

Cadoc Limited

TO: AssetCo plc ("**AssetCo**")  
FROM: Cadoc Limited

8th March 2022

Dear Sir or Madam

**Proposed acquisition of River & Mercantile Group PLC ("R&M") by AssetCo**

**1. ACQUISITION**

In this undertaking (the "**Undertaking**"), the "**Acquisition**" means the proposed all-share acquisition by AssetCo of the entire issued, and to be issued, ordinary share capital of R&M (other than the shares already owned by AssetCo), to be implemented by way of a court sanctioned scheme of arrangement (the "**Scheme**") under Part 26 of the Companies Act 2006 (the "**Act**") between R&M and the holders of its ordinary shares, on the terms and conditions set out in the firm offer announcement made by AssetCo under Rule 2.7 of the City Code on Takeovers and Mergers (the "**Code**") on 25 January 2022 (the "**Announcement**"), together with any additional terms and conditions as may be required by the Code and/or any other applicable law or regulation or as AssetCo and R&M may agree.

**2. OWNERSHIP OF SHARES**

We hereby represent, warrant and undertake to AssetCo that:

- 2.1 we have beneficial interests in (or are otherwise able to control the exercise of all rights attaching to, including voting rights and the ability to procure the transfer of) the number of ordinary shares of £0.003 each in the capital of R&M ("**R&M Shares**") specified in Schedule 1 (the "**Existing R&M Shares**");
- 2.2 the details of the registered holder(s) of the Existing R&M Shares (as set out in Schedule 1) are true and accurate in all respects as at the date of this Undertaking;
- 2.3 save as set out in Schedule 1, we are not interested in any other securities of R&M and we do not have any rights to subscribe, purchase or otherwise acquire any securities of R&M; and
- 2.4 we have full power and authority and the right (free from any legal or other restrictions), and will at all times continue to have all relevant power and authority and the right, to enter into this Undertaking, to perform the obligations in this Undertaking in accordance with its terms, to exercise (or procure the exercise of) all voting rights attaching to the Existing R&M Shares and otherwise to take all necessary actions to transfer the Existing R&M Shares.

**3. DEALINGS AND UNDERTAKINGS**

- 3.1 We irrevocably undertake to AssetCo that (other than in connection with the Scheme) before this Undertaking lapses in accordance with paragraph 8.1 below, we shall not (and shall procure that the registered holder shall not):
  - 3.1.1 sell, transfer, charge, encumber, create or grant any option or lien over or otherwise dispose of (or permit any such action to occur in respect of) any interest in any R&M Shares or any other shares in R&M issued or unconditionally allotted to, or otherwise acquired by, us or any shares in the capital of R&M in respect of which we become the registered holder or beneficial owner, before then ("**Further R&M Shares**"); or
  - 3.1.2 vote in favour of any resolution to approve an acquisition or any other transaction which is proposed by any person other than AssetCo or which would otherwise hinder or impede the implementation of the Scheme; or

- 3.1.3 accept, or give any undertaking (whether conditional or unconditional) to accept any offer, or approve any offer made or proposed to be implemented by way of a contractual offer, scheme of arrangement or otherwise in respect of securities in R&M by any person other than AssetCo; or
- 3.1.4 until the earlier of (i) this Undertaking lapsing in accordance with paragraph 8, or (ii) the Scheme being approved by the court, acquire or otherwise deal or undertake any dealing in any relevant securities of R&M (or any interest therein); or
- 3.1.5 enter into any agreement or arrangement, incur any obligation or give any indication of intent (or permit such circumstances to occur):
  - (a) to do all or any of the acts referred to in paragraphs 3.1.1, 3.1.2, 3.1.3 and 3.1.4 above; or
  - (b) in relation to, or operating by reference to, R&M Shares or any Further R&M Shares,

which would or might restrict or impede giving effect to the Scheme by any person or our ability to comply with this Undertaking (and, for the avoidance of doubt, references in this paragraph 3.1.5 to any agreement, arrangement or obligation shall include any such agreement, arrangement or obligation whether or not legally binding or subject to any condition, or which is to take effect upon or following the Scheme lapsing or being withdrawn, or upon or following this Undertaking ceasing to be binding, or upon or following any other event).

#### 4. **UNDERTAKING TO VOTE IN FAVOUR OF THE RMG RESOLUTIONS**

- 4.1 We hereby irrevocably undertake on the terms of this paragraph 4 in respect of the Existing R&M Shares and the Further R&M Shares (together, the "**Shares**").
- 4.2 We hereby irrevocably undertake to AssetCo:
  - 4.2.1 not to vote our Shares either 'For' or 'Against' the Scheme at the Court Meeting (in accordance with our having consented not to do so by virtue of being part of the AssetCo Concert Party);
  - 4.2.2 to exercise all voting rights attaching to our Shares to vote in favour of the RMG Resolutions at the RMG General Meeting;
  - 4.2.3 to (i) execute (or instruct the registered holder to execute) all relevant forms of proxy in respect of all of our Shares validly appointing the Chair of the RMG General Meeting (or any person nominated by AssetCo) to vote at the RMG General Meeting in respect of the RMG Resolutions; and (ii) lodge (or instruct the registered holder to lodge) such executed form of proxy by 1.00 p.m. on the tenth business day after R&M publishes the scheme document setting out the terms and conditions of the Scheme (the "**Scheme Document**") (or, in respect of Further R&M Shares, by 1.00 p.m. on the date which is the fifth business day after acquiring an interest in such shares, if later); and
  - 4.2.4 not to revoke or amend any proxy submitted in accordance with paragraph 4.2.3, either in writing or by attendance at the RMG General Meeting or otherwise.
- 4.3 In the event that the Scheme is modified or amended pursuant to the requirements of, or with the approval of, the Court and in accordance with the terms of the Scheme, we confirm and agree that (except where such modification or amendment would materially adversely affect our rights or interests as a R&M shareholder) this Undertaking shall continue to be binding *mutatis mutandis* in respect of the Shares.
- 4.4 We undertake that AssetCo will acquire the Shares pursuant to the Scheme which provides for the transfer of the Shares to AssetCo, free from any lien, charge, option, equity, encumbrance

or other third party interest of any nature whatsoever and together with all rights of any nature attaching or accruing to them, including the right to all dividends or other distributions (if any) declared, made or paid after the date of the Announcement (other than as set out in the Announcement).

**5. POWER OF ATTORNEY**

5.1 In order to secure the performance of our obligations under this Undertaking, we irrevocably appoint any director of AssetCo jointly and severally to be our attorney in our name and on our behalf to sign or execute forms of proxy and/or such other deeds or documents and to do such other acts and things as may be necessary or desirable for the purpose of giving effect to our obligations under this Undertaking in respect of the Shares. However, the appointment shall only take effect if we have failed to comply with any of our obligations under paragraphs 3, 4, 6 or 9 of this Undertaking.

5.2 We acknowledge that this power of attorney is given by way of security and is irrevocable until this Undertaking lapses in accordance with paragraph 8.1.

**6. VOTING RIGHTS AND PREJUDICIAL ACTION**

We hereby irrevocably undertake that:

6.1 we shall not exercise (or procure the exercise of) any of the voting rights attached to the Shares at the Court Meeting or the RMG General Meeting other than in accordance with this Undertaking;

6.2 subject to paragraph 6.1, we shall otherwise exercise (or procure the exercise of) the voting rights attached to the Shares on any resolution which would assist implementation of the Scheme if it were passed or rejected at a general, class or other meeting of R&M shareholders only in accordance with AssetCo's directions (including the requisition or joining in the requisition of any general or class meeting of R&M);

6.3 we shall not requisition, or join in the requisitioning of, any general or class meeting of R&M for the purposes of voting on any resolution to approve an acquisition or any other transaction or corporate action which is proposed in competition with or which would otherwise be reasonably expected to frustrate, impede or delay the Acquisition; and

6.4 we shall not exercise (nor procure the exercise of) the voting rights attached to the Shares for any resolution which might prevent or delay implementation of the Scheme.

6.5 For the purposes of this paragraph 6, we shall execute any form of proxy required by AssetCo appointing any person nominated by AssetCo to attend and vote at the relevant meeting (or any adjournment thereof).

**7. CONSENTS**

We agree to:

7.1 the inclusion of references to us and the registered holder of any of the Shares in which we have (or will have as the case may be) a beneficial interest and to particulars of this Undertaking in the Scheme Document and in any other announcement or document issued in connection with the Acquisition; and

7.2 this Undertaking being available for inspection during the offer period (and any related competition reference period) in accordance with Rule 26.2 of the Code or the Listing Rules of the Financial Conduct Authority or its successor from time to time.

## 8. LAPSE OF UNDERTAKING

8.1 All of our obligations pursuant to this Undertaking will lapse and cease to have effect on the earlier of the following occurrences:

8.1.1 AssetCo announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement offer or scheme is announced in accordance with Rule 2.7 of the Code at the same time; or

8.1.2 the Scheme lapses or is withdrawn in accordance with its terms and AssetCo publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a takeover offer (as such term is defined in section 974 of the Act) (a "**Takeover Offer**") or otherwise; or

8.1.3 the Scheme has not become effective by 6.00 p.m. (London time) on the Long Stop Date (as defined in the Announcement) (or such later time and/or date as agreed between AssetCo and R&M, with the approval of the Court and/or the Panel if required) (other than in circumstances where AssetCo has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Code, and such Takeover Offer has not lapsed or been withdrawn); or

8.1.4 the date on which any competing offer for the entire issued and to be issued share capital of R&M is declared wholly unconditional or, if implemented by way of a scheme of arrangement, becomes effective.

8.2 If our obligations in this Undertaking lapse, we shall have no claim against AssetCo and AssetCo shall not have any claim against us, other than in respect of any prior breach of any of the terms of this Undertaking.

## 9. SCHEME OF ARRANGEMENT OR TAKEOVER OFFER

We note that AssetCo reserves the right to implement the Acquisition by way of a Takeover Offer. In the event that it is so implemented, we confirm and agree that this Undertaking shall continue to be binding *mutatis mutandis* in respect of the Shares and all references to the Scheme shall, where the context permits, be read as references to the Takeover Offer (or to both the Scheme and the Takeover Offer, as appropriate). Notwithstanding the generality of the foregoing, references in this Undertaking:

9.1.1 to voting in favour of the RMG Resolutions at the RMG General Meeting shall be read and construed as references to accepting the Takeover Offer, which acceptances in such circumstances shall be tendered within ten business days of publication of the formal document containing the Takeover Offer (the "**Offer Document**") to R&M shareholders and, even if the terms of the Takeover Offer give accepting shareholders the right to withdraw acceptances, we shall not withdraw (nor shall we procure the withdrawal of) our acceptances in respect of the Shares. We further undertake, if so required by AssetCo, to execute (or procure the execution of) all such other documents or do (or procure the doing of) such other acts as may be necessary or desirable for the purpose of giving AssetCo the full benefit of our undertakings;

9.1.2 to the Scheme becoming effective shall be read as references to the Takeover Offer becoming unconditional in all respects; and references to the Scheme lapsing or being withdrawn shall be read as references to the closing or lapsing of the Takeover Offer; and

9.1.3 to the Scheme Document shall be read as references to the Offer Document.

10. **OTHER**

- 10.1 Any time, date or period referred to in this Undertaking may be extended by mutual agreement but, as regards any time, date and period originally fixed or as extended, time shall be of the essence.
- 10.2 We agree that damages would not be an adequate remedy for breach of this Undertaking and, accordingly, AssetCo shall be entitled to the remedies of specific performance, injunction or other equitable remedies.
- 10.3 The ejusdem generis principle of construction shall not apply to this Undertaking. Any phrase introduced by the terms "other", "including", "include" and "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words following or preceding those terms.
- 10.4 In this Undertaking, references to:
- 10.4.1 **"Acquisition"** shall include any new, increased, renewed or revised acquisition proposals made by or on behalf of AssetCo;
  - 10.4.2 **"AssetCo Concert Party"** shall have the meaning given to it in the Announcement;
  - 10.4.3 **"Code"** means the City Code on Takeovers and Mergers as from time to time amended and interpreted by the Panel;
  - 10.4.4 **"Court Meeting"** shall have the meaning given to it in the Announcement;
  - 10.4.5 **"Panel"** means the Panel on Takeovers and Mergers;
  - 10.4.6 **"business day"**, **"dealing"** and **"offer period"** shall be construed in accordance with the Code;
  - 10.4.7 being **"interested in"** or having **"interests in"** shares or securities shall be construed in accordance with the Code;
  - 10.4.8 **"relevant securities"** shall be construed in accordance with the Code;
  - 10.4.9 **"RMG General Meeting"** shall have the meaning given to it in the Announcement; and
  - 10.4.10 **"RMG Resolutions"** shall have the meaning given to it in the Announcement.

11. **GOVERNING LAW AND JURISDICTION**

This Undertaking and all non-contractual obligations arising from or in connection with this Undertaking are governed by and construed in accordance with English law. We submit to the exclusive jurisdiction of the English courts to settle any dispute arising from or connected with this Undertaking (a **"Dispute"**) (including a dispute regarding the existence, validity or termination of this Undertaking or relating to any non-contractual or other obligation arising out of or in connection with this Undertaking or its formation). We agree that the English courts are the most appropriate and convenient courts to settle any Dispute and accordingly will not argue to the contrary.

**IN WITNESS** whereof we have executed this Undertaking as a deed and it is hereby delivered on the day and year first before written.

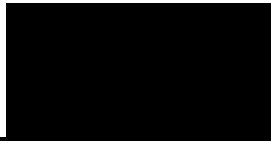
**SCHEDULE 1****Existing R&M Shares**

<b>1</b>	<b>2</b>	<b>3</b>
<b>No. of ordinary shares of £0.003 in R&amp;M</b>	<b>Exact name(s) of registered holder as appearing on the register of members</b>	<b>Name(s) of beneficial holders</b>
100,000	Awaiting confirmation	Cadoc Limited

# Where more than one, indicate number of shares attributable to each.

Dated: ..... 8th March ..... 2022

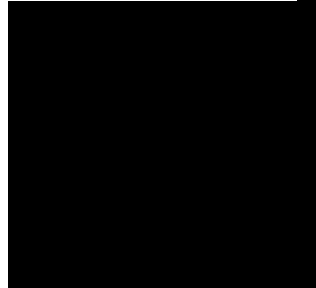
Signed as a deed by  
**CADOC LIMITED**



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in the presence of:

Signature of witness:



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Name of witness:

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Address of witness:

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Occupation of witness



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