



By email and post

Marsh Limited (Marsh or you)
1 Tower Place West
Tower Place
London
EC3R 5BU

For the attention of Mark Weil

14 August 2015

Dear Sirs

Project Beacon: Confidentiality Agreement

1 Introduction

- 1.1 You have requested certain information in relation to the business and assets of Jelf Group plc (the **Company, us or we**) in connection with your interest in potentially making an offer (by whatever means the same is implemented and whether directly or indirectly or through a new company to be formed by you) to acquire the entire issued and to be issued share capital of the Company. In this letter, such potential offer is referred to as the **Offer**.
- 1.2 In consideration of certain confidential information being disclosed or made available by us or on our behalf to you in connection with the Offer and of the undertakings by us contained in this letter, you unconditionally and irrevocably agree to the undertakings contained in this letter. The undertakings in this letter are given in favour of the parties and in favour of their respective subsidiary undertakings.
- 1.3 In this letter the following expressions have the following meanings:
 - (a) **Authorised Recipients** means, to the extent that they reasonably need access to Confidential Information for the purposes of evaluating, negotiating, and/or advising in connection with, the Offer:
 - (i) your and our respective directors, officers and employees and those of your group undertakings; and
 - (ii) your and our respective advisers and your providers of finance and, in each case, their respective directors, officers and employees;
 - (b) **City Code** means the City Code on Takeovers and Mergers;
 - (c) **CJA** means the Criminal Justice Act 1993;
 - (d) **Confidential Information** means:

- (i) all information of whatever nature relating wholly or partly to the Group and/or its affairs which is directly or indirectly disclosed or made available by us or on our behalf to you and/or to your Authorised Recipients in connection with the Offer in whatever form disclosed or made available (whether orally, in writing, electronically, digitally or in any other form) and disclosed or made available on or after the date of this letter, including (without limitation) commercial, business, financial, technical, operational, administrative, marketing or other information or data (including trade secrets, know-how, customer and supplier details, new products, business opportunities and future plans for the development of the business of the Group);
 - (ii) all notes, reports, analyses, memoranda, compilations, studies and other documents prepared by you and/or your Authorised Recipients which contain or otherwise reflect, or are derived or generated from, any information of the type described in paragraph 1.3(d)(i) above;
 - (iii) the fact that any information of the type described in paragraph 1.3(d)(i) above is being (or was) disclosed or made available to you and/or your Authorised Recipients; and
 - (iv) the fact that the Offer is (or was) contemplated, that negotiations or discussions are (or were) taking place between us, the status or progress of such negotiations (including termination of negotiations), any terms or facts relating to the Offer and the terms of any documentation relating to the Offer, including this letter;
- (e) **Connected Persons** means, in each case, to the extent that they are involved in the Offer:
 - (i) each Group Company and each of their respective officers, employees, advisers, agents and representatives; and
 - (ii) officers, employees and partners of any such advisers, agents and representatives;
- (f) **FSMA** means the Financial Services and Markets Act 2000;
- (g) **Group** means the Company and its group undertakings and **Group Company** means any of them;
- (h) **subsidiary undertaking** and **group undertaking** shall be construed in accordance with sections 1161 and 1162 of the Companies Act 2006 and in interpreting those sections for the purposes of this letter, a company is to be treated as a member of a subsidiary undertaking even if its shares are registered in the name of (i) a nominee, or (ii) any party holding security over those shares, or that secured party's nominee;
- (i) **parties** means the parties to this letter, being you and the Company; and
- (j) **Takeover Panel** means the UK Panel on Takeovers and Mergers.

