

Epiris LLP

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Epiris LLP is limited liability partnership registered  
in England and Wales with company number 10541204

A member of the Epiris Group  
Epiris Group Limited is authorised

**STRICTLY PRIVATE AND CONFIDENTIAL**

The Directors  
Nucleus Financial Group PLC  
Elder House  
St Georges Business Park  
Weybridge  
Surrey  
KT13 0TS

Dear Directors

**Project Tiber**

We refer to the discussions between Nucleus Financial Group PLC (the "**Company**") and/or its advisers Shore Capital Corporate Limited, Shore Capital Stockbrokers Limited and Craven Street Capital Limited (who, together with the Company are the "**Providers**" and each one of which, including the Company, is a "**Provider**") and Epiris LLP (the "**Recipient**") concerning the Potential Transaction. The Recipient has requested certain information about the Company and, in consideration of Confidential Information being made available to the Recipient and its Associates, the Recipient hereby agrees with and undertakes to the Providers in the terms set out below.

The Company is a publicly quoted company with its shares traded on AIM, to which the Market Abuse Regulations and AIM rules apply in addition to the City Code. Any confidentiality breaches could risk fines and sanctions, as well as material embarrassment. As such, we appreciate the importance of ensuring confidentiality is strictly maintained.

**1 DEFINITIONS**

In this letter:



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**"Associate"** means any subsidiary undertaking, any parent undertaking and any subsidiary undertaking of any parent undertaking of any Provider or the Recipient (as appropriate) and in respect of the Recipient shall specifically include any member of the Epiris Group, and any director, officer, employee, agent, potential finance provider or professional adviser of the Providers or the Recipient or member of the Epiris Group (as appropriate) or of any such parent undertaking or subsidiary undertaking;

**"City Code"** means the City Code on Takeovers and Mergers;

**"Confidential Information"** means:

- (i) all information in whatever form relating to the Group or the activities of any member of the Group which any Provider or any of its Associates discloses to the Recipient or any of its Associates or which is acquired in any way by the Recipient or any of its Associates from any Provider or any of its Associates (and whether directly or indirectly and whether on or after the date of this letter); and
- (ii) any and all information prepared by the Recipient or any of its Associates and to the extent derived from, containing or reflecting such information,

but in each case excluding information which:

- (a) is in the public domain at the time it is made available to the Recipient or any of its Associates; or
- (b) enters the public domain after it has been disclosed to, or acquired by, the Recipient or any of its Associates (other than as a result of any breach by the Recipient of the terms of this letter or any unauthorised disclosure by a person to whom Confidential Information has been disclosed in accordance with paragraph 4); or
- (c) was properly and lawfully in the possession of the Recipient prior to the time that it is made available to the Recipient (as evidenced by the written records of the Recipient) and is free of any restriction as to its use or disclosure;

**"Epiris Group"** means (i) James Hay Partnership Management Limited (a private limited company incorporated in England with registered number 02538532); (ii) Epiris Managers LLP; (iii) Epiris GP Limited (in its own corporate capacity and in its capacity as general partner of each limited partnership of which it is the general partner (now or in future), including but not limited to Epiris Fund II L.P., Epiris Fund II (B) L.P., Epiris Fund II FFP L.P., Epiris TC L.P., EPF II Sarl and ELDF II LP); (iv) each fund and/or other entity which is managed or advised, or whose general partner is managed or advised, by Epiris LLP and/or Epiris Managers LLP; and (v) any of their respective co-investors and limited partners

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**"Group"** means the Company and its subsidiary undertakings;

**"Permitted Purpose"** means the sole and exclusive purpose of evaluating, considering, negotiating, advising in relation to or furthering the Potential Transaction; and

**"Potential Transaction"** means the potential acquisition by the Recipient of some or all of the issued share capital of the Company.

## **2 CONFIDENTIAL INFORMATION**

Subject to paragraph 7, the Recipient shall:

- 2.1 only use the Confidential Information for the Permitted Purpose and shall not use any Confidential Information for any other purpose;
- 2.2 keep the Confidential Information secret and confidential and shall not communicate or disclose (whether directly or indirectly and whether orally, in writing or in any other manner) any Confidential Information to any person other than as permitted by paragraph 4;
- 2.3 keep the Confidential Information and any copies of it secure and in such a way so as to prevent unauthorised access or theft by any third party; and
- 2.4 inform the Providers promptly if the Recipient becomes aware that any Confidential Information has been disclosed to an unauthorised third party.

## **3 EXISTENCE OF POTENTIAL TRANSACTION**

Subject to paragraph 7, the Recipient shall:

- 3.1 keep the existence of the Potential Transaction, the fact that discussions and negotiations between the Providers and the Recipient concerning the Potential Transaction are taking or have taken place and the terms, conditions or status of such discussions and negotiations secret and confidential and shall not communicate or disclose (whether directly or indirectly and whether orally, in writing or in any other manner) any such information to any person other than as permitted by paragraph 4; and
- 3.2 not (without the prior written consent of the Company) make, or permit or procure to be made, or solicit or assist any other person to make, any announcement or disclosure relating to the Potential Transaction (including any announcement or disclosure concerning the termination of negotiations relating to the Potential Transaction) or of the Recipient's prospective interest in the Potential Transaction.

