

TO: AssetCo plc ("**AssetCo**")  
FROM: Toscafund Asset Management LLP

8th March 2022

Dear Sirs

**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 confirm that:

- 2.1 we are 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 name of the registered holder of the Existing R&M Shares is set out in Schedule 1;
- 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 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 7.1 below, we 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 the Existing 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 7, 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).

#### **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 any 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); and
  - 4.2.2 to procure the exercise of all voting rights attaching to our Shares in favour of the RMG Resolutions at the RMG General Meeting.
- 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.

#### **5. VOTING RIGHTS AND PREJUDICIAL ACTION**

We hereby irrevocably undertake that:

- 5.1 we shall not 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;
- 5.2 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
- 5.3 we shall not procure the exercise of the voting rights attached to the Shares for any resolution which might prevent or delay implementation of the Scheme.

#### **6. CONSENTS**

We agree to:

- 6.1 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
- 6.2 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.

## 7. LAPSE OF UNDERTAKING

- 7.1 All of our obligations pursuant to this Undertaking will lapse and cease to have effect on the earlier of the following occurrences:
- 7.1.1 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
  - 7.1.2 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
  - 7.1.3 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
  - 7.1.4 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.
- 7.2 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.

## 8. 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:

- 8.1.1 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 in accordance with the terms of the formal document containing the Takeover Offer (the "**Offer Document**") to R&M shareholders;
  - 8.1.2 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
  - 8.1.3 to the Scheme Document shall be read as references to the Offer Document.
9. **OTHER**
- 9.1 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.
- 9.2 In this Undertaking, references to:

- 9.2.1 "**Acquisition**" shall include any new, increased, renewed or revised acquisition proposals made by or on behalf of AssetCo;
- 9.2.2 "**AssetCo Concert Party**" shall have the meaning given to it in the Announcement;
- 9.2.3 "**Code**" means the City Code on Takeovers and Mergers as from time to time amended and interpreted by the Panel;
- 9.2.4 "**Court Meeting**" shall have the meaning given to it in the Announcement;
- 9.2.5 "**Panel**" means the Panel on Takeovers and Mergers;
- 9.2.6 "**business day**", "**dealing**" and "**offer period**" shall be construed in accordance with the Code;
- 9.2.7 being "**interested in**" or having "**interests in**" shares or securities shall be construed in accordance with the Code;
- 9.2.8 "**relevant securities**" shall be construed in accordance with the Code;
- 9.2.9 "**RMG General Meeting**" shall have the meaning given to it in the Announcement; and
- 9.2.10 "**RMG Resolutions**" shall have the meaning given to it in the Announcement.

#### 10. **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

1	2	3
No. of ordinary shares of £0.003 in R&M	Exact name(s) of registered holder as appearing on the register of members	Name(s) of beneficial holders
400,000	Nortrust Nominees Limited	Tosca Micro Cap UCITS Fund

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

Signed as a deed by )  
**TOSCAFUND ASSET MANAGEMENT LLP** )  
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in the presence of:

Signature of witness:

Name of witness:

Address of witness:

Occupation of witness:

