLOYEE-RELATED MATTERS

- 7.1 The provisions of Schedule 1 shall apply in respect of the Target Share Schemes and certain Target employee-related matters.

8. DIRECTORS' AND OFFICERS' INSURANCE

- 8.1 To the maximum extent permitted by applicable Law, for six years following the Effective Date, Bidco shall procure that the members of the Target Group honour and fulfil their respective obligations (if any) existing as at the date of this Agreement to indemnify their respective current and former directors and officers and to advance expenses, and provide all reasonable assistance to such current or former directors and officers to the extent they need to make a claim against any directors' and officers' insurance policy (including that of the Target and any associated run off cover), in each case with respect to matters existing or occurring at or prior to the Effective Date.
- 8.2 Bidco acknowledges that Target may (prior to the Effective Date) purchase directors' and officers' liability insurance cover for both current and former directors and officers of the Target Group, including directors and officers who retire or whose employment is terminated as a result of the Proposed Acquisition, for acts and omissions up to and including the Effective Date, in the form of runoff cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of amount and breadth, at least as much as that provided under the Target Group's directors' and officers' liability insurance as at the date of this Agreement ("**Run-Off Cover**").
- 8.3 To the extent that Target has not purchased directors' and officers' liability insurance cover pursuant to Clause 8.2 on or before the Effective Date, Bidco shall procure, with effect from the Effective Date, the provision of Run-Off Cover.

9. TERMINATION

- 9.1 Subject to Clauses 9.2 and 9.3, this Agreement shall terminate with immediate effect and all obligations of the parties under this Agreement shall cease, as follows:
- (a) if agreed in writing between the parties;
 - (b) if the Announcement is not released through a Regulatory Information Service by the time specified in Clause 2.1 (unless, prior to that time, Target and Bidco have agreed another time in accordance with Clause 2.1, in which case the later time and date shall apply for the purposes of this Clause 9.1(b));
 - (c) upon service of written notice by Bidco to Target, if a Target Board Recommendation Change occurs;
 - (d) upon service of written notice by Target to Bidco, if a Switch occurs that is not an Agreed Switch;
 - (e) upon service of written notice by Bidco to Target or Target to Bidco, if:
 - (i) a Competing Proposal is recommended in whole or in part by the Target Board or completes, becomes effective or is declared or becomes unconditional; or
 - (ii) any Condition which:
 - (A) has not been waived is (or has become) incapable of satisfaction by the Long-Stop Date and, notwithstanding that Bidco has the right to waive such Condition, Bidco will not do so; or

(B) is incapable of waiver or is incapable of satisfaction by the Long-Stop Date,

in each case in circumstances where the invocation of the relevant Condition (or confirmation that the Condition is incapable of satisfaction, as appropriate) is permitted by the Panel;

- (f) if the Proposed Acquisition is being implemented by way of Scheme:
- (i) if the Scheme is not approved by Scheme Shareholders at the Court Meeting and/or the Target Resolutions are not passed at the General Meeting or the Court refuses to sanction the Scheme;
 - (ii) the Court Meeting and/or the General Meeting are not held on or before the 22nd day after the expected date of the Court Meeting and/or the General Meeting (as applicable) as set out in the Scheme Document (or subsequent announcement of the Proposed Acquisition timetable) (or such later date as may be agreed in writing between the parties with the consent of the Panel and the approval of the Court (if such approval(s) are required));
 - (iii) the Sanction Hearing is not held on or before the later of:
 - (A) the 22nd day after the expected day of the Sanction Hearing as set out in the Scheme Document (or subsequent announcement of the Proposed Acquisition timetable); and
 - (B) the 30th day after all of the Conditions have been satisfied or waived (or such later date as may be agreed in writing between the parties with the consent of the Panel and the approval of the Court (if such approval(s) are required));
- (g) if the Proposed Acquisition is, with the permission of the Panel, withdrawn, terminates or lapses in accordance with its terms prior to the Long-Stop Date (other than where: (i) such lapse, termination or withdrawal is as a result of the exercise of Bidco's right to effect an Agreed Switch; or (ii) it is otherwise to be followed within five (5) Business Days (or such later date as Bidco and Target agree in writing) by an announcement under Rule 2.7 of the Code made by Bidco or a person acting in concert with it to implement the Proposed Acquisition by a different offer or scheme on substantially the same or improved terms); or
- (h) unless otherwise agreed by the parties in writing or required by the Panel, if the Effective Date has not occurred on or before the Long-Stop Date.

9.2 Termination of this Agreement shall be without prejudice to the rights of the parties which have arisen prior to termination, including any claim in respect of a breach of this Agreement.

9.3 Clauses 10 to 19 (inclusive), 21 to 25 (inclusive), this Clause 9 and all related provisions of Clause 1 shall survive termination of this Agreement.

10. TAKEOVER CODE

10.1 Nothing in this Agreement shall in any way limit the parties' obligations (or the obligations of the parties' respective boards of directors or other members of the Target Group or Bidco Group) under the Code or any other applicable Law, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms of this Agreement.

- 10.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires Target or the Target Directors to take or not to take any action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.
- 10.3 Nothing in this Agreement shall oblige Target or the Target Directors to recommend a Takeover Offer or a Scheme proposed by Bidco, any member of the Bidco Group or any other person acting in concert with Bidco.
- 10.4 Without prejudice to the warranties and undertakings given by the parties pursuant to Clause 11, nothing in this Agreement shall be taken to restrict the directors of any member of the Bidco Group or the Target Group from complying with Law, orders of court or regulations, including the Code, the Listing Rules and the rules and regulations of the Panel and the Financial Conduct Authority.

11. WARRANTIES AND UNDERTAKINGS

- 11.1 Bidco warrants to Target, and Target warrants to Bidco, on the date of this Agreement, that:
- (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
 - (b) this Agreement constitutes its legal, valid and binding obligations in accordance with its terms; and
 - (c) the execution and delivery of, and performance of its obligations under, this Agreement will not:
 - (i) result in any breach of any provision of its constitutional documents;
 - (ii) result in a breach of, or constitute a default under, any instrument which is material in the context of the Proposed Acquisition to which it is a party or by which it is bound; or
 - (iii) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a party or by which it is bound.
- 11.2 Bidco warrants to the Target that neither it nor any member of the Bidco Group is, as at the date of this Agreement, and undertakes that (for so long as this Agreement is in force and during the period prior to the satisfaction or, where applicable, waiver of the Regulatory Conditions) neither it nor any member of the Bidco Group shall become, following the date of this Agreement, required to make a mandatory offer for Target pursuant to Rule 9 of the Code.
- 11.3 No party shall have any claim against any other party pursuant to Clause 11.1 or 11.2 for misrepresentation or breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).
- 11.4 Bidco acknowledges and agrees that any information and/or assistance provided by any of the Target's directors, officers, employees or advisers (each a "**Target Representative**") to it and/or any member of its Group or any of their respective directors, officers, employees or advisers, whether before, on or after the date of this Agreement: (i) pursuant to the obligations of Target under or otherwise in connection with this Agreement; or (ii) in connection with the Proposed Acquisition, shall in each case be (and have been) given on the basis that the relevant Target Representative shall not incur any liability, whether in contract, tort (including negligence) or otherwise, in respect of any loss or damage that any of Bidco and/or any member of the Wider Bidco Group or any of their respective directors, officers, employees or advisers

may suffer as a result of the provision of any such information and/or assistance, save in each case for loss or damage to the extent resulting from such Target Representative's own fraud or fraudulent misrepresentation.

12. ANNOUNCEMENTS

- 12.1 Subject to Clause 12.2, before satisfaction or waiver (as the case may be) of the Conditions, other than the Announcement, no announcement or statement, save to the extent any statement is consistent with any previous public announcement agreed between the parties, shall be made by Bidco or any member of the Wider Bidco Group in connection with the Proposed Acquisition, except on a joint basis or on terms agreed in advance with Target.
- 12.2 The restriction in Clause 12.1 shall not apply to any announcement or statement: (i) required by Law or the Panel, provided that Bidco will, if practicable, consult in good faith with Target as to the content and timing of such announcement or statement and the extent of the required disclosure, giving Target a reasonable opportunity to provide comments on the form and content of such announcement; or (ii) made by Bidco following any Target Board Recommendation Change, in response to a Competing Proposal, or following a Switch which is not an Agreed Switch.

13. COSTS

Except as otherwise provided in this Agreement, each party shall pay its own Costs incurred in connection with negotiating, preparing and completing this Agreement or otherwise in connection with the Proposed Acquisition.

14. ENTIRE AGREEMENT

- 14.1 Without prejudice to the terms of the Announcement or the Acquisition Document, this Agreement, the Regulatory Clean Team Agreement and the Confidentiality Agreement together set out the entire agreement between the parties relating to the Proposed Acquisition and supersede any previous draft, agreement, arrangement or understanding, whether in writing or not, relating to the Proposed Acquisition.
- 14.2 Each party acknowledges that in entering into this Agreement it is not relying upon any pre-contractual statement that is not set out in this Agreement or the Confidentiality Agreement.
- 14.3 Except in the case of fraud or fraudulent misrepresentation, no party shall have any right of action against any other party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement or the Confidentiality Agreement.
- 14.4 For the purposes of this clause, "**pre-contractual statement**" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement or the Confidentiality Agreement made or given by any person at any time prior to the entry into of this Agreement.
- 14.5 Nothing in this Agreement shall limit any liability for (or remedy in respect of) fraud or fraudulent misrepresentation.
- 14.6 Each party agrees to the terms of this Clause 14 on its own behalf.

15. ASSIGNMENT

Unless 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.

16. NOTICES

16.1 A notice under or in connection with this Agreement (a “**Notice**”) shall be:

- (a) in writing;
- (b) in the English language; and
- (c) delivered personally or sent by first class post pre-paid recorded delivery (and air mail if overseas) or by email to the party due to receive the Notice at the address specified in Clause 16.3 (or to another address specified by that party by not less than seven days’ written notice to the other party).

16.2 Unless there is evidence that it was received earlier, a Notice is deemed given:

- (a) if delivered personally, when left at the address referred to in Clause 16.3;
- (b) if sent by post, except air mail, two Business Days after posting it;
- (c) if sent by air mail, six Business Days after posting it; or
- (d) if sent by email, when sent provided that receipt shall not occur if the sender receives an automated message indicating that the message has not been delivered to the recipient.

Any Notice sent outside of the hours of 9.00a.m. to 5.30p.m. shall be deemed to be given at the start of the next Business Day.

16.3 The addresses and e-mail addresses of the parties for the purpose of Clauses 16.1 and 16.2 are:

Bidco

Address: Suite 1, 7th Floor 50 Broadway, London SW1H 0DB, United Kingdom

E-mail: REDACTED
REDACTED

For the attention of: REDACTED

With a copy (which shall not constitute Notice) to:

Address: Kirkland & Ellis International LLP, 30 St Mary Axe, London, EC3A 8AF, United Kingdom

E-mail: REDACTED

For the attention of: REDACTED

Target

Address: 4650 Kingsgate Cascade Way, Oxford Business Park South,
Oxford, Oxfordshire OX4 2SU, United Kingdom

E-mail: REDACTED

For the attention of: REDACTED

With a copy (which shall not constitute Notice) to:

Address: 99 Bishopsgate, London EC2M 3XF, United Kingdom

E-mail: REDACTED

For the attention of: REDACTED

16.4 Each party shall notify the other in writing of any change to its details in Clause 16.3 from time to time.

16.5 Each party shall, where it sends a Notice by email to the other party, within two Business Days send a hard copy of the relevant Notice via hand delivery or first-class post to the physical address of the other party.

17. LANGUAGE

Each language of communication under or in connection with this Agreement shall be in English.

18. WAIVERS, RIGHTS AND REMEDIES

18.1 The rights and remedies provided for in this Agreement are cumulative and not exclusive of any other rights or remedies, whether provided by Law or otherwise.

18.2 No failure to exercise, or delay in exercising, any right under this Agreement or provided by Law shall affect that right or operate as a waiver of the right. The single or partial exercise of any right under this Agreement or provided by Law shall not preclude any further exercise of it.

18.3 Without prejudice to any other rights or remedies that the other party may have, each party acknowledges and agrees that damages may not be an adequate remedy for any breach by it of this Agreement and that accordingly the other party may be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of this Agreement by any party and no proof of special damages shall be necessary for the enforcement by any party of the rights under this Agreement.

18.4 Without prejudice to the generality of Clause 10.2, nothing in this Agreement shall oblige Target to pay any amount in damages which the Panel determine would not be permitted by Rule 21.2 of the Code.

19. NO PARTNERSHIP

No provision of this Agreement creates a partnership between the parties or makes a party the agent of the other party for any purpose. A party has no authority or power to bind, to contract in the name of, or to create a liability for the other party in any way or for any purpose.

20. FURTHER ASSURANCES

At its own Cost, each party shall (and shall procure that members of its Group shall and shall use reasonable endeavours to procure that any necessary third party shall) execute such

documents and do such acts and things as the requesting party may reasonably require for the purpose of giving the full benefit of this Agreement to the requesting party.

21. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment or telecopy shall be an effective mode of delivery.

22. VARIATIONS

22.1 No variation of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of all of the parties to it.

22.2 If this Agreement is varied:

- (a) the variation shall not constitute a general waiver of any provisions of this Agreement;
- (b) the variation shall not affect any rights, obligations or liabilities under this Agreement that have already accrued up to the date of variation; and
- (c) the rights and obligations of the parties under this Agreement shall remain in force, except as, and only to the extent that, they are varied.

23. INVALIDITY

23.1 Each of the provisions of this Agreement is severable.

23.2 If and to the extent that any provision of this Agreement:

- (a) is held to be, or becomes, invalid or unenforceable under the Law of any jurisdiction; but
- (b) would be valid, binding and enforceable if some part of the provision were deleted or amended,

then the provision shall apply with the minimum modifications necessary to make it valid, binding and enforceable and neither the validity or enforceability of the remaining provisions of this Agreement, nor the validity or enforceability of that provision under the Law of any other jurisdiction, shall in any way be affected or impaired as a result of this Clause 23.2.

24. THIRD PARTY ENFORCEMENT RIGHTS

24.1 Each of the third parties to whom Clauses 8 or 11.4 applies (“**Relevant Third Parties**”) may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of Clauses 8 or 11.4 (as applicable). This right is subject to: (i) the rights of the parties to rescind or vary this Agreement without the consent of any other person and; (ii) the other terms and conditions of this Agreement.

24.2 Except as set out in Clause 24.1, 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.

25. GOVERNING LAW AND JURISDICTION

25.1 This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by, and interpreted in accordance with, English law.

25.2 The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with this Agreement including, without limitation disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, termination or the legal relationships established by, this Agreement; and (ii) any non-contractual obligations arising out of or in connection with this Agreement. For such purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction. Each party also irrevocably waives any objection to the recognition or enforcement in the courts of any other country of a judgment delivered by an English court exercising jurisdiction pursuant to this clause.

SIGNATURE PAGES

IN WITNESS WHEREOF the parties have executed this Agreement on the date first set out above.

Signed for and on behalf of
**ABC TECHNOLOGIES ACQUISITIONS
LIMITED**

REDACTED

By a director

.....
Signature

REDACTED

.....
Name of signatory (print)

Signed for and on behalf of
TI FLUID SYSTEMS PLC

By a director

.....
Signature

.....
Name of signatory (print)

SIGNATURE PAGES

IN WITNESS WHEREOF the parties have executed this Agreement on the date first set out above.

Signed for and on behalf of
**ABC TECHNOLOGIES ACQUISITIONS
LIMITED**

By a director

.....
Signature

.....
Name of signatory (print)

Signed for and on behalf of
TI FLUID SYSTEMS PLC

By a director

REDACTED

.....
Signature

REDACTED
.....
Name of signatory (print)

SCHEDULE 1

TARGET SHARE SCHEMES AND EMPLOYEE RELATED MATTERS

Subject to applicable legal and regulatory requirements, each party will co-operate with the other party in order to facilitate the implementation of the arrangements set out in this Schedule 1.

In the event that the Proposed Acquisition is effected as a Takeover Offer, references to the date of the Court Sanction Date and the Effective Date will be read as if they referred to the date on which the Takeover Offer becomes or is declared unconditional in all respects, and, subject always to Rule 21.2 of the Code, the parties shall work together in good faith to agree any modifications to the Proposals (as defined below) as may be necessary or desirable.

In this Schedule 1, each of the following words and expressions shall have the following meanings:

“**Awards**” has the meaning given to it in Part 1, paragraph 1.4(c) of this Schedule 1;

“**Court Sanction Date**” means the date on which the Court sanctions the Scheme (the “**Court Sanction**”) under section 899 of the Companies Act;

“**Deferred Bonus Plan**” means the TI Fluid Systems plc Annual and Deferred Bonus Plan;

“**EBT**” means the TI Fluid Systems plc Employee Benefit Trust;

“**LTIP**” means the TI Fluid Systems plc Long Term Incentive Plan;

“**Proposals**” has the meaning given to it in Part 1, paragraph 1.4(c) of this Schedule 1;

“**Qualifying Termination**” has the meaning given to it in Part 2, paragraph 4.2 of this Schedule 1;

“**Retention Awards**” has the meaning given to it in Part 2, paragraph 3.1 of this Schedule 1;

“**Target Directors’ Remuneration Policy**” means the directors’ remuneration policy approved by Target shareholders from time to time;

“**Target Employees**” means the employees of Target (including the executive directors) and the employees of members of the Target Group from time to time, each a “**Target Employee**”;

“**Target Remuneration Committee**” means the remuneration committee of the board of directors of Target; and

“**Target Share Schemes**” means each of the LTIP and the Deferred Bonus Plan.

Part 1

TARGET SHARE SCHEMES

1. GENERAL

1.1 As at 28 November 2024, the following awards were outstanding under the LTIP:

Target Share Scheme	Form of award	Number of Target Shares subject to outstanding Awards
LTIP	Conditional Share Awards	25,304,006

1.2 In addition, as at 28 November 2024, 833,932 Target Shares have been issued pursuant to the Deferred Bonus Plan, which are subject to a 2-year holding period.

1.3 Subject to Rule 21 of the Takeover Code, Bidco acknowledges and agrees that, prior to the Effective Date, the Target Directors (and, where appropriate, the Target Remuneration Committee) may operate the Target Share Schemes in accordance with the rules of the relevant Target Share Scheme and Target's normal practice modified as the Target Remuneration Committee considers appropriate to give effect to any change in law, tax treatment or regulation. For the avoidance of doubt, operate includes (without limitation): granting awards in line with historic practice, determining the extent to which awards vest, exercising discretion in accordance with the rules of the Target Share Schemes, satisfying the vesting of awards (including where such satisfaction involves the issuance of shares, transferring Target shares from the EBT, treasury, cash-settling awards or EBT market purchase), determining the timing of payment or delivery of Target Shares under the Target Share Schemes and the treatment of awards held by leavers.

1.4 Target and Bidco acknowledge that:

- (a) The Scheme Record Time (as defined in the Announcement) shall take place after the Court Sanction Date, to allow those participants in Target Share Schemes who acquire Target Shares on or before the Court Sanction Date to have those Target Shares acquired by Bidco and dealt with through the Scheme;
- (b) Target may amend the rules of the Target Share Schemes if the Target Directors (or the relevant committee or delegate) are of the opinion that such amendments are necessary or desirable to implement the Scheme or the treatment set out in this Agreement, comply with any local law requirement, to facilitate the administration of the Target Share Schemes or to obtain or maintain favourable tax treatment for participants or for any member of the Target Group;
- (c) Bidco and Target intend to jointly write to participants in the Target Share Schemes on, or as soon as practicable after, the posting of the Scheme Document to inform them of the impact of the Scheme on their outstanding

awards under the Target Share Schemes (“**Awards**”), the extent to which their Awards will vest as a result of the Scheme and any actions they may need to take in connection with their Awards as a result of the Scheme, where and as required under Rule 15 of the Code (the “**Proposals**”);

- (d) Approval of the Target Shareholders will be sought for an amendment to the articles of association of Target so that any Target Shares issued or transferred on or after the Scheme Record Time will be automatically transferred to, or to the order of, Bidco in exchange for the provision by Bidco of the same consideration payable per Target Share under the Scheme (or such other consideration as may be agreed between Target and Bidco and disclosed in the Scheme Document) (the “**Offer Price**”); and
- (e) Any bonus or vesting of awards or other payments described in this Schedule 1 will be subject to the usual deductions for applicable taxes and National Insurance contributions (or equivalent in other jurisdictions), where such taxes or contributions are required to be withheld.

1.5 Bidco acknowledges and agrees that the Target Remuneration Committee has the ability to determine that any Awards may be settled by Target in cash, including to enable the Target Remuneration Committee to grant awards within existing authorities.

1.6 Bidco acknowledges that Target may make any submission to the Panel which it deems necessary to implement the arrangements referred to in this Schedule 1, subject to having consulted with Bidco before making such submission and having provided Bidco with reasonable time to review and comment on any draft submission, and Bidco agrees to co-operate as soon as possible and in good faith in the making of any such submission.

1.7 Bidco confirms that none of the Awards will be exchanged for, converted into or replaced by any awards issued or granted by Bidco or any member of the Bidco Group (or Wider Bidco Group) in respect of the shares in Bidco or any member of the Bidco Group (or Wider Bidco Group).

2. LTIP

2.1 Bidco acknowledges that:

- (a) Awards granted under the LTIP that have not already vested will vest on the Court Sanction Date to the extent determined by the Target Remuneration Committee;
- (b) the extent of vesting of Awards shall be determined by the Target Remuneration Committee in accordance with the rules of the LTIP, including with respect to: (i) assessing the achievement of any applicable performance conditions (which shall include the Target Remuneration Committee’s discretion to increase the extent of vesting); and (ii) exercising its discretion to disapply time pro-rating of Awards; and
- (c) all Awards under the LTIP attract dividend equivalents which will be payable in cash on vesting of the Awards.

2.2 FY 2022 – 2024 LTIP Awards

Bidco acknowledges that:

- (a) The application of performance conditions will be assessed by the Target Remuneration Committee on, or shortly prior to, the Court Sanction Date.
- (b) It is the current intention of the Target Remuneration Committee to determine that unvested outstanding Awards as at Court Sanction granted pursuant to the LTIP prior to the date of this Agreement will vest with 100% performance achievement and with no application of time pro-rating (save in respect of any awards held by leavers).

2.3 **FY25 LTIP Awards**

Bidco and Target acknowledge that:

- (a) Target intends to grant Awards under the LTIP to Target Employees in the ordinary course in March 2025 (or shortly thereafter) and to any new joiners in the ordinary course (in respect of a maximum of 8,000,000 Target Shares) (the “**FY25 LTIP Awards**”). The FY25 LTIP Awards will be subject to performance conditions;
- (b) the Target Remuneration Committee will take steps to consult reasonably with Bidco in respect of the applicable performance conditions which are expected to be substantially no less or no more difficult to satisfy than applicable performance conditions to which prior years’ LTIP Awards have been subject (with any such performance conditions comprising metrics which are determined to be most suitable for the Target Group in light of the Proposed Acquisition, having regard to the Target’s continued status as a listed company);
- (c) if the Proposed Acquisition completes prior to the applicable vesting of the FY25 LTIP Awards, it is the current intention of the Target Remuneration Committee to determine that (i) if the Effective Date occurs in 2025, the applicable performance conditions will be assessed by the Target Remuneration Committee on, or shortly prior to, the Court Sanction Date and the resulting Target Shares subject to the FY25 LTIP Awards following the application of the performance conditions will be subject to time pro-ration by way of a two-thirds reduction, and (ii) if the Effective Date occurs in 2026 or later, the applicable performance conditions will be assessed by the Target Remuneration Committee on, or shortly prior to, the Court Sanction Date and the resulting Target Shares following the application of the performance conditions will be subject to time pro-ration by reference to the number of completed months between the start of the vesting period and the Court Sanction Date, relative to the three-year vesting period (provided that such time pro-ration shall be no more than a two-thirds reduction of the FY25 LTIP Award);
- (d) the portion of the FY25 LTIP Awards that has not vested at Court Sanction will lapse on the Court Sanction Date and no portion of the outstanding portion of the FY25 LTIP Awards will vest. Bidco agrees that, as soon as reasonably practicable after the Effective Date, it will grant to all individuals who:
 - (i) were Target Employees on the Effective Date; and

- (ii) on the Court Sanction Date, held FY25 LTIP Awards granted pursuant to the LTIP that did not vest on the Court Sanction Date

a cash award equal in value to the market value (based on the Offer Price) of such number of Target Shares underlying each relevant portion of the FY25 LTIP Award that lapsed on the Court Sanction Date (the “**Replacement FY25 LTIP Awards**”); and

- (e) the following terms will apply to the Replacement FY25 LTIP Awards:
 - (i) the terms of the Replacement FY25 LTIP Awards will be no more onerous than the terms of the LTIP;
 - (ii) the Replacement FY25 LTIP Awards will vest and be payable 12 months after the Effective Date, subject to the participant’s continued employment and the satisfaction of new performance conditions to be agreed between the Target’s Chief Executive Officer in role immediately prior to the Effective Date (or where such person is no longer in role, the next most senior Target Employee that was in role at the Effective Date) and Bidco on or as soon as possible after the Effective Date;
 - (iii) no malus and clawback or post-vesting holding period will apply to the Replacement FY25 LTIP Awards;
 - (iv) if the participant’s employment terminates with the Target Group or Bidco Group after the Effective Date and if such termination is a Qualifying Termination, the Replacement FY25 LTIP Awards will be payable on the termination of employment (or as soon as reasonably practicable thereafter, but in any event no later than 15 March in the year following the year of termination), subject to the satisfaction of the applicable performance conditions and time pro-rata by reference to the period between the Effective Date and the termination date, relative to the twelve month vesting period from the Effective Date. For the avoidance of doubt, if the termination is for a reason other than a Qualifying Termination, the Replacement FY25 LTIP Awards will lapse and no payment will be made in respect of them; and
 - (v) to the extent determined by the Target Remuneration Committee prior to the Effective Date and as permitted under applicable Law, the grant of the Replacement FY25 LTIP Awards will be subject to the participant entering into a non-competition agreement.

3. DEFERRED BONUS PLAN

Bidco acknowledges that the two-year holding condition and any other restrictions attached to the Target Shares granted under the Deferred Bonus Plan shall cease to apply on Court Sanction and that there shall be no application of time pro-rating or other restrictions in respect of such Target Shares.

4. EMPLOYEE BENEFIT TRUST

- 4.1 As at 28 November 2024, the EBT held approximately 2,158,076 Target Shares.
- 4.2 Bidco acknowledges that, subject always to Target's ability to make recommendations to the trustee of the EBT to use any unallocated Target Shares held in the EBT to satisfy Awards in the normal course prior to the Effective Date, Target will request that the EBT uses all Target Shares that it holds on Court Sanction to satisfy outstanding Awards that vest on Court Sanction as far as possible in priority to Target issuing Target Shares to satisfy such Awards or transferring Target Shares out of treasury (to the extent permitted by applicable laws and the governing documents of the EBT).
- 4.3 Subject to paragraph 1.5 of Part 1, Schedule 1, Bidco acknowledges that, if there are insufficient unallocated Target Shares in the EBT to satisfy Awards which vest on Court Sanction, Target will be permitted to either issue sufficient new Target Shares or transfer Target Shares out of treasury either to the EBT or directly to participants of the Target Share Schemes or their nominee in order to satisfy such Awards or Target is permitted to instruct and fund the EBT to acquire sufficient Target Shares in order to satisfy outstanding Awards.

Part 2

EMPLOYEE MATTERS

1. ORDINARY COURSE OF BUSINESS ARRANGEMENTS

- 1.1 Bidco acknowledges and agrees that Target may in the ordinary course of business (i) carry out annual (or other periodic) pay reviews; (ii) carry out salary adjustments approved by the Target Remuneration Committee prior to the date of this Agreement, (iii) grant one-off bonus awards in connection with the recruitment of new employees, and (iv) undertake any appraisals, recruitment and promotion rounds.
- 1.2 Bidco agrees, in respect of each Target Employee who remains in employment within the Bidco Group or the Target Group on and following the Effective Date, that for the twelve-month period immediately following the Effective Date it shall, or shall cause the relevant employing entity in the Bidco Group or the Target Group to:
- (a) maintain at least the same base salary or wage rates as were provided to each such Target Employee immediately prior to the Effective Date;
 - (b) maintain or provide a benefits and allowance package (including terms relating to pension accrual and/or contributions) and all cash incentive opportunities which, taken as a whole, are at least substantially comparable in the aggregate to the existing benefits and allowance package and all cash incentive opportunities available to such Target Employee immediately prior to the Effective Date;
 - (c) maintain substantially the same variable pay opportunities (with reference to value) (including targets and maximum opportunities for both bonuses and long-term incentive plans) save (i) for necessary adjustments to take into account of the consequent de-listing of Target; and (ii) that opportunities under share based incentive plans may be replaced with opportunities under cash-based plans which are substantially equivalent in the aggregate to the variable pay opportunities available to such Target Employee immediately prior to the Effective Date;
 - (d) subject to paragraph 2.1 (d), maintain sufficiently commensurate performance metrics (both financial and individual/personal performance metrics, save where by reason of the Proposed Acquisition and/or the consequent de-listing of Target, it is not reasonably practicable to operate any financial and/or other performance metrics which applied prior to the Effective Date, Bidco will ensure that any replacement performance metrics shall be fair and reasonable) in respect of annual bonus opportunities and variable pay opportunities;
 - (e) not amend any material terms and conditions of employment (whether or not in writing) to the Target Employee's detriment; and
 - (f) not make material changes to the Target Employee's role, reporting level, responsibilities or status: (i) except in connection with any integration restructuring; or (ii) where such changes would be unlawful in the Target Employee's relevant jurisdiction or in breach of any contractual obligations or collective bargaining agreements (or similar) relating to the Target Employees,

save (a) where such Target Employee has consented in writing to the amendment; or (b) in the case of paragraph 1.2(e) the amendment is reasonable, is made in connection with the de-listing of Target and does not diminish the Target Employee's standing or status with Target; or (c) where such change is required by applicable Law.