2 Duty of Confidentiality

- 2.1 Except as otherwise provided in this letter, you and your Authorised Recipients will at all times hold the Confidential Information in strict confidence and neither you nor your Authorised Recipients will, directly or indirectly, disclose, distribute or otherwise make available any of the Confidential Information to any person other than an Authorised Recipient (on condition that they will not disclose, distribute or otherwise make it available to any other person who is not an Authorised Recipient) without our prior written consent.
- 2.2 You and your Authorised Recipients will use the Confidential Information solely for the purposes of evaluating the Group and/or the Offer and/or negotiating and/or advising in connection with the Offer and not for any other purpose including, without limitation, to compete with the Group in connection with any business carried on by it.
- 2.3 On written demand from us, you will make available a list of your Authorised Recipients to whom Confidential Information has been given.
- 2.4 You will procure that each Authorised Recipient to whom Confidential Information is disclosed is made aware (in advance of disclosure) of the terms of the undertakings contained in this letter and will use your reasonable endeavours to procure that each such person adheres to the terms of such undertakings as if that person were a party to them. You will be responsible for any breach of the undertakings contained in this letter by any of your Authorised Recipients.
- 2.5 You will exercise in relation to the Confidential Information no lesser security measures and degree of care as you apply to your own confidential information.
- 2.6 You shall notify us as soon as practicable upon becoming aware that any of the Confidential Information has been disclosed to or obtained by a third party (otherwise than as permitted by this letter).
- 2.7 We agree in the same terms, mutatis mutandis, as the preceding sub-paragraphs of this paragraph 2, and for these purposes the definitions of Confidential Information shall take effect as if references to the Group were to you and your subsidiary undertakings.

3 Exceptions

- 3.1 The undertakings in paragraph 2.1 to 2.5 (inclusive) shall not apply to Confidential Information to the extent that it:
- (a) is in the public domain at the time of supply;
 - (b) subsequently comes into the public domain, except through breach of the undertakings set out in this letter or through breach by any other person of any other duty of confidentiality relating to that Confidential Information;
 - (c) is information of the type described in paragraph 1.3(d)(i) and is already in your lawful possession or that of an Authorised Recipient (as evidenced by written

records) and was made available to you or such Authorised Recipient by a third party who did not owe us or any member of the Group an obligation of confidence in relation to it prior to it being made available to you or such Authorised Recipient;

- (d) is information of the type described in paragraph 1.3(d)(i) and subsequently comes lawfully into your possession or that of an Authorised Recipient from a third party who does not owe us or any member of the Group an obligation of confidence in relation to it or was independently developed without the use of any other Confidential Information by you or any of your Authorised Recipients; or
- (e) is required to be disclosed by any applicable law or by any rule, regulation, direction, order or ruling of any competent judicial, governmental, supervisory, administrative or regulatory body (including, without limitation, the Takeover Panel or any securities exchange), provided that, to the extent reasonably practicable and permitted by such law or by such judicial, governmental, supervisory, administrative or regulatory body, the disclosing party shall first consult and co-operate with us on the proposed form, timing, nature and purpose of the disclosure.

3.2 Notwithstanding any other provision of this letter, where Confidential Information of the type described in paragraph 1.3(d)(iv) is not required to be disclosed in accordance with paragraph 3.1(e) above, you shall nonetheless, subject to our prior written approval (not to be unreasonably withheld or delayed), be entitled to disclose any of such Confidential Information to the Takeover Panel to the extent reasonably appropriate in pursuance of the Offer.

3.3 The exceptions in paragraphs 3.1 and 3.2 shall apply, mutatis mutandis, for the purposes of paragraph 2.7 save that this shall be subject to the provisions of Rule 2.3(d) of the City Code.

4 Announcements

4.1 You undertake, as do we, that neither of the parties nor any of their respective Authorised Recipients will, without the other party's prior written consent, make any announcement (or allow any announcement to be made on our respective behalves, nor on behalf of our respective Authorised Recipients) in relation to the Offer or the fact of our discussions in relation thereto or of or containing any Confidential Information.

4.2 The restrictions in paragraph 4.1 above shall not apply if, and to the extent that, an announcement is required in the circumstances described in paragraph 3.1(e) (as if references therein to the requirement to disclose Confidential Information were to the requirement to make an announcement), provided that for the avoidance of doubt the proviso in paragraph 3.1(e) will apply to any such announcement (as if references in the proviso to the disclosing party and the disclosure were to the announcing party and the announcement).

5 Return/Destruction of Confidential Information

- 5.1** Subject to paragraph 5.2 below, upon our written request you and your Authorised Recipients will at your own cost and expense:
- (a) return to us (without keeping any copies) all documents containing Confidential Information of the type described in paragraph 1.3(d)(i), except any such documents which are destroyed in accordance with paragraph 5.1(b);
 - (b) destroy all Confidential Information of the type described in paragraph 1.3(d)(ii) and all copies of Confidential Information of the type described in paragraph 1.3(d)(i);
 - (c) to the extent reasonably practicable, expunge all Confidential Information from any computer, word processor or other device into which it was programmed by you or any of your Authorised Recipients; and
 - (d) if so requested by us, deliver to us a certificate signed by an authorised representative confirming that the obligations contained in this paragraph 5.1 have been complied with.
- 5.2** The provisions of paragraph 5.1 shall not apply to the extent that you or any of your Authorised Recipients are required to retain such Confidential Information by any applicable law or by any rule, regulation, direction, order or ruling of any competent judicial, governmental, supervisory, administrative or regulatory body.
- 5.3** We accept the same obligations, mutatis mutandis as in paragraph 5.1 (subject to the exception in paragraph 5.2), with respect to your Confidential Information (as defined in paragraph 2.7).

