

Project Petra Bidco Limited  
(company number: 12224288)  
25 Victoria Street,  
London  
SW1H 0EX  
(**Bidco**)

Project Petra Topco Limited  
(company number: 12236310)  
25 Victoria Street,  
London  
SW1H 0EX  
(**Topco**)

Project Midco 1 Limited  
(company number: 12237523)  
25 Victoria Street,  
London  
SW1H 0EX  
(**Midco 1**)

Project Midco 2 Limited  
(company number: 12240333)  
25 Victoria Street,  
London  
SW1H 0EX  
(**Midco 2** and together with Midco 1 and Topco being the **Group**)

18 October 2019

Dear Sirs

**Project Petra: Irrevocable Commitment and Subscription Letter**

1. We, Sovereign Capital IV Limited Partnership (registered number LP016077), understand that Project Petra Bidco Limited (company number 12224288) (**Bidco**) intends to make an offer for the acquisition of the entire issued and to be issued share capital of Murgitroyd Group Plc (company number SC221766) (**Company**) pursuant to Rule 2.7 of the City Code on Takeovers and Mergers, substantially in the form annexed to this letter (**Announcement**), and which is to be implemented by means of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (together, the **Offer** in respect of the **Acquisition**).
2. We are providing this letter to support the Offer and words and expressions defined in the Announcement shall have the same meaning set out therein unless otherwise defined.
3. Subject to paragraph 5 below, we irrevocably undertake to:
  - 3.1. subscribe for £59,990,000 of the 12% fixed rate unsecured loan notes constituted by Midco 1 pursuant to a loan note instrument in substantially the form annexed to this letter for a total aggregate subscription price of not less than £59,990,000;

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3.2. subscribe for 10,000 ordinary shares of £1 each in the capital of Topco for a total aggregate subscription price of not less than £10,000,

and that such subscriptions and funds shall be used solely for the purpose of providing Bidco with sufficient cash to allow Bidco to satisfy full acceptance of the Offer (including pursuant to the inter-company loan agreements substantially in the form appended to this letter) (together, the **Commitment**).

4. We irrevocably undertake to Bidco and the Group that we will not take any action to frustrate the Offer or Acquisition on or before the Longstop Date.
5. Our obligation to fund the Commitment shall be subject to the completion of the Acquisition by the Longstop Date.
6. We represent and warrant that:
  - 6.1. we have the requisite capacity, power and authority to enter into and perform our obligations under this letter;
  - 6.2. the obligations expressed to be assumed by us hereunder are legal, valid, binding and enforceable against us in accordance with their terms; and
  - 6.3. the execution and delivery of, and the performance by us of our obligations under, this letter will not:
    - 6.3.1. result in a breach of any provision of our constitutional documents; or
    - 6.3.2. result in a material breach of, or constitute a default under, any instrument to which we are a party or by which we are bound.
7. We agree that if we fail to comply with any of the undertakings under this letter or breach any of our other obligations under this letter, damages may not be an adequate remedy and, Bidco and / or each member of the Group shall be entitled to seek remedies of specific performance, injunction or other equitable relief.
8. Bidco and each member of the Group shall be entitled under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this letter which confers (expressly or impliedly) any benefit on such a company. Subject to the aforesaid, a person who is not a party to this letter shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.
9. Each provision of this letter is severable and distinct from the others. If any provision is or at any time becomes to any extent or in any circumstances invalid, illegal or unenforceable for any reason, it shall to that extent or in those circumstances be deemed not to form part of this letter but (except to that extent or in those circumstances in the case of that provision) the validity, legality and enforceability of that and all other provisions of this letter shall not be affected or impaired and shall remain valid and enforceable. If any provision of this letter is found to be illegal, invalid or unenforceable in accordance with this paragraph 9 but would be legal, valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modification(s) as may be necessary to make it legal, valid or enforceable.

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10. This letter is governed by, and shall be construed in accordance with, English law. The courts of England and Wales have exclusive jurisdiction to hear and decide any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this letter (including non-contractual disputes and claims) and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England and Wales. Each party irrevocably waives any objection which it might at any time have to the courts of England being nominated as the forum to decide any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this letter (including non-contractual disputes and claims) and agrees not to claim that the courts of England and Wales are not a convenient or appropriate forum.

