

IRREVOCABLE UNDERTAKING

To: Mercell Holding AS ("**Mercell**")
Karihaugveien 89
1086 Oslo
Norway

10 May 2019

Dear Sirs,

Offer for EU Supply plc ("EU Supply**")**

We understand that Mercell is considering the Transaction substantially on the terms and conditions set out or referred to in the draft of the Rule 2.7 Announcement attached at Appendix 1 to this undertaking and/or such other terms and conditions as required by (i) any applicable law or regulation; and (ii) the Code.

Unless otherwise defined in this undertaking or unless the context requires otherwise, capitalised terms have the meaning given to them in the Rule 2.7 Announcement. References to paragraphs are to paragraphs in this undertaking.

1. WARRANTIES AND UNDERTAKINGS

1.1 We represent, warrant and undertake to Mercell that:

- (a) we are the registered holder and/or the beneficial owner of (or are otherwise able to control the exercise of all rights (including voting rights) attaching to, including the ability to procure the transfer (free from Encumbrances) of) the number of EU Supply Shares set out in the table in Appendix 3 to this undertaking and, where stated in the third column of the table, we are the legal owner of the Shares and we hold the Shares free from any Encumbrances which are inconsistent with the terms of this undertaking;
- (b) other than as set out in Appendix 3 to this undertaking, we do not, and nor do any of the persons connected to us (within the meaning of section 253 of the Act), have any interest (as defined in the Code) in any securities of EU Supply, or any rights to subscribe for, purchase or otherwise acquire any such securities, or any short positions (within the meaning of the Code) in any such securities;
- (c) we have (and will at all relevant times continue to have) full power and authority to enter into this undertaking and to perform the obligations under it in accordance with their terms;
- (d) we will not, prior to the earlier of the Transaction completing or lapsing, and will procure that any registered holder (if different) will not:
 - (i) except pursuant to the Transaction, sell, transfer, charge, pledge, encumber, grant any options over or otherwise dispose of, or permit the sale, transfer, charging, pledge, encumbrance, granting of any option over or other disposal of any interest in the Shares;
 - (ii) accept or agree to accept in respect of all or any of the Shares, any offer or other transaction made in competition with, or which might otherwise frustrate, the Transaction;
 - (iii) carry out any dealing or otherwise acquire (whether conditionally or unconditionally) any shares or other interests in relevant securities of EU Supply unless the Panel has determined and confirmed to us that we are not acting in concert with Mercell;

- (iv) vote in favour of or otherwise consent to any matter for the purposes of Rule 21 of the Code;
- (v) (except pursuant to the Transaction) enter into any agreement or arrangement, incur any obligation (other than any obligation imposed by law) or give any indication of intent:
 - (A) to do any of the acts referred to in paragraphs 1.1(d)(i) to ((iv)); or
 - (B) which in relation to the Shares would or might restrict or impede us accepting the Offer or voting in favour of the Scheme, or which would otherwise preclude us from complying with any obligations in this undertaking,

and, for the avoidance of doubt, references in this paragraph 1.1(d) to any agreement, arrangement, obligation or indication of intent include any agreement, arrangement, obligation or indication of intent whether or not legally binding or subject to any condition or which is to take effect upon or following the lapsing of the Transaction, the ceasing of this undertaking to be binding or any other event);

- (e) we will take any action (or refrain from taking any action) not otherwise contemplated by this undertaking and which is reasonably requested by Mercell to give effect to our obligations in this undertaking or otherwise reasonably requested by Mercell to ensure the completion of the Transaction;
- (f) other than anyone presumed to be acting in concert with us by virtue of the definition of "acting in concert" in the Code, we are not knowingly acting in concert with any person in relation to EU Supply for the purposes of Rule 9.1 of the Code disregarding for this purpose any person giving an irrevocable undertaking to implement the Transaction and each of Mercell and EU Supply and all persons acting in concert with any of them; and
- (g) we will take all steps in our power and, where applicable, will take all steps in our power to procure that any registered holder of the Shares also takes all steps in their power, to comply with the obligations in this undertaking.

2. **UNDERTAKING TO VOTE IN FAVOUR OF THE SCHEME**

2.1 We hereby irrevocably and unconditionally undertake that for so long as Mercell elects to implement the Transaction by way of the Scheme we will and, where applicable, we will procure that any registered holder will in respect of all of our Shares:

- (a) vote in person or by proxy (whether on a show of hands or via a poll) in accordance with the procedure set out in the formal document containing details of the Scheme (the "**Scheme Document**") in favour of any resolutions at any shareholder or court meeting required for the implementation of the Transaction and any matter ancillary thereto within, in the case of a vote by proxy, seven days after posting of the Scheme Document or, if later, within seven days of acquiring the Shares (including, without limitation, to approve the Scheme and amend EU Supply's articles of association); and
- (b) vote in person or by proxy (whether on a show of hands or via a poll) against any resolution at any general or court meeting of EU Supply shareholders (including any adjournment thereof) which might reasonably be expected to (i) result in a condition of the Transaction not being fulfilled; or (ii) impede or frustrate the Transaction (which will include any resolution to approve an alternative scheme of arrangement, merger or acquisition of any shares in EU Supply by a third party) or which would otherwise impact adversely on the success of the Transaction,

and without prejudice to the foregoing, for the purpose of voting on any resolution referred to in this paragraph 2, I will or, where applicable, will procure that the registered holder will, if required by Mercell, execute any form of proxy appointing any person nominated by Mercell to attend and vote on our behalf at the relevant general or court meetings.

