

DEED OF IRREVOCABLE UNDERTAKING

Director/Family Shareholder

To: **Project Petra Bidco Limited** (the "Offeror")

18 OCTOBER 2019

Dear Sirs,

Proposed Acquisition of Murgitroyd Group plc

I understand that the Offeror intends to make an offer to acquire all of the issued and to be issued ordinary shares of 10 pence each in Murgitroyd Group plc (the "Company") by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "Act") (referred to in this undertaking as the "Scheme") (the "Acquisition") substantially on the terms and conditions of the draft press announcement, a copy of which is annexed hereto (the "Press Announcement"), subject to such amendments or additions to such terms and conditions as may be agreed between the Offeror and the Company or required by the City Code on Takeovers and Mergers (the "City Code"), the Panel on Takeovers and Mergers (the "Panel"), the Court of Session in Scotland (the "Court") or any applicable law or regulation.

1. Warranties and undertakings

I warrant and undertake to the Offeror that:

- 1.1 I am the beneficial owner (and, where stated therein, the registered holder) of the number of ordinary shares of 10 pence each in the capital of the Company set out in **Schedule 1** (the "Ordinary Shares") and that I am able to transfer, or procure the transfer of, the Ordinary Shares free from any lien, charge, option, equity or encumbrance;
- 1.2 **Schedule 1** contains true, full and accurate details of all the shares and other securities in the Company:
 - 1.2.1 of which I am the registered holder or beneficial owner;
 - 1.2.2 to which I am entitled upon the exercise of any option, warrant or other right to acquire or subscribe for shares in the Company whether or not such rights are currently exercisable or subject to any condition; and in which I have an interest (as defined in **Schedule 1**);
- 1.3 save as disclosed in **Schedule 1**, I have no other rights or interests in relation to any shares or other securities of the Company;
- 1.4 unless and until the Offeror announces publicly that the Scheme will not become effective and the Offer will not proceed or, in the event of a Subsequent Offer (as defined in **paragraph 4.3**), unless and until the Subsequent Offer closes, lapses or is withdrawn, I will not:

- 1.4.1 (other than pursuant to the Scheme or, if relevant, the Subsequent Offer) sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in the Ordinary Shares or any other shares or securities in the Company issued or unconditionally allotted to me or otherwise acquired by me before then or whose voting rights I am or may become entitled to exercise or control ("**Further Shares**");
- 1.4.2 accept, or give any undertaking or other commitment to accept, any other offer, scheme of arrangement, merger or business combination made or proposed to be made in respect of the shares or securities referred to in **paragraph 1.4.1**;
- 1.4.3 (other than pursuant to the Scheme or, if relevant, the Subsequent Offer) enter into any agreement or arrangement or permit any agreement or arrangement to be entered into or incur any obligation or permit any obligation to arise:
 - 1.4.3.1 to do any of the acts referred to in **paragraphs 1.4.1 or 1.4.2**; or
 - 1.4.3.2 which, in respect of the Ordinary Shares or any Further Shares, would or might prevent me (to the extent I am required to do so pursuant to this undertaking) from voting in favour of resolutions to implement the Scheme or restrict or impede me from accepting any Subsequent Offer, or
 - 1.4.3.3 which would or might restrict or impede the Acquisition becoming effective or my ability to comply with any of my obligations set out in this undertaking (to the extent I am required to do so pursuant to this undertaking),

and for the avoidance of doubt, references in this **paragraph 1.4.3** to any agreement, arrangement or obligation includes any agreement, arrangement or obligation whether or not legally binding or subject to any condition or which is to take effect if the Offer closes, lapses or does not become effective or if this undertaking ceases to be binding or following any other event; or

- 1.4.4 other than pursuant to the Scheme or, if relevant, the Subsequent Offer and save for the acquisition of any further shares in the Company on the exercise of options referred to in **Schedule 1**, buy, sell or otherwise deal in any shares or other securities of the Company or the Offeror or any interest therein (including any derivatives referenced to such securities);
- 1.5 no person other than me or the person(s) named in **Schedule 1** as the registered holder has any right to exercise or procure the exercise of the voting rights attaching to any of the Ordinary Shares, and any such rights exercisable by such registered holder are exercisable by them as my nominee or under my direction;
- 1.6 I have full power and authority to enter into and perform any obligation under this undertaking and, in the event of a Subsequent Offer, to accept, or procure the acceptance of, the Subsequent Offer in respect of the Ordinary Shares and any Further Shares.

