

Relationship Agreement

CPPGROUP PLC

and

HAMISH OGSTON

THIS RELATIONSHIP AGREEMENT is made on 22 December 2014

BETWEEN:

- (1) **CPPGROUP PLC** (No. 7151159), a public company incorporated in England and Wales, whose registered office is at Holgate Park, Holgate Road, York YO26 4GA (the "**Company**"); and
- (2) **HAMISH OGSTON**, of The Corner House, Montpelier Walk, London SW7 1JH (the "**Shareholder**").

RECITALS

- (A) The Company's ordinary share capital is admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities ("**Admission**").
- (B) The Company intends to apply to the UK Listing Authority to cancel its admission to the Official List and apply for admission of its issued and to be issued ordinary share capital to trading on the AIM market operated by the London Stock Exchange ("**AIM Admission**").
- (C) On cancellation of the admission of the Shares to the Official List, the Existing Relationship Agreement shall terminate in certain respects. The parties have agreed to enter into this Relationship Agreement to terminate the Existing Relationship Agreement in every respect and regulate in certain respects the relationship between them, in each case with effect from AIM Admission.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

- 1.1 The following provisions shall have effect for the interpretation of this agreement.
- 1.2 The following words and expressions shall, unless the context otherwise requires, have the following meanings:

"**AIM Rules**" means the AIM Rules for Companies published by the London Stock Exchange in May 2014, including the schedules thereto, as amended from time to time;

"**Business Day**" means a day (excluding Saturdays and Sundays) on which banks generally are open in the City of London for the transaction of normal banking business;

"**Board**" means the board of directors of the Company;

"**Connected Person**" means, in relation to the Shareholder:

- (a) the Shareholder's spouse or civil partner, child or step child, parent, parent in law or sibling;
- (b) any body corporate, trust (and the trustees (acting as such) of any trust) partnership or unincorporated association of which the Shareholder or any person named under sub paragraph (a) is a director, shareholder or holder (directly or indirectly) of any other interest (whether as nominee, trustee, beneficiary or otherwise) (except if that person or any person named under sub paragraph (a) together with all other Connected Persons hold less than three (3) per cent. in nominal value of the securities (if applicable) of the particular body corporate, trust, partnership or unincorporated association);
- (c) any person acting in concert with, whether pursuant to an agreement or understanding (and whether formal or informal), any person listed in sub paragraphs (a) or (b);

"Controlling Shareholders" means any of the Connected Persons holding Shares and any persons holding Shares as nominee for any of them;

"Existing Relationship Agreement" means the relationship agreement dated 18 March 2010 and made between the Company and the Shareholder;

"Governance Code" means the UK Corporate Governance Code as published by the Financial Reporting Council from time to time;

"Group" means the Company and its subsidiary undertakings from time to time, and **"Group Company"** means any of them;

"Independent Director" means a non-executive director of the Company whom the Board has identified as being independent for the purposes of the Governance Code;

"Official List" means the official list of the UK Listing Authority;

"Shares" means the ordinary shares of 10p in the capital of the Company, as the same may be subdivided, consolidated, increased, reduced or reorganised from time to time after the date of this Agreement;

"UK Listing Authority" means the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000; and

"Shareholder Director" has the meaning given to such term in clause 5.1;

"Voting Rights" means:

- (a) the voting rights of the Shareholder or any Controlling Shareholder attaching to any Shares which are generally exercisable at general meetings of the Company; and
- (b) the voting rights at board meetings of the Company of any Shareholder Director.

1.3 References to statutes or statutory provisions include references to any orders or regulations made thereunder and references to any statute, provision, order or regulation include references to that statute, provision, order or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the date hereof (subject as otherwise expressly provided herein) and to any previous statute, statutory provision, order or regulation amended, modified, re-enacted or replaced by such statute, provision, order or regulation.

2. **CONDITION**

2.1 The obligations of the parties under this Relationship Agreement (other than Clause 2.3, which is immediately effective) are conditional upon AIM Admission.

2.2 If AIM Admission shall not have taken effect by 5.30 pm on 27 February 2015, this Relationship Agreement shall be of no further force or effect and the parties shall thereupon be released from their respective obligations under this Relationship Agreement.

2.3 The Company acknowledges that the Board is proposing a resolution to shareholders to disapply the Remuneration Policy adopted by shareholder resolution at the annual general meeting of the Company in 2014 so as to enable, inter alia, the grant of an appropriate long term incentive package to Mr Eric Anstee and agrees that neither the Shareholder nor any of the Controlling Shareholders shall be deemed to be in breach of this Relationship Agreement or the Existing Relationship Agreement as a result of voting on such resolution (whether voting in favour of or against such resolution).

3. INDEPENDENCE

For so long as the Shareholder and any Controlling Shareholder hold, in aggregate, 30 per cent. or more of the Shares or the Voting Rights attaching to the Shares the Shareholder agrees that the Shareholder shall not, and shall procure (insofar as he is able) that each Controlling Shareholder shall not:

- (i) vote in favour of, or propose, any resolution to amend the Articles which would be contrary to the principle of the independence of the Company from the Shareholder or any of the Controlling Shareholders;
- (ii) exercise any of their Voting Rights which would be a breach any of the provisions of this Agreement;
- (iii) take any action which precludes any member of the Group from carrying on its business independently of the Shareholder or any Controlling Shareholder; and
- (iv) take any action (or omit to take any action) to prejudice the Company's status as a company admitted to AIM or its suitability for admission to AIM after AIM Admission has occurred or the Company's compliance with the AIM Rules, provided that this shall not prevent the Shareholder or any Controlling Shareholder from:
 - (A) accepting a takeover offer made in accordance with the City Code on Takeovers and Mergers (a "**Takeover Offer**") in relation to their respective interests in the Company or, where such Takeover Offer is made by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (a "**Scheme**"), voting in favour of such Scheme at the Court and related shareholder meetings or otherwise agreeing to sell their shares in connection with a Takeover Offer; or
 - (B) making a Takeover Offer by way of a general offer for all of the outstanding Ordinary Shares not held by the Shareholder or any Controlling Shareholder or by way of a Scheme and cancelling the Company's admission to AIM after such Takeover Offer has become wholly unconditional or, in the case of a Scheme, after it has become effective.

4. TRANSACTIONS AND CORPORATE GOVERNANCE

4.1 All transactions between (1) any Group Company and (2) the Shareholder or any of his Connected Persons shall be on terms which are at arm's length on normal commercial terms and, in particular:

- (a) there shall be no new agreements or arrangements or material amendments to any existing agreements or arrangements between (1) any Group Company and (2) the Shareholder or his Connected Persons unless, on behalf of the relevant Group Company, a majority of the Independent Directors decide otherwise and the relevant agreement, arrangement or amendment is made on such terms as are agreed to by a majority of the Independent Directors;
- (b) a Group Company shall enforce all terms of any agreements with the Shareholder or any of his Connected Persons unless a majority of the Independent Directors decide otherwise;
- (c) in the event of a matter giving rise to a conflict of interest between (1) the Shareholder or any of his Connected Persons and (2) any Group Company, only Independent Directors may, on behalf of the relevant Group Company, vote in relation to that matter; and
- (d) the Shareholder and his Connected Persons shall abstain from voting on any shareholder resolution to approve a transaction with a "related party" (as defined in AIM

Rule 13 and the Glossary to the AIM Rules) where such related party is the Shareholder or any of his Connected Persons.

- 4.2 The Shareholder agrees to exercise his Voting Rights and shall procure (insofar as he is able) that the Controlling Shareholders shall exercise their respective Voting Rights to procure, so far as they are thereby able, that the Company is managed in accordance with the principles of good governance set out in the Governance Code and that the provisions of the Code of Best Practice set out in the Governance Code are complied with by the Company insofar as practicable in each case given the size and nature of the Company and the fact that it will be admitted to AIM, including, without limitation, in relation to the composition of the Board, audit committee, nomination committee and remuneration committee, in each case save where previously agreed in writing by a majority of the Independent Directors.

5. BOARD

- 5.1 Subject to clause 5.2 and subject to such appointment complying with, and not causing the Company to be in breach of, any applicable laws and the AIM Rules, for so long as the Shareholder or any of his Connected Persons, when taken together, hold at least 15 per cent. of the Shares, the Shareholder shall (by notice given by him to the company secretary of the Company at the registered office of the Company or by notice tabled at a meeting of the Board) be entitled to appoint (and remove and reappoint) one non-executive director to the Board, who may be either the Shareholder or another person nominated by him (a "**Shareholder Director**").
- 5.2 The Shareholder shall cease to be entitled to appoint a Shareholder Director under clause 5.1 if at any time after AIM Admission the Shareholder and/or his Connected Persons cease to hold at least 15 per cent. of the Shares, in which case, the Company shall be entitled to give notice to the Shareholder requiring the resignation of any Shareholder Director (a "**Resignation Notice**"). Upon receipt of a Resignation Notice, the Shareholder shall procure that any Shareholder Director resigns forthwith without seeking compensation for loss of office and waiving all claims that the Shareholder Director may have against the Company in connection thereto.
- 5.3 The Company agrees that it shall not propose any resolution to its shareholders which would, if passed, remove or reduce the rights of the Shareholder set out in this clause 5.
- 5.4 Notwithstanding clause 5.1, the Shareholder agrees that the Company shall not be required to appoint a Shareholder Director where the Financial Conduct Authority (the "**FCA**") declines to approve such appointment to the Board (a "**FCA Rejected Director**"). The Shareholder shall at all times be entitled to withdraw an appointment and propose an alternative candidate in place of any such FCA Rejected Director in accordance with Clause 5.1, whether or not at the time of such withdrawal the FCA has determined not to approve the proposed appointment.

6. INFORMATION

- 6.1 The Shareholder agrees that he shall provide, and shall procure (insofar as he is able) that the other Controlling Shareholders provide, such information relating to the Shareholder or any of the Controlling Shareholders as any member of the Group reasonably requests in order to allow it to comply with its obligations under the AIM Rules, or other reporting obligations to any governmental, taxation, regulatory or licensing authority and that such information may be disclosed by the relevant member pursuant to such obligation.

7. TERMINATION

- 7.1 Upon the earlier of:
- (a) the Shareholder and the Controlling Shareholders ceasing to own 30 per cent. or more of the Shares or of the Voting Rights attaching to the Shares; and

(b) the Shares ceasing to be admitted to AIM,

this Relationship Agreement other than clauses 1 and 5 to 14 (inclusive) shall terminate, and save in respect of any prior breach, no party shall have any rights or obligations under any provision hereof other than the surviving clauses set out above.

7.2 Upon AIM Admission the Existing Relationship Agreement shall terminate in every respect and no party thereto shall have any rights or obligations under any provision of the Existing Relationship Agreement.

8. ENTIRE AGREEMENT

This agreement (together with any documents referred to herein) constitutes the entire agreement between the parties hereto in connection with the subject matter of this agreement. No party has relied upon any representation save for any representation expressly set out in this agreement (or any document referred to herein).

9. WAIVER AND AMENDMENT

9.1 No waiver of any term, provision or condition of this agreement shall be effective unless such waiver is evidenced in writing and signed by the waiving party and then only in the instance and for the purpose of which it is given.

9.2 No failure or delay on the part of any party in exercising any right, power or privilege under this agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or of any other right, power or privilege. The rights and remedies herein provided are cumulative with and not exclusive of any rights or remedies provided by law.

9.3 No variation to this agreement shall be effective unless made in writing and signed by both parties and approved by a majority of the Independent Directors.

10. NOTICES

10.1 Any notice, demand or other communication given or made under or in connection with the matters contemplated by this agreement shall be in writing and shall be delivered personally or sent by fax or prepaid first class post (air mail if posted to or from a place outside the United Kingdom) to the address of the party in question set out in this agreement:

In the case of the Company to:

Fax: 01904 544593
Attention: The Company Secretary

In the case of the Shareholder to:

Fax: 020 7052 9194
Attention: Hamish Ogston

and shall be deemed to have been duly given or made as follows:

- (a) if personally delivered, upon delivery at the address of the relevant party;
- (b) if sent by first class post, two Business Days after the date of posting;
- (c) if sent by air mail, 14 Business Days after the date of posting,

(d) if sent by fax, when dispatched; and

provided that if, in accordance with the above provision, any such notice, demand or other communication would otherwise be deemed to be given or made after 5.00 p.m. (local time at the place of receipt on any particular Business Day), such notice, demand or other communication shall be deemed to be given or made at 9.00 a.m. on the next Business Day.

10.2 A party may notify the other party to this agreement of a change to its name or address for the purposes of clause 10.1 provided that such notification shall only be effective on:

- (a) the date specified in the notification as the date on which the change is to take place; or
- (b) if no date is specified or the date specified is less than five Business Days after the date on which notice is given, the date falling five Business Days after notice of any such change has been given.

11. COUNTERPARTS

11.1 This agreement may be executed in any number of counterparts which together shall constitute one agreement. Any party may enter into this agreement by executing a counterparty and this agreement shall not take effect until it has been executed by all parties.

11.2 Delivery of an executed signature page of a counterpart by facsimile transmission or in Adobe Portable Document Format (PDF) sent by electronic mail shall take effect as delivery of an executed counterpart of this agreement. If either method is adopted without prejudice to the validity of such agreement, each party shall provide the other with the original of such page as soon as reasonably practicable thereafter.

12. THIRD PARTY RIGHTS

The operation of the Contracts (Rights of Third Parties) Act 1999 is hereby excluded in relation to this agreement and no person other than the parties to this agreement shall have the right to enforce any rights or benefits that may expressly or impliedly be granted to such party under the terms of this agreement.

13. GOVERNING LAW AND JURISDICTION

13.1 This agreement (and any dispute, controversy proceedings or claim of whatever nature arising out of or in any way relating to this agreement or its formation) shall be governed by and construed in accordance with English law.

13.2 Each of the parties to this agreement irrevocably agrees that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings and/or to settle any disputes, which may arise out of or in connection with this agreement or its formation (respectively, "**Proceedings**" and "**Disputes**") and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England.

13.3 Each party irrevocably waives any objection which it might at any time have to the courts of England being nominated as the forum to hear and decide any Proceedings and to settle any Disputes and agrees not to claim that the courts of England are not a convenient or appropriate forum for any such Proceedings or Disputes and further irrevocably agrees that a judgment in any Proceedings or Disputes brought in any court referred to in this clause 13 shall be conclusive and binding upon the parties and may be enforced in the courts of any other jurisdiction.

14. INVALIDITY AND SEVERABILITY

14.1 If any provision of this agreement is or becomes (whether or not pursuant to any judgment or

otherwise) invalid, illegal or unenforceable in any respect under the law of any jurisdiction:

- (a) the validity, legality and enforceability under the law of that jurisdiction of any other provision; and
- (b) the validity, legality and enforceability under the law of any other jurisdiction of that or any other provision shall not be affected or impaired in any way thereby.

14.2 If any provision of this agreement shall be held to be void or declared illegal, invalid or unenforceable for any reason whatsoever such provision shall be divisible from this agreement and shall be deemed to be deleted from this agreement and the validity, legality and enforceability of the remaining provisions shall not be affected.

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

COUNTERPARTS

This agreement may be executed in any number of counterparts which together shall constitute one agreement. Any party may enter into this agreement by executing a counterpart and this agreement shall not take effect until it has been executed by all parties.

Delivery of an executed signature page of a counterpart by facsimile transmission or by e-mail (including Document Format (PDF) sent by electronic mail) shall take effect as delivery of an executed counterpart of this agreement. If either method is adopted without prejudice to the validity of such agreement, each party will provide the other with the original counterpart page as soon as reasonably practicable thereafter.

THIRD PARTY RIGHTS

The operation of the Contracts (Rights of Third Parties) Act 1999, a hereby excluded in relation to this agreement and no person other than the parties to this agreement shall have the right to enforce any rights or benefits that may expressly or impliedly be granted to such party under the terms of this agreement.

GOVERNING LAW AND JURISDICTION

This agreement (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this agreement or its performance) shall be governed and construed in accordance with English law.

Each of the parties to this agreement irrevocably agrees that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings (whether or not the claimant or claimants wish to sue out of or in connection with the jurisdiction of the court) (including proceedings for arbitration and "disputes") and for these purposes shall be deemed to submit to the jurisdiction of the courts of England.

Each party irrevocably waives any objection which it might at any time have to the courts of England being nominated as the forum to hear and decide any proceedings and to set a stay in relation to any such proceedings or to claim that the courts of England are not a convenient or appropriate forum for any such proceedings or to dispute or challenge any such proceedings. It shall be the responsibility of the parties to bring any such proceedings to the attention of the court of law and to bring upon the parties and not be entitling to the court of law to set a stay in relation to any such proceedings.

INVALIDITY AND SEVERABILITY

If any provision of this agreement is or becomes invalid or unenforceable in any jurisdiction, the remainder of this agreement shall remain valid and enforceable.

Executed as a deed by)
CPPGROUP PLC acting by)
in the presence of)

Signature of director

Signature of witness

Name of witness

Address of witness

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Occupation of witness

Executed as a deed by)
HAMISH OGSTON in the presence of)

Signature of director

Signature of witness

Name of witness

Address of witness

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Occupation of witness

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