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#### **4 PERMITTED DISCLOSURE**

**4.1** The Recipient may only disclose Confidential Information to:

- (a)** its Associates who are directly involved in the evaluation and consideration of the Potential Transaction and whose knowledge of such information is essential for the Permitted Purpose; and
- (b)** such other persons as the Company may, in its sole discretion, approve in writing prior to any such disclosure.

**4.2** The Recipient shall inform each of its Associates to whom it discloses any Confidential Information of the terms of this letter.

**4.3** The Recipient shall, promptly if so requested by any Provider, (i) supply to the Providers the names of all persons (on a corporate entity basis only) to whom it has disclosed Confidential Information pursuant to paragraph 4.1; and (ii) if requested by any governmental, official or regulatory body, supply to such governmental, official or regulatory body the names of all persons to whom it has disclosed Confidential Information pursuant to paragraph 4.1.

#### **5 COPIES**

The Recipient shall not make, or authorise the making of, any copies of Confidential Information or reproduce, or authorise the reproduction of, Confidential Information in any form except for the purpose of supplying it to those to whom disclosure is permitted in accordance with the terms of this letter. The Recipient shall mark all such copies as private and confidential.

#### **6 RECORDS AND RETURN OF CONFIDENTIAL INFORMATION**

The Recipient shall at its own expense on receipt of a written demand from any Provider as soon as reasonably practicable and in any event within ten business days of such demand:

**6.1** return to the relevant Provider (i) all documents and all other materials (including, but not limited to, computer discs and tapes) made available to the Recipient or its Associates in connection with this letter and containing any Confidential Information; and (ii) all copies and reproductions which may have been made by or on behalf of the Recipient or its Associates of such documents and materials;

**6.2** destroy all documents and all other materials prepared by the Recipient or any of its Associates to the extent that they contain, reflect or derive from Confidential Information; and



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6.3 so far as is reasonably practicable, permanently erase all Confidential Information from any computer, word processor or other device containing such information in the Recipient's possession or under the Recipient's custody and control.

6.4 Notwithstanding clauses 6.1 – 6.3, the Recipient and its Associates may retain any Confidential Information to the extent it is:

- (a) required to do so by any applicable law, rule or requirement of any regulatory or governmental authority or stock exchange, including the rules of a professional body or by its bona fide internal compliance or audit policies and procedures; and/or
- (b) contained in any electronic file created pursuant to any routine backup or archiving procedure so long as such file is not generally accessible beyond the need for disaster recovery or similar operations.

## 7 DISCLOSURE REQUIRED BY LAW

7.1 The provisions of paragraphs 2 to 4 (inclusive) shall not restrict any disclosure:

- (a) where such disclosure is required by law or by any court of competent jurisdiction or by any governmental, official or regulatory body which is lawfully entitled to require any such disclosure; or
- (b) where such disclosure is required by the rules and regulations of the United Kingdom Listing Authority, the London Stock Exchange plc (or any other stock exchange on which the Recipient's shares are listed or quoted) or the City Code.

7.2 Paragraph 7.1 is subject to the proviso that (so far as it is lawful and reasonably practicable to do so) prior to any such disclosure being made the Recipient shall promptly notify the Providers of such requirement with a view to:

- (a) the parties agreeing the timing and content of such disclosure; and
- (b) affording the Providers the opportunity to seek an appropriate remedy to prevent such disclosure.

## 8 ASSOCIATES

The Recipient shall procure that each of its Associates to whom any Confidential Information is made available adheres to the terms of this letter regarding Confidential Information as if that Associate was named herein as the Recipient (unless the Associate has entered into confidentiality undertakings on similar terms to this letter with a Provider). The Recipient shall be responsible for any breach of the terms of this letter by the Recipient or by any of its Associates (unless the Associate has entered into confidentiality undertakings on similar terms to this letter with a Provider).

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**9 NO RIGHT OR LICENCE**

The disclosure of the Confidential Information shall not confer any rights (including any intellectual property rights) over the Confidential Information whatever on the Recipient or its Associates beyond those contained in this letter and the Confidential Information shall remain the property of the relevant Provider.

**10 DURATION**

The obligations set out in this letter shall cease to have effect upon the earlier of: (i) the date two years from the date of this letter; and (ii) completion of the Potential Transaction (the "Term"). In the event of the termination of discussions or negotiations relating to the Potential Transaction, the obligations set out in this letter shall continue in full force and effect for the Term notwithstanding the return or destruction of Confidential Information and any copies of it.

**11 DAMAGES NOT AN ADEQUATE REMEDY**

Without prejudice to any other rights or remedies which the Providers may have, the Recipient acknowledges and agrees that damages may not be an adequate remedy for any breach by the Recipient of any of the provisions of this letter.

**12 PROCEDURE**

The Recipient acknowledges that the Providers will not be under any obligation to accept any proposal or offer which may be made by, or on behalf of, the Recipient and that the Providers may, at any time and without notice, terminate discussions and negotiations with the Recipient.

**13 NO OFFER**

The Recipient agrees that none of the information (whether or not such information is Confidential Information) made available to it or to any of its Associates by the Providers or any of their Associates for the Permitted Purpose will constitute an offer or invitation by or on behalf of any Provider nor will any such information form the basis of any contract or (unless expressly provided in such contract) a representation in relation to any contract, which will be constituted solely by any formal agreement or process effecting the Potential Transaction.

**14 NO WARRANTIES OR REPRESENTATIONS**

The Recipient agrees that it is responsible for making its own evaluation of the information (whether or not such information is Confidential Information) made available to it or to any of its Associates by any