6 No Representation or Warranty

- 6.1** You acknowledge and agree for yourself and as agent for your Authorised Recipients that:
- (a) the Confidential Information provided to you does not purport to be comprehensive or all inclusive and that no representation or warranty, express or implied, has been or will be made by us or by any of our Connected Persons, as to the accuracy, reliability or completeness or otherwise of any of the Confidential Information; and
 - (b) neither we nor any of our Connected Persons shall:
 - (i) have any liability to you or to any other person resulting from the use of, or reliance upon, the Confidential Information by you or your Authorised Recipients; or
 - (ii) be under any obligation to provide further Confidential Information, update Confidential Information or correct any inaccuracies in Confidential Information.

6.2 Paragraph 6.1 does not exclude any liability for, or remedy in respect of, fraud.

7 Insider Dealing/Market Abuse

- 7.1 You acknowledge and will advise your Authorised Recipients that some or all of the Confidential Information or the fact of the Offer, or any of the terms or other facts relating to the Offer, may be inside information for the purposes of the CJA and/or FSMA and/or "information which is not generally available to those using the market" within the meaning of s118 FSMA.
- 7.2 You and your Authorised Recipients shall comply with all relevant provisions of the CJA and FSMA regarding insider dealing and/or market abuse in relation to such information.

8 Standstill

- 8.1 Without prejudice to any obligations you may have under the City Code, for a period of 12 months commencing on the date of this letter, you shall not, and shall procure that none of your subsidiary undertakings, and as soon as practicable after the possibility of your making an offer for the Company is first announced, your group undertakings shall, directly or indirectly either alone or together with another person or persons:
- (a) acquire, or cause another to acquire, an interest of any kind whatsoever in any shares or other securities of the Company (including, but not limited to, ownership or options to acquire ownership of shares or other securities or derivatives referenced to shares or other securities) or enter into any agreement, arrangement or understanding (whether legally binding or not) or do or omit to do any act as a result of which you or any of your group undertakings may acquire an interest in any shares or other securities of the Company;
 - (b) make, or cause another person to make, an offer for any shares or other securities of the Company or enter into any agreement, arrangement or understanding (whether legally binding or not) or do or omit to do any act as a result of which you or another person may become obliged (whether under the City Code or otherwise) to make an offer for any shares or other securities of the Company;
 - (c) announce, or cause another person to announce, an offer for any shares or other securities of the Company or enter into an agreement, arrangement or understanding (whether legally binding or not) or do or omit to do any act as a result of which you or another person may become obliged (whether under the City Code or otherwise) to announce an offer for any shares or other securities of the Company;
 - (d) enter into any agreement, arrangement or understanding (whether legally binding or not) which imposes (directly or indirectly) obligations or restrictions on any party to such agreement, arrangement or understanding with respect to the exercise of voting rights attaching to any of the shares or other securities of the Company; or

- (e) requisition or threaten to requisition any general meeting of the Company or otherwise act with the intent to seek to control or influence the management, board of directors, shareholders or policies or affairs of the Company.

8.2 In this paragraph 8, **offer** includes any transaction which is subject to the City Code as referred to in section 3(b) of the Introduction to the City Code.

8.3 The restrictions in paragraph 8.1 shall not apply:

- (a) if the Company has provided its prior written consent to you taking the relevant action or the acquisition, offer, announcement, agreement, arrangement, understanding or other action, as the case may be, is unanimously recommended by the Company's directors (other than directors taking no part in the recommendation by reason of conflict of interest) at the time it is made or entered into;
- (b) if any third party (other than Cap Z) shall have become interested in shares carrying 15 per cent. or more of the votes ordinarily exercisable at general meetings of the Company unless such party has publicly confirmed that it has no intention in any circumstances of making any offer or partial offer (including by means of a scheme of arrangement) for the share capital of the Company; or
- (c) if any third party makes, or announces pursuant to Rule 2.7 of the City Code a firm intention to make, an offer to acquire shares carrying at least 30 per cent. of the voting rights in the Company (including by way of scheme of arrangement) or if any third party becomes subject to a "put up or shut up" obligation pursuant to Rule 2.6 of the City Code.