**IN WITNESS** whereof we have signed this agreement on the day and year first before written.

**EXECUTED AS A DEED** by  
**SOVEREIGN CAPITAL IV LIMITED**  
**PARTNERSHIP** acting by its general  
partner **BB SHELF 4 LLP** acting by  
its designated member in the  
presence of:

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)  
)  
)  




Witness signature



Witness name



Witness address

Witness occupation

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Law  
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APPENDIX 1

THE ANNOUNCEMENT

Project Petra Bidco Limited  
(company number: 12224288)  
25 Victoria Street,  
London  
SW1H 0EX  
**(Bidco)**

Project Petra Topco Limited  
(company number: 12236310)  
25 Victoria Street,  
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**(Topco)**

Project Midco 1 Limited  
(company number: 12237523)  
25 Victoria Street,  
London  
SW1H 0EX  
**(Midco 1)**

Project Midco 2 Limited  
(company number: 12240333)  
25 Victoria Street,  
London  
SW1H 0EX  
**(Midco 2 and together with Midco 1 and Topco being the Group)**

18 October 2019

Dear Sirs

**Project Petra: Irrevocable Commitment and Subscription Letter**

1. We, Sovereign Capital Partners LLP (registered number OC309409), understand that Project Petra Bidco Limited (company number 12224288) **(Bidco)** intends to make an offer for the acquisition of the entire issued and to be issued share capital of Murgitroyd Group Plc (company number SC221766) **(Company)** pursuant to Rule 2.7 of the City Code on Takeovers and Mergers, substantially in the form annexed to this letter **(Announcement)**, and which is to be implemented by means of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (together, the **Offer** in respect of the **Acquisition**).
2. We are providing this letter to support the Offer and words and expressions defined in the Announcement shall have the same meaning set out therein unless otherwise defined.
3. Subject to paragraph 5 below, we irrevocably undertake (on behalf of our co-investors) to subscribe for £12,200,000 of the 12% fixed rate unsecured loan notes constituted by Midco 1 pursuant to the terms of a loan note instrument in substantially the form annexed to this letter for a total aggregate subscription price of not less than £12,200,000 and that such subscriptions and funds shall be used solely for the purpose of providing Bidco with

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sufficient cash to allow Bidco to satisfy full acceptance of the Offer including pursuant to the inter-company loan agreements substantially in the form appended to this letter) (the **Commitment**).

4. We irrevocably undertake to Bidco that we will not take any action to frustrate the Offer or Acquisition on or before the Longstop Date.
5. Our obligation to fund the Commitment shall be subject to the completion of the Acquisition by the Longstop Date.
6. We represent and warrant that:
  - 6.1. we have the requisite capacity, power and authority to enter into and perform our obligations under this letter;
  - 6.2. the obligations expressed to be assumed by us hereunder are legal, valid, binding and enforceable against us in accordance with their terms; and
  - 6.3. the execution and delivery of, and the performance by us of our obligations under, this letter will not:
    - 6.3.1. result in a breach of any provision of our constitutional documents; or
    - 6.3.2. result in a material breach of, or constitute a default under, any instrument to which we are a party or by which we are bound.
7. We agree that if we fail to comply with any of the undertakings under this letter or breach any of our other obligations under this letter, damages may not be an adequate remedy and, Bidco and / or each member of the Group shall be entitled to seek remedies of specific performance, injunction or other equitable relief.
8. Bidco and each member of the Group shall be entitled under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this letter which confers (expressly or impliedly) any benefit on such a company. Subject to the aforesaid, a person who is not a party to this letter shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.
9. Each provision of this letter is severable and distinct from the others. If any provision is or at any time becomes to any extent or in any circumstances invalid, illegal or unenforceable for any reason, it shall to that extent or in those circumstances be deemed not to form part of this letter but (except to that extent or in those circumstances in the case of that provision) the validity, legality and enforceability of that and all other provisions of this letter shall not be affected or impaired and shall remain valid and enforceable. If any provision of this letter is found to be illegal, invalid or unenforceable in accordance with this paragraph 9 but would be legal, valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modification(s) as may be necessary to make it legal, valid or enforceable.
10. This letter is governed by, and shall be construed in accordance with, English law. The courts of England and Wales have exclusive jurisdiction to hear and decide any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this letter (including non-contractual disputes and claims) and, for these purposes, each

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party irrevocably submits to the jurisdiction of the courts of England and Wales. Each party irrevocably waives any objection which it might at any time have to the courts of England being nominated as the forum to decide any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this letter (including non-contractual disputes and claims) and agrees not to claim that the courts of England and Wales are not a convenient or appropriate forum.

**IN WITNESS** whereof we have signed this agreement on the day and year first before written.

EXECUTED AS A DEED by  
SOVEREIGN CAPITAL  
PARTNERS LLP acting by its  
designated member in the presence  
of:

)  
)  
)  
)  




Witness signature



Witness name

Witness address

Witness occupation

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LLP

**APPENDIX 1**

**THE ANNOUNCEMENT**