2. ANNUAL BONUS

2.1 Bidco acknowledges that:

- (a) Target operates annual bonus arrangements that are conditional on financial, strategic, operational and/or individual performance. The Target will grant annual ABP awards within the ordinary course within the normal grant cycle in March 2025. Prior to granting such awards, the Target Remuneration Committee will consult with Bidco with respect to applicable performance conditions for the 2025 ABP awards (and such performance conditions are expected to be substantially no less or no more difficult to satisfy than applicable performance conditions to which prior years' ABP bonus terms have been subject to and comprising metrics which are determined to most suitable for the Target Group in light of the Proposed Acquisition, having regard to the Target's continued status as a listed company);
- (b) bonus determinations in respect of any Target financial year ending before the Effective Date will be undertaken by Target at the normal time or earlier as otherwise determined by the Target Remuneration Committee in accordance with the TI Fluid Systems Deferred Bonus Plan and TI Fluid Systems Directors' Remuneration Policy or, if earlier, on the Effective Date and determined in line with its usual processes to verify and approve bonuses and in accordance with the Target Remuneration Policy (where applicable) and consistent with normal Target practice (including any determinations made by the Target Remuneration Committee taking account of any modifications to any performance metrics approved by the Target Remuneration Committee prior to the date of this Agreement), and such bonuses will be paid by Target in cash on the earlier to occur of the normal bonus payment date, or such earlier time as determined by the Target Remuneration Committee in accordance with the TI Fluid Systems Deferred Bonus Plan and TI Fluid Systems Directors' Remuneration Policy, or on (or immediately following) the Effective Date with a portion of such bonus deferred into shares for the executive directors, in line with previous practice, unless such bonus is paid on (or immediately following) the Effective Date, in which case the bonus will not be deferred into shares;
- (c) in respect of Target's financial year in which the Effective Date occurs, annual bonuses and other periodic bonuses will be conditional on financial, strategic, operational and/or individual performance and will be determined in accordance with the relevant Target's policies and practices existing on the Effective Date, including the application of a time pro-rata reduction to reflect the period from the beginning of the relevant financial year until the Effective Date, as a proportion of the relevant financial year, and by reference to achievement of the applicable performance metrics (both financial and individual/personal performance metrics) put in place by Target under the relevant policies and practices. Any applicable bonuses will be paid as soon as reasonably practicable following the Effective Date;

- (d) bonus determinations for the period from the day after the Effective Date to the end of the relevant financial year will be undertaken shortly after the end of the relevant financial year based on such performance metrics as agreed between the Target's Chief Executive Officer in role immediately prior to the Effective Date (or if that person is no longer in role, the next most senior Target Employee that was in role at the Effective Date) and Bidco, and such bonuses will be paid by Bidco on the normal bonus payment date for the Target financial year in which the Effective Date occurs; and
- (e) any relevant bonus awards in respect of the periods referred to in Part 2, paragraphs 2.1(c) and 2.1(d) above shall be subject to the relevant current or former Target Employee satisfying the existing bonus terms and conditions, including continued employment, for payment of a bonus, or having been served with, or having served notice of a Qualifying Termination, or otherwise subject to a Qualifying Termination (which shall prevail over any existing terms and conditions in the event of a conflict).

3. RETENTION AND BONUS ARRANGEMENTS

- 3.1 Bidco acknowledges that, for the purpose of protecting the business to be acquired pursuant to the Proposed Acquisition and subject to the Target Directors' Remuneration Policy, Target may make cash retention awards, up to a maximum in aggregate of \$2,000,000 (excluding employer's National Insurance contributions, or equivalent in other jurisdictions), to such Target Employees as Target notifies to Bidco in advance of the date of this Agreement and who are critical for the business (the "**Retention Awards**"). In respect of any Retention Awards not notified by Target to Bidco prior to the date of this Agreement, Target will notify Bidco of the Target Employees who will be eligible for a Retention Award.
- 3.2 Bidco further acknowledges that the Retention Awards will be paid within 30 days of the Effective Date, provided that the relevant Target Employee remains in employment on the payment date and is not serving a period of notice (other than where the Target Employee's termination or period of notice being served is in relation to circumstances amounting to a Qualifying Termination in which case the Retention Award is still payable).
- 3.3 Bidco acknowledges that Target may enter into agreements with the Target Employees as notified to Bidco entitling each such Target Employee to receive payment from Target in an amount equal to the sum of (a) any taxes incurred by such Target Employee under Section 4999 of the U.S. Internal Revenue Code of 1986, as amended, in connection with the Proposed Acquisition; and (b) any income, payroll, employment or other taxes incurred by such Target Employee as a result of the receipt of the amount in (a) of this paragraph 3.3. Any such payments will be made to the Target Employees following the Effective Date (and de-listing having occurred). After the date of this Agreement, Target and Bidco shall each consult with the other regarding opportunities to limit the potential for adverse tax consequences under Sections 280G and 4999 of the Code arising in connection with the Proposed Acquisition.
- 3.4 Bidco acknowledges and agrees that it intends to develop a retention and incentivisation programme for certain Target Employees that will apply after the Effective Date and will communicate it as appropriate.

- 3.5 For the avoidance of doubt, such awards will be in addition to any bonus to which any recipient may be eligible in accordance with Target's annual and other periodic bonus arrangements and any cash compensatory arrangements payable pursuant to this Schedule 1.

4. SEVERANCE AND REDUNDANCY ARRANGEMENTS

- 4.1 Bidco agrees that, where any Target Employee is served with (or serves) notice of a Qualifying Termination or is otherwise subject to a Qualifying Termination at any time during the period of twelve months from the Effective Date, such Target Employee will (if and to the extent permitted by applicable Law):

- (a) where participating in a bonus arrangement, receive a bonus in respect of the financial year in which their employment terminates pro-rated to the date of termination and subject to the satisfaction of applicable performance conditions;
- (b) receive a severance payment calculated in accordance with either:
 - (i) the policies and/or practices used by the Target Group historically or as otherwise set forth in any Target Employee's employment agreement; or
 - (ii) any other policy or arrangement agreed between Target and Bidco that is not less generous than the existing policies and/or practices used by the Target Group historically;
- (c) where consistent with the Target Group's practices in the relevant jurisdiction as at the date of this Agreement, receive a reasonable and appropriate contribution to their legal fees if required to sign a settlement agreement on termination of employment; and
- (d) if required to sign a settlement agreement or a release of claims on termination of employment, not be subject to any restrictive covenants that were not applicable to such Target Employee prior to the Effective Date (unless mutually agreed upon consideration is paid in exchange therefor).

- 4.2 In this Agreement "**Qualifying Termination**" is:

- (a) any termination by the employer other than: (i) by reason of the Target Employee's misconduct or poor performance (provided, in the reasonable opinion of Target's Chief Human Resources Officer or, if that person is no longer in role, the Target Employee responsible for HR activities within Target at the relevant time, an appropriate and reasonable disciplinary process was implemented and followed prior to termination and provided that in the event the termination relates to the Chief Human Resources Officer, it will be as agreed by the Chief Legal Officer of the Target at the relevant time), save that to the extent that the Target Employee has a definition of "Cause" in their employment agreement, a termination for Cause in accordance with such definition will apply; or (ii) where the employer is entitled pursuant to the employment contract or otherwise to dismiss the Target Employee summarily without notice for gross misconduct (and without any entitlement to severance benefits or a payment in lieu of notice); or

- (b) any termination by reason of the Target Employee's ill health, injury, disability, death or retirement (as agreed by Target's Chief Human Resources Officer at the relevant time, in consultation with Bidco (or if that person is no longer in role, the Target Employee responsible for the human resources function within Target), save that in the event the termination relates to the Chief Human Resources Officer it will be as agreed by the Chief Legal Officer of Target at the relevant time); or
- (c) if the Target Employee ceases to be an employee of the Target Group or Bidco Group by reason of: (i) his or her employing entity ceasing to be a member of the Target Group or Bidco Group; or (ii) the business or part of the business in which he or she works being transferred to a person that is not a member of the Target Group or the Bidco Group; or
- (d) a termination by reason of the Target Employee's resignation in circumstances amounting to constructive dismissal (or to the extent that the Target Employee has a definition of "Good Reason" in their employment contract, such definition); or
- (e) a termination by reason of the resignation of a Target Employee who does not have a definition of "Good Reason" in their employment contract where, without the Target Employee's written consent:
 - (i) the Target Employee's role and/or reporting level and/or status has been materially diminished (provided that Target ceasing to be a listed company shall not of itself, without there being an actual material diminution in a Target Employee's role and/or reporting level and/or status, be deemed to result in a material diminution); or
 - (ii) there is a material reduction in the Target Employee's base salary or wage, or cash compensation opportunities, taken as a whole, or a material reduction in the Target Employee's benefits and allowance package, taken as a whole (and Target and Bidco agree that nothing in this Schedule 1 will constitute such a material reduction),

in each case, where the termination takes effect after the Effective Date and save where the relevant Target Employee continues employment with another member of the Target Group or the Bidco Group.

4.3 In the event of any dispute about whether the definition of Qualifying Termination applies to a particular Target Employee, the decision shall be referred to Target's Chief Human Resources Officer (or if that person is no longer in role, the Target Employee responsible for the human resources function within Target), who shall, acting reasonably, determine the position save that in the event the termination relates to the Chief Human Resources Officer it will be as determined by the Chief Legal Officer of Target at the relevant time.

5. NON-EXECUTIVE DIRECTORS

5.1 It is intended that non-executive directors of Target will resign with effect from the Effective Date and will be paid in lieu of their one-month notice period. Non-executive directors may receive a fee increase at the next review.