8.4 For the purposes of 8.3(c), following the end of the relevant period, unless the Offeror has made an offer for the Company during the relevant period, the restrictions contained in paragraph 8.1 shall again apply but not so as to require you to dispose of any shares in the Company which have been acquired as permitted by paragraph 8.3.

8.5 Nothing in this paragraph 8 shall prevent or restrict you or any of your group undertakings from acquiring an interest in the issued share capital of the Company provided that such interest does not exceed 3 per cent. in aggregate of the issued share capital of the Company for the time being.

9 Conduct of Transaction

9.1 Each party acknowledges and agrees that neither this letter nor the supply of Confidential Information by either party or on its behalf constitutes an offer by such party or on its behalf to enter into any transaction with the other party.

9.2 Each party reserves the right in its sole and absolute discretion to reject any or all proposals or offers made by the other party or on its behalf and to terminate discussions and any negotiations with the other party at any time, without incurring any liability to the other party or its Authorised Recipients and neither party will be under any obligation to accept any offer or proposal which may be made for or in respect of the Group.

10 Authorised Contact

- 10.1** You will not, and you will procure that your Authorised Recipients will not, directly or indirectly (unless we have given our prior written consent or through meetings or telephone conversations arranged or facilitated by Fenchurch Advisory Partners) approach, initiate or engage in or have any contact of any kind with any officer or employee of the Group or any consultant, adviser, customer or supplier of the Group in connection with your evaluation of the Group and/or the Offer and/or the negotiations taking place between us and/or in relation to any of the Confidential Information. For the avoidance of doubt, this paragraph 10.1 shall not prohibit you or your Authorised Recipients from contacting any officer, employee, consultant, adviser, customer or supplier of the Group in the ordinary course of business and you shall not be in breach of this paragraph 10.1 (i) in respect of any discussion you may have with Les Owen, Alex Alway, John Harding, Helen Davies, Phil Barton, Glen Thomas, Chris Jelf, Tom Taylor or Rob Worrell; (ii) if any officer, employee or consultant of the Group contacts you in connection with your evaluation of the Group and/or the Offer and/or the negotiations taking place between us and/or in relation to any of the Confidential Information, but you do not engage in substantive discussions in relation to the subject matter of this clause 10.1; and (iii) after the issue of an announcement under Rule 2.7 of the City Code for a recommended Offer by you, in respect of any contact with any officer, senior employee, customer or supplier of the Group not approached or initiated by you.
- 10.2** All requests for Confidential Information and all enquiries relating to the Group and/or the Offer should be directed to Fenchurch Advisory Partners or Norton Rose Fulbright LLP (or to such other persons as we may nominate from time to time) and to no other person.

11 Non-Solicitation

- 11.1** From the date of this letter to the earlier of (i) 18 months commencing on the date of this letter and (ii) 15 months from the date a party notifies the other in writing that the discussions in relation to the Offer are terminated, you will not, and you will procure that your subsidiary undertakings and any director, officer, employee of your group undertakings (or any other person engaged by your group undertakings) that receive Confidential Information (whether or not such Confidential Information has been received in breach of the provisions of this letter) will not:
- (a) directly or indirectly solicit for employment in any capacity any person who is at the date of this letter a director, officer, employee or consultant (but not including any adviser to the Company in connection with the Offer or any of their directors, officers or employees) of any member of the Group whose gross annual compensation is greater than or equal to £75,000;
 - (b) knowingly encourage or seek to encourage such person to leave his current employment or to breach the terms of such employment or consultancy.
- 11.2** For the avoidance of doubt, the undertakings in paragraphs 11.1(a) and 11.1(b) will not apply if any such person (i) is responding in good faith to a bona fide recruitment advertisement, (ii) contacts you or any of your group undertakings on his or her own

initiative and without any breach by you of the undertakings in this paragraph 11 or (iii) has their employment terminated by the Group as from the date of such termination.

