

CO-OPERATION LETTER

From: Marsh & McLennan Companies Acquisition Limited (*Marsh*)
1 Tower Place West
London EC3R 5BU

To: Jelf Group plc (*Jelf*)
Hillside Court
Bowling Hill
Chipping Sodbury
Bristol BS37 6JX

10 September 2015

Dear Sirs

Proposed acquisition of Jelf by Marsh

1. We refer to the proposed acquisition (the *Acquisition*) of the entire issued and to be issued ordinary share capital of Jelf by Marsh, a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. (*Marsh Parent*), or another wholly-owned subsidiary of Marsh Parent, which is proposed to be implemented pursuant to a scheme of arrangement under sections 895 to 899 of the Companies Act 2006 (the *Scheme*) and which may, if Marsh so elects, be implemented by means of a takeover offer within the meaning of section 974 of the Companies Act 2006 (an *Offer*). In consideration of Marsh preparing to make the Acquisition and releasing the announcement under Rule 2.7 of the City Code on Takeovers and Mergers (*City Code*) relating to the Acquisition in substantially the form in Schedule 1 (the *Press Announcement*), the parties hereby agree upon the terms of this letter.
2. The parties shall co-operate in a timely manner in relation to the making of any filings and submissions and the obtaining of any and all consents, clearances, permissions and waivers as may be necessary or expedient, taking into account all waiting periods as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory or anti-trust authority (a *relevant authority*) in each case in connection with the Regulatory Conditions (as defined in paragraph 4) and the continuance in force or application for replacement or renewal of any consents, clearances, waivers, permissions or guidance granted or issued by any relevant authority (together, the *Clearances*) and, without prejudice to the generality of the foregoing, shall:
 - (a) in the case of Marsh, use all reasonable efforts to take such actions as are necessary to make or procure that the appropriate member of the Wider Marsh Group (as defined in paragraph 4) makes all appropriate submissions, notifications and other filings in connection with, or which are otherwise required to obtain the Clearances (the *Regulatory Submissions*) and to facilitate the satisfaction of the Conditions (as defined in paragraph 4) as soon as reasonably practicable and in any event to submit a substantially complete draft of the Regulatory Submissions required in relation to the Regulatory Condition no later than 10 business days after the date the Press Announcement is published;
 - (b) in the case of Marsh, use all reasonable efforts to take, or to procure that any appropriate member of the Wider Marsh Group takes, such actions as are reasonably necessary to obtain the Clearances and to facilitate the satisfaction of the Regulatory Conditions as soon as reasonably practicable, including without limitation, responding expeditiously to any request from any relevant authority for further information in connection with the Regulatory Submissions;
 - (c) in the case of Jelf, use all reasonable efforts to provide such assistance and information about Jelf and the Wider Jelf Group and the business of the Wider Jelf Group as may reasonably be required by Marsh or any member of the Wider Marsh Group to prepare the Regulatory

Submissions, to respond to any questions or comments raised by any relevant authority in connection with the Clearances and the satisfaction of the Regulatory Conditions as soon as reasonably practicable;

- (d) in the case of Jelf, co-operate in any dealings with any relevant authority and deal with all requests and enquiries from any such relevant authority in consultation with the Wider Marsh Group (and their legal advisers) on all material matters pertinent to enabling the relevant Regulatory Condition to be satisfied (including, to the extent reasonably practicable and legally permissible, giving the other party prior reasonable notice of any material meetings with any relevant authority and an opportunity to attend any such meeting);
- (e) each inform the other party (and the other party's legal advisers) as soon as reasonably practicable of all material communications and dealings with any relevant authority and consult with the other party (and the other party's legal advisers) on all matters pertinent to enabling the relevant Regulatory Condition to be satisfied;
- (f) each provide as soon as reasonably practicable to any relevant authority such information as may be reasonably required by such authority in connection with any Clearance;
- (g) each keep one another reasonably informed as to progress regarding, and supply all information reasonably requested in relation to, the Clearances;
- (h) each provide such assistance and information as is reasonably required by the other party for the purposes of, or in connection with, the preparation of all documentation necessary in connection with any Clearance (including, to the extent reasonably practicable, providing the other party with reasonable opportunity to review and comment on such documentation); and
- (i) each procure (so far as it is reasonably able to do so) the provision of assistance by its professional advisers in connection with the obtaining of any Clearance.

3. Nothing in paragraph 2 shall require:

- (a) any party to disclose any information which is confidential, covered by the attorney work product doctrine or constitutes an attorney/client communication or price sensitive or the disclosure of which could result in a breach of any law, regulation, provision of the City Code, court order or confidentiality obligation or loss of attorney-client or other privilege;
- (b) Marsh, or any member of the Wider Marsh Group, without prejudice to its or their obligations under the City Code in relation to the Conditions, to (i) take (or omit to take) any action that it reasonably considers likely to be, directly or indirectly, materially to its detriment or materially to the detriment of any of its affiliates, or (ii) involve Jelf in any communications or dealings with any relevant authority with jurisdiction over Marsh in the United States;
- (c) Jelf, or any member of the Wider Jelf Group, to take (or omit to take) any action that it reasonably considers likely to be, directly or indirectly, materially to its detriment or materially to the detriment of any of its affiliates; or
- (d) either Marsh or Jelf to involve the other party in any communications or dealings with a relevant authority that are (i) non-material, (ii) ordinary course, or (iii) unrelated to the Acquisition.

4. For the purposes of paragraph 2 and 3:

- (a) **Conditions** means the conditions to the implementation of the Acquisition set out in Appendix 1 to the Press Announcement, subject to any modifications that may be required if Marsh elects to implement the Acquisition by way of an Offer;
- (b) **Regulatory Conditions** means the conditions to the implementation of the Acquisition set out

in paragraphs 3(b) of Appendix 1 to the Press Announcement, subject to any modifications that may be required if Marsh elects to implement the Acquisition by way of an Offer;

- (c) **Wider Marsh Group** means Marsh, and Marsh Limited and its subsidiaries; and
 - (d) **Wider Jelf Group** has the meaning that is given to that term in the Press Announcement at Schedule 1 to this letter.
5. The parties agree that the provisions of Schedule 2 shall apply in respect of existing employee incentive arrangements.
6. Without prejudice to the parties' obligations under the City Code, and in particular, Marsh's obligation to proceed with the Acquisition in accordance with Rule 2.7 of the City Code, or pursuant to a court order, this letter (with the exception of this paragraph 6 and paragraphs 7 to 11, which shall survive such termination) may be terminated (by written notice by either Marsh or Jelf to the other party, save in the case of sub-paragraph (e) below) as follows:
- (a) if the Press Announcement is not released on or before 5pm on 11 September 2015;
 - (b) if the Scheme (or the Offer as the case may be) is withdrawn or lapses in accordance with its terms and/or with the consent of the Panel (other than where such lapse or withdrawal is a result of Marsh electing to implement the Acquisition by way of an Offer or is otherwise to be followed by a Rule 2.7 announcement made by Marsh or an affiliate of Marsh to implement the Acquisition by a different scheme of arrangement or Offer on substantially the same terms as those of the Scheme);
 - (c) if the board of directors of Jelf, pursuant to the exercise by the directors of their fiduciary duties, withdraws its recommendation of the Scheme (or Offer, as the case may be) and the recommendation remains withdrawn (without a new recommendation being made in favour of Marsh) for a period of at least 10 business days (provided that no party shall be required to comply with its obligations under this letter for any part of such 10 business day period during which the recommendation remains withdrawn);
 - (d) if the Scheme has not become effective, or, if Marsh implements the Acquisition by way of a takeover offer, the takeover offer has not become unconditional, by 15 March 2016; or
 - (e) as agreed in writing between the parties.
7. Each party to this letter acknowledges and agrees that both Jelf and Marsh are required to, and shall, make a copy of this letter publicly available on a website pursuant to Rule 26.1(d) of the City Code.
8. This letter may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this letter by e-mail attachment shall be an effective mode of delivery.
9. No variation of this letter shall be valid unless it is in writing and signed by or on behalf of all of the parties to it.
10. A person who is not a party to this letter shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.
11. This letter and any non-contractual obligations arising out of, or in connection with, it shall be governed by, and interpreted in accordance with, English law. The English courts shall have exclusive jurisdiction in relation to all disputes arising between the parties out of or in connection with this letter. For these purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of that jurisdiction.

Yours faithfully

Mark Veni,

for and on behalf of
MARSH & MCLENNAN COMPANIES ACQUISITION LIMITED

Name: **MARU WEL**

Position: **DIRECTOR**

We accept and agree to the terms of
this letter:

for and on behalf of
JELF GROUP PLC



Name: **A. D. ALWAMY**

Position: **CE - JELF.**

SCHEDULE 1
PRESS ANNOUNCEMENT

SCHEDULE 2

EMPLOYEE INCENTIVE ARRANGEMENTS

1. OUTSTANDING AWARDS UNDER THE JELF SHARE PLANS

- 1.1 Jelf confirms that it currently operates a number of employees' share schemes, including the Jelf Group plc 2008 Long Term Incentive Plan (the *LTIP*), which contains a company share option plan schedule (the *CSOP*), the Jelf Group SAYE Plan (the *SAYE Plan*) and the Jelf Group Employee Benefit Trust Plan (the *EBT Plan*), and entered into an enterprise management incentive option agreement with each of certain employees (the *EMI Option Agreements*), (together the *Jelf Share Plans*).
- 1.2 Jelf and Beacon understand and acknowledge that accurate and complete details of all awards and options currently outstanding under the Jelf Share Plans (*Awards*) have been provided in the Acquisition dataroom.

2. PROPOSALS FOR AWARDS UNDER THE JELF SHARE PLANS

- 2.1 Jelf and Marsh agree to co-operate in preparing, in a form to be agreed between Jelf and Marsh, appropriate proposals to each of the participants in the Jelf Share Plans to enable Marsh to satisfy its obligations under Rule 15 of the Code and to send, or arrange the sending of, such communications to participants as soon as practicable after the posting of the Scheme document (or, if the Acquisition is implemented by way of an Offer, as soon as practical after the Offer becomes or is declared unconditional in all respects).
- 2.2 Jelf and Marsh agree that if the Acquisition is implemented by way of the Scheme, the timetable for its implementation shall be fixed so as to enable (to the extent practicable) Awards under the Jelf Share Plans to be exercised or vest (as the case may be) in sufficient time to enable the resulting Jelf Shares to be bound by the Scheme on the same terms as the Jelf Shares held by Jelf Shareholders.
- 2.3 It is acknowledged and agreed by the parties that Jelf will:
- (a) seek shareholder approval to amend the articles of association of Jelf at the General Meeting to provide that, after the Scheme Record Time, any Jelf Shares issued or transferred to any person (including any participant in the Jelf Share Plans) other than Marsh, will be automatically transferred to Marsh in consideration for the payment by Marsh to such person of 215 pence per Jelf Share (the *Offer Price*) and that consequently participants who receive Jelf Shares pursuant to their Awards will be required to transfer those Jelf Shares to Marsh in consideration of payment of the Offer Price;
 - (b) amend the rules of the LTIP and the CSOP to enable Awards under the Jelf Share Plans to be exercised or vest (as the case may be) in sufficient time to enable the resulting Jelf Shares to be bound by the Scheme on the same terms as the Jelf Shares held by Jelf Shareholders; and
 - (c) take such steps as may reasonably be required to enable Awards held under the EBT Plan to be exercised or vest (as the case may be) in sufficient time to enable

the resulting Jelf Shares to be bound by the Scheme on the same terms as the Jelf Shares held by Jelf Shareholders.

2.4 Jelf and Marsh agree that:

- (a) Jelf, to the extent permitted by the rules the applicable Jelf Share Plan (and, in the case of the CSOP, the SAYE Plan and the EMI Option Agreements, the relevant tax legislation), will net-settle any Awards which vest or are exercised (as the case may be) by participants in connection with the Acquisition; and
- (b) to the extent possible, Awards will be satisfied with Jelf shares held in Jelf's employee benefit trust or with Jelf shares held in treasury. To the extent that that Jelf's employee benefit trust and/or treasury do not hold sufficient unallocated or unappointed Jelf shares for this purpose, Awards will be satisfied with newly issued Jelf shares.

2.5 Jelf and Marsh agree to co-operate as far as reasonably practicable to ensure that the proposals to participants in the Jelf Share Plans are formulated with a view to maintaining any available tax and social security reliefs for employees and corporation tax relief under Part 12 of the Corporation Taxes Act 2009.

2.6 Without prejudice to the terms agreed above, Jelf and Marsh agree that they will document the Scheme in such manner as may assist in enabling the provisions relating to the lapse of Awards to take effect as a result of the Acquisition, including, if appropriate, documenting the Scheme as a "general offer by way of a scheme of arrangement".

3. JELF TRANSACTION INCENTIVE SCHEME

3.1 The parties acknowledge that the Acquisition will trigger certain payments to employees under the Jelf Transaction Incentive Scheme and agree that (except to the extent certain Jelf senior managers have agreed to defer a proportion of the amounts they would otherwise be due) such bonuses will become payable by Jelf following the Court Sanction Date but prior to the Effective Date.

4. GENERAL

4.1 Capitalised words and terms used but not defined in this Schedule shall have the meaning given to them in the Press Announcement.

4.2 This Schedule shall apply mutatis mutandis in the event that the Acquisition is implemented by way of takeover offer (as defined in Part 28 of the Companies Act) rather than the Scheme.