- 2.2 We further agree that Mercell will acquire the Shares with full title guarantee and free from any Encumbrance of any nature whatsoever and together with all rights of any nature attaching to those shares including the right to all dividends declared or paid after the date of this undertaking.

3. **UNDERTAKING TO ACCEPT**

We hereby irrevocably and unconditionally undertake that if Mercell elects to implement the Transaction by way of the Offer we will and, where applicable, we will procure that any registered holder will in respect of all of our Shares at the relevant time:

- (a) accept the Offer in respect of the Shares in accordance with the procedure for acceptance set out in the formal document containing such Offer (the "**Offer Document**") as soon as reasonably practicable and in any event no later than seven days after Mercell posts the Offer Document to EU Supply shareholders or, if later, immediately upon us or our nominee becoming the registered holder of any Shares; and
- (b) not withdraw any acceptances of the Offer in respect of the Shares,

and we further agree that Mercell will acquire the Shares under the Offer with full title guarantee and free from any Encumbrance of any nature whatsoever and together with all rights of any nature attaching to those shares including the right to all dividends declared or paid after the date of this undertaking.

4. **LAPSE OF UNDERTAKING**

- 4.1 Subject to paragraph 4.2, this undertaking will lapse and cease to have effect to the extent not already undertaken and without prejudice to any liability for antecedent breach if:

- (a) the Rule 2.7 Announcement is not released by 5.00 p.m. on 10 May 2019 or such later date as Mercell and EU Supply may agree;
- (b) the Scheme Document or Offer Document (as the case may be) is not published within 28 days of the publication of the Rule 2.7 Announcement (or within such longer period as Mercell and EU Supply may agree, with the consent of the Panel);
- (c) Mercell announces, with the consent of the Panel, that it does not intend to proceed with the Transaction and no new, revised or replacement acquisition (to which this undertaking applies) is announced in accordance with Rule 2.7 of the Code at the same time;
- (d) the Offer or Scheme lapses or is withdrawn and no new, revised or replacement acquisition (to which this undertaking applies) is announced in accordance with Rule 2.7 of the Code at the same time;
- (e) in accordance with the Code, a third party announces a firm intention to make, or makes, a general offer (howsoever structured) to acquire the whole of the issued and to be issued share capital of EU Supply on terms which represent an improvement of not less than 10 per cent. of the value of the consideration offered pursuant to the Transaction (as determined by EU Supply's financial adviser) as at the date on which such offer is announced and Mercell does not increase the

consideration offered under the Transaction to an amount which is equal to or higher than the consideration offered by the third party (as determined by EU Supply's financial adviser) within five business days of the date of the earlier of the third party's announcement or offer; or

- (f) the Scheme does not become effective in accordance with its terms or the Offer lapses or is withdrawn by 5.00 pm on 10 September 2019.
- 4.2 In the event that Merzell elects to implement the Transaction by way of a structure other than an Offer or a Scheme, the parties agree that all provisions of this undertaking will be adapted so as to apply to such acquisition *mutatis mutandis*.
- 4.3 If this undertaking lapses, we will have no claim against Merzell and Merzell shall have no claim against us, other than in respect of any prior breach of any of the terms of this undertaking.
- 4.4 We accept, acknowledge and confirm that we have been given adequate opportunity to consider whether or not to enter into this undertaking and to obtain independent advice accordingly.

5. **GENERAL**

- 5.1 The definitions in Appendix 2 to this undertaking apply throughout this undertaking unless the context requires otherwise.
- 5.2 Nothing in this undertaking obliges Merzell to announce or proceed with the Transaction.
- 5.3 We understand that the information provided to us in relation to the Transaction is given in confidence and must be kept confidential until the Rule 2.7 Announcement containing details of the Transaction is released or the information has otherwise been made public. Before this time, we will not deal in EU Supply Shares or improperly disclose the information in contravention of the insider dealing or market abuse regimes.
- 5.4 Prior to this undertaking being published as referred to paragraph 5.5(c) below, we agree not to disclose to any third party (other than our professional advisers) the subject matter of this document or of any of the arrangements or proposed arrangements to which it relates unless such disclosure is required by law, the Panel, the London Stock Exchange, the Financial Conduct Authority or pursuant to any other legal or regulatory requirement in which case we will only make such disclosure following consultation with Merzell.
- 5.5 We consent to:
 - (a) this undertaking being disclosed to the Panel;
 - (b) references to us and particulars of this undertaking and our interests being included in the Rule 2.7 Announcement and the Offer Document or Scheme Document (as applicable), and any other announcement made, or related or ancillary document issued, by or on behalf of Merzell and/or EU Supply in connection with the Transaction, provided that any such reference is required by applicable law or regulation; and
 - (c) this undertaking being published as required by the Code and any other applicable law or regulation.
- 5.6 We agree to provide you promptly with all such further information at our disposal in relation to our interest in the Shares as you may require in order to comply with the Code and any other legal or regulatory requirement and to notify you in writing as soon as reasonably practicable of any material change in the accuracy or import of any such information previously supplied to you by us.

- 5.7 We recognise and acknowledge that if we should fail to comply with our obligations in this undertaking, damages may not be an adequate remedy and that an order for specific performance or other equitable remedy may be the only adequate remedy for such breach.
- 5.8 Any time, date or period mentioned in this undertaking may be extended by mutual agreement but as regards any time, date or period originally fixed or extended, time is of the essence.
- 5.9 No variation of this undertaking will be effective except by mutual agreement.

6. **GOVERNING LAW AND JURISDICTION**

This undertaking (and any dispute, controversy, proceedings of whatever nature arising out of or in any way relating to this undertaking or its formation or claim or any act performed or claimed to be performed under it) shall be governed by and construed in accordance with English law and we submit to the exclusive jurisdiction of the English courts for all purposes in connection with this undertaking.

7. **THIRD PARTY RIGHTS**

A person who is not a party to this undertaking shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

IN WITNESS whereof this undertaking has been executed and delivered as a deed on the date first above written.

Executed as a deed by)
River and Mercantile Asset)
Management LLP acting by Hugh)
Sergeant (Partner and Chief Investment)
Officer):



Signature of Partner

Signature of witness

Name of witness

Address of witness

Occupation of witness

.....
Charlotte Williams
.....
CHARLOTTE WILLIAMS
.....
30 COLEMAN STREET
.....
LONDON
.....
EC2R 5AL
.....
SOLICITOR

APPENDIX 1
RULE 2.7 ANNOUNCEMENT

APPENDIX 2

INTERPRETATION

In this undertaking, a reference to:

- (a) **"Act"** means the Companies Act 2006 as amended from time to time;
- (b) the **"Code"** means the City Code on Takeovers and Mergers;
- (c) **"Encumbrance"** means a lien, charge, pledge, option, equity, encumbrance, right of pre-emption or any other third party right howsoever arising;
- (d) **"EU Supply Shares"** means the ordinary shares of 0.1 pence each in the share capital of EU Supply;
- (e) the **"Offer"** means the Transaction implemented by contractual takeover offer as defined in Chapter 3 of Part 28 of the Act;
- (f) the **"Panel"** means the Panel on Takeovers and Mergers;
- (g) **"Rule 2.7 Announcement"** means the firm intention announcement to be published pursuant to Rule 2.7 of the Code in substantially the form attached in Appendix 1 to this undertaking;
- (h) **"Transaction"** means the proposed recommended all-cash acquisition on the terms set out in the Rule 2.7 Announcement by or on behalf of Merzell for the entire issued and to be issued ordinary share capital of EU Supply, howsoever structured and includes any renewal, revision, variation or extension of the terms of any such Transaction which are, in the reasonable opinion of Stock Securities Limited (in its capacity as financial adviser to EU Supply), no less favourable in any material respect to EU Supply shareholders than the terms set out in the Rule 2.7 Announcement;
- (i) the **"Scheme"** means the Transaction implemented by scheme of arrangement pursuant to Part 26 of the Act; and
- (j) **"Shares"** means the shares, the details of which are set out in Appendix 3 to this undertaking, any EU Supply Shares attributable to or derived from such shares and any interests in EU Supply Shares (as defined in the Code) issued or unconditionally allotted to, or acquired by or on behalf of, myself or my nominee(s) after the date of this undertaking.

References to times are to London time.

APPENDIX 3

EXISTING EU SUPPLY SHARES

The following represent our current holdings of EU Supply Shares:

No. of EU Supply Shares	Number of EU Supply shares under option	Registered owner	Beneficial owner
6,420,377	None	<ul style="list-style-type: none"> • River and Mercantile UK Equity High Alpha Fund • River and Mercantile UK Long Term Recovery Fund • Discretionary clients of River and Mercantile Asset Management LLP 	<ul style="list-style-type: none"> • River and Mercantile UK Equity High Alpha Fund • River and Mercantile UK Long Term Recovery Fund • Discretionary clients of River and Mercantile Asset Management LLP