12 Duration

The obligations contained in this letter will end on the earlier of (i) the date on which the Company becomes a wholly owned direct or indirect subsidiary of Marsh and (ii) 24 months from the date of this letter but without affecting your liability for breach of any of the terms of this letter before then whether or not the Offer is made.

13 Waiver

Our rights and remedies provided by this letter are, except where expressly stated to the contrary, without prejudice to any other rights and remedies available to us. No neglect, delay or indulgence by us in enforcing any provision of this letter shall be construed as a waiver and no single or partial exercise of any right or remedy shall affect or restrict the further exercise or enforcement of any such right or remedy.

14 Third Parties

- 14.1 Any of our respective subsidiary undertakings may (with our respective prior written consent) enforce the terms of this letter under the Contracts (Rights of Third Parties) Act 1999, and you agree that our Connected Persons may also rely on paragraph 1(6) under such Act.
- 14.2 Notwithstanding the provisions of paragraph 14.1, no consent is required from any Connected Person for any variation (including any release or compromise in whole or in part of any liability) or termination of this letter.

15 Entire Agreement

This letter constitutes the entire agreement and understanding between the parties in respect of the subject matter of this letter and supersedes all previous agreements, understandings and arrangements, whether oral or in writing, between the parties relating to the subject matter of this letter.

16 Severability

Each of the terms of this letter are severable and distinct from the others and, if any provision is, or at any time becomes to any extent or in any circumstances invalid, illegal or unenforceable for any reason, that provision shall to that extent be deemed not to form part of this letter but the validity, legality or enforceability of the remaining parts of this letter shall not be affected or impaired, it being our intention that every provision of this letter shall be and remain valid and enforceable to the fullest extent permitted by law.

17 General

- 17.1 You confirm that you are acting in this matter as principal and not as an agent for any other person. Each party acknowledges and agrees that it will be responsible for any

costs incurred by it or its subsidiary undertakings or on their behalf in connection with the Offer.

17.2 You acknowledge and agree that:

- (a) all Confidential Information disclosed directly or indirectly by us or on our behalf shall remain our property and title to that Confidential Information shall remain vested in us;
- (b) you shall not acquire title to any of the Confidential Information disclosed directly or indirectly by us or on our behalf; and
- (c) we do not grant any licence to you or to any Authorised Recipient in respect of the Confidential Information.

17.3 Access to the Confidential Information is granted to you and your Authorised Recipients without waiver by us of confidentiality and/or legal professional privilege and/or common interest privilege which attaches to any of the Confidential Information. You acknowledge and agree that neither you nor your Authorised Recipients shall, at any time, waive, assign or compromise privilege or confidentiality in relation to the Confidential Information in any way.

17.4 You and we mutually agree and acknowledge that because of the valuable nature of the Confidential Information, damages would not be an adequate remedy for a breach of any term of this letter and you and we therefore mutually agree that we are both respectively entitled to seek the remedies of injunction, specific performance and other equitable relief for a threatened or actual breach of any term of this letter by the other party or any of its Authorised Recipients.

18 Governing Law

18.1 This letter and any non-contractual obligations connected with it shall be governed by English law.

18.2 The parties irrevocably agree that all disputes arising under or in connection with this letter, or in connection with the negotiation, existence, legal validity, enforceability or termination of this letter, regardless of whether the same shall be regarded as contractual claims or not, shall be exclusively governed by and determined only in accordance with English law.

19 Jurisdiction

19.1 The parties irrevocably agree that the courts of England and Wales are to have exclusive jurisdiction, and that no other court is to have jurisdiction to:

- (a) determine any claim, dispute or difference arising under or in connection with this letter, any non-contractual obligations connected with it, or in connection with the negotiation, existence, legal validity, enforceability or termination of this letter, whether the alleged liability shall arise under the law of England and Wales or under the law of some other country and regardless of whether a particular

cause of action may successfully be brought in the English courts (Proceedings); and

(b) grant interim remedies, or other provisional or protective relief.

19.2 The parties submit to the exclusive jurisdiction of the courts of England and Wales and accordingly any Proceedings may be brought against the parties or any of their respective assets in such courts.

Please confirm your agreement to the terms of this letter by signing and dating the attached copy.

Yours faithfully,



.....
for and on behalf of Jelf Group plc

We, the undersigned, hereby acknowledge receipt of the letter of which this is a copy and agree to its terms.



Signed
for and on behalf of Marsh Limited

Dated 14 August 2015