The provisions of this **paragraph 1** will not be extinguished or affected by the Scheme becoming effective.

2. Undertakings

2.1 From the time the Offeror announces the Offer to the time the Offer becomes effective and/or wholly unconditional, or lapses or is withdrawn, I undertake:

- 2.1.1 to exercise, or, where applicable, procure the exercise of, the voting rights attaching to the Ordinary Shares and any Further Shares in favour of all of the resolutions to approve the Scheme to be proposed at the General Meeting or any adjournment thereof;
- 2.1.2 to exercise, or, where applicable, procure the exercise of, the votes attaching to any Ordinary Shares and any Further Shares in respect of a Relevant Resolution (as defined in **paragraph 2.1.6 below**) only in accordance with the Offeror's directions;
- 2.1.3 to accept, in respect of any options referred to in **Schedule 1** (and any other options in respect of the Company's shares which may be granted to me), any proposal made by the Offeror to holders of options over Company shares in compliance with Rule 15 of the City Code in respect of all such options not later than ten days after the Offeror issues such proposals to the holders of options;
- 2.1.4 to exercise, or, where applicable, procure the exercise of, the rights attaching to the Ordinary Shares and any Further Shares to requisition or join in requisitioning any general or class meeting of the Company for the purposes of considering a Relevant Resolution and to require the Company pursuant to section 338 of the Act to give notice of such a resolution only in accordance with the Offeror's directions;
- 2.1.5 for the purposes of voting on any Relevant Resolution, I shall, if required by the Offeror, execute any form of proxy and, in respect of the Ordinary Shares or Further Shares in uncertificated form, take any action to make a valid proxy appointment and give valid proxy instructions, appointing any person nominated by the Offeror to attend and exercise all voting rights attaching to the Ordinary Shares or Further Shares at any general meeting of the Company ("**General Meeting**") and any meeting of holders of the Company's shares convened by the Court ("**Court Meeting**") as directed by the Offeror and, in particular, I shall, if required by the Offeror, execute and return the forms of proxy enclosed with the formal document containing the explanatory statement in respect of the Scheme and the Offer (the "**Scheme Document**") in accordance with the instructions printed on such forms of proxy and, in respect of the Ordinary Shares or Further Shares in uncertificated form, take action to make a valid proxy appointments and give valid proxy instructions:
 - 2.1.5.1 appointing a person nominated by the Offeror to attend each of the general meeting and the court meeting (and any adjournment of any such meeting) to be held to implement the Scheme; and

2.1.5.2 instructing the proxy to exercise all voting rights attaching to the Ordinary Shares or Further Shares to vote in favour of the resolutions to be proposed at such meetings;

as soon as possible and in any event not later than 3.00 p.m. on the tenth day after the publication of the Scheme Document;

2.1.6 I shall not revoke the terms of any proxy submitted in accordance with **paragraph 2.1.5**, whether in writing or by attendance at any General Meeting or Court Meeting or otherwise unless this undertaking lapses in accordance with **paragraph 8** of this letter.

2.1.7 Relevant Resolution means:

2.1.7.1 other than a resolution referred to in **paragraph 2.1.1**, a resolution proposed at a general or class meeting of the Company, or at an adjourned meeting, the passing of which is necessary to implement the Offer or which, if passed, might result in any condition of the Offer not being fulfilled or which might impede or frustrate the Offer in any way;

2.1.7.2 a resolution to adjourn a general or class meeting of the Company whose business includes the consideration of a resolution falling within **paragraph 2.1.7.1**; and

2.1.7.3 a resolution to amend a resolution falling within **paragraph 2.1.7.1** or **2.1.7.2**.

2.2 In the event of a Subsequent Offer, I undertake that:

2.2.1 I will accept, or procure the acceptance of, the Subsequent Offer in respect of the Ordinary Shares in accordance with the procedure for acceptance set out in the Subsequent Offer Document (as defined in **paragraph 4.4**) not later than ten days after the Offeror posts the Subsequent Offer Document to the Company's shareholders;

2.2.2 I will accept, or procure the acceptance of, the Subsequent Offer in respect of any Further Shares in accordance with the procedure for acceptance set out in the Subsequent Offer Document not later than ten days after the date I become the registered holder of the Further Shares;

2.2.3 although the terms of the Subsequent Offer will confer a right of withdrawal on accepting shareholders, I will not withdraw any acceptances of the Subsequent Offer; and

2.2.4 the Offeror will acquire the Ordinary Shares and any Further Shares from me with full title guarantee, free of any lien, charge, option, equity or encumbrance and together with all rights of any nature attaching to those shares including (subject as otherwise provided in the Press Announcement of the Subsequent Offer or the Subsequent

Offer Document) the right to all dividends declared or paid after the date of this undertaking.

3. **Documentation**

3.1 I consent to:

- 3.1.1 this letter being disclosed to the Panel;
- 3.1.2 the inclusion of references to me and particulars of this letter and my holdings of relevant securities being included in the Press Announcement, the Scheme Document and any other announcement made or document issued by or on behalf of the Offeror and/or the Company in connection with the Acquisition (each an "Acquisition Document");
- 3.1.3 details of this undertaking being included in the Scheme Document (or, in the event of a Subsequent Offer, the Subsequent Offer Document) and any other related or ancillary document or announcement as required by the City Code; and
- 3.1.4 this undertaking being available for inspection during the period from the date of posting of the Scheme Document to Company shareholders until the date when the Scheme becomes effective or lapses (or, in the event of a Subsequent Offer, until the end of the Offer Period as defined in the City Code) or as required by the Rules and Regulations of the London Stock Exchange.

- 3.2 I shall promptly give you all information and any assistance you may reasonably require relating to me or the Ordinary Shares or the Further Shares for the preparation of any document relating to the Acquisition in order to comply with the requirements of the Court, the City Code, the Panel, the Act or any other legal or regulatory requirement. I will notify you in writing of any change in the accuracy or impact of any such information previously provided by me immediately upon my becoming aware of any such change.

4. **Interpretation**

In this undertaking:

- 4.1 "Offer" means the offer in respect of all the issued and to be issued ordinary share capital of the Company by way of the Scheme substantially on the terms of the Press Announcement or on such other terms as may be agreed between the Offeror and the Company (including, for the avoidance of doubt, if the Offer is revised so that the Offeror will acquire the share capital in the Company by means of Subsequent Offer) or as may be required to comply with the requirements of the Panel, the Financial Conduct Authority or the London Stock Exchange;
- 4.2 any reference to the Offer includes any new, increased, renewed or revised offer in respect of the Company, provided that the terms of such offer are, in the opinion of N+1 Singer and Deloitte LLP (the "Financial Advisers"), no less favourable to the Company's shareholders than the terms set out in the Press Announcement;

- 4.3 "Subsequent Offer" means, in the event that the Offeror revises its proposals to acquire the issued and to be issued shares of the Company, an offer which proceeds by way of a takeover offer within the meaning of section 974 of the Act provided that the terms of such offer are, in the opinion of the Financial Advisers, no less favourable to the Company's shareholders than the terms set out in the Press Announcement;
- 4.4 "Subsequent Offer Document" means the formal document containing a Subsequent Offer;
- 4.5 except for the purposes of **paragraph 4.6** and unless the context requires otherwise, the Press Announcement includes the announcement of a Subsequent Offer under Rule 2.7 of the City Code;
- 4.6 unless otherwise defined, terms bear the meaning given to them in the Press Announcement; and
- 4.7 any 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 deemed to include what most nearly approximates the English term in that jurisdiction.
5. **Time of the essence**
- Time will be of the essence in respect of all dates, periods and timescales set out in this undertaking and any dates, periods and timescales which may be substituted for them by mutual agreement in writing.
6. **Secrecy**
- I understand that until such time as the Acquisition is announced, the information I have received from you in connection with the Acquisition must be kept confidential. I undertake not to disclose to any third party other than my advisers in respect of the Acquisition:
- 6.1 the existence or subject matter of this letter or the possibility of the Acquisition and/or its proposed terms; or
- 6.2 details of our discussions relating to the Acquisition (whether before or after the release of the Press Announcement).
- except in each case to the extent that such matters have been made public through the issue of the Press Announcement or any other Acquisition Document or in order to comply with the requirements of the City Code, the Court, the Panel, the Act or any other legal or regulatory requirement (including, without limitation, my fiduciary and statutory duties as a director of the Company). The obligations in this **paragraph 6** shall survive termination of this letter.
7. **Offer Alternative**
- 7.1 I acknowledge that the Offeror shall have the right and may elect at any time (with the consent of the Panel) to implement the Acquisition by way of a Subsequent Offer, provided that the Company has given its written consent to the Offeror making that election.

7.2 If a Subsequent Offer is made by the Offeror:

- 7.2.1 I undertake and warrant that (notwithstanding paragraph 8) this letter will continue to be binding mutatis mutandis in respect of the Ordinary Shares and the Further Shares;
- 7.2.2 I further undertake, if so required by the Offeror, to execute or procure the execution of all such other documents as may be necessary to give the Offeror the full benefit of this letter;
- 7.2.3 all references in this letter to the Scheme shall, where the context permits, be read as references to the Subsequent Offer (or to both the Scheme and the Subsequent Offer, as appropriate); and
- 7.2.4 references to the Scheme Document shall be read as references to the Subsequent Offer Document.

8. **Duration of undertaking**

8.1 This undertaking will lapse if:

- 8.1.1 the Press Announcement is not released by 7.00am on 1 November 2019 (or such later time and/or date as the Offeror and the Company may, with the consent of the Panel, agree); or
- 8.1.2 any resolution to be proposed at the Court Meeting or the General Meeting is not approved by the requisite majority of the shareholders of the Company at the Court Meeting or at the General Meeting respectively; or
- 8.1.3 the Scheme does not become effective by 31 January 2020; or
- 8.1.4 the Scheme lapses or is withdrawn and there is no announcement of a Subsequent Offer by 31 January 2020.

8.2 If there is a Subsequent Offer this undertaking will lapse if:

- 8.2.1 an announcement of the Subsequent Offer under Rule 2.7 of the City Code is not released by such date as the Offeror and the Company may, with the consent of the Panel, agree; or
- 8.2.2 the Subsequent Offer lapses or is withdrawn.

8.3 If this undertaking lapses, neither party will have any claim against the other.

9. **Power of attorney**

As security for the performance of my obligations under this undertaking, I irrevocably appoint any director of the Offeror as my attorney:

- 9.1 if I fail to satisfy the provisions of 2.1.5, to execute any forms of proxy required by the Offeror appointing any persons nominated by the Offeror to attend and vote on any resolution of the Company shareholders referred to in **paragraph 2.1**; and
- 9.2 in the event of a Subsequent Offer, if I fail to accept the Subsequent Offer in accordance with **paragraphs 2.2.1 and 2.2.2** in accordance with that paragraph, in my name and on my behalf to do all things and to execute all deeds and other documents as may be necessary or desirable to accept such Subsequent Offer in respect of the Ordinary Shares and any Further Shares; and
- 9.3 to take such reasonable and lawful other action, as may be necessary for or incidental to the completion of the Acquisition and/or the fulfilment of my other obligations under this letter provided that this appointment shall not take effect unless I fail to comply with any such obligation within the relevant time specified for compliance.
- 9.4 I undertake to ratify any lawful act properly performed by my attorney in accordance with the terms of this **paragraph 9**.
- 9.5 I agree that this security power of attorney is irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 until the Scheme becomes effective, fails to obtain the requisite shareholder approvals or the sanction of the Court or is withdrawn or the Subsequent Offer closes, lapses or is withdrawn, whichever is the later.
10. **Specific performance**
- I agree that, if I breach any of my obligations in this undertaking, damages alone would not be an adequate remedy for breach. Accordingly the Offeror will be entitled, without having to prove special damage, to equitable relief (including, without limitation, specific performance) for any breach or threatened breach of this undertaking.
11. **General**
- 11.1 If any term of this undertaking is found by any court or body or authority of competent jurisdiction to be illegal, unlawful, void or unenforceable, such term will be deemed to be severed from this undertaking and this will not affect the remainder of this undertaking which will continue in full force and effect.
- 11.2 The parties to this undertaking do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person other than the parties.
12. **Governing Law and Jurisdiction**
- 12.1 This undertaking and any non contractual obligations arising out of or in connection with it will be governed by the law of England and Wales.
- 12.2 I agree that the courts of England and Wales have exclusive jurisdiction to determine any dispute arising in out of or in connection with this undertaking (including (without limitation) in relation to any non-contractual obligations).

SCHEDULE 1

1. Interests in the Company

My interests as defined in the City Code (including shareholdings, rights to subscribe for and options in respect of ordinary shares on the date hereof of myself and persons whose interests in securities of the Company I am taken to be interested in pursuant to Part 22 Companies Act 2006) are as follows:

Name of registered holder	No. of Ordinary Shares	Options over Ordinary Shares
Lynchwood Nominees Limited	387,526	0

This undertaking is executed as a deed and delivered on the date stated at the beginning of this undertaking.

SIGNED as a DEED

By Elizabeth-Anne Thomson



In the presence of:



Signature of witness

Name and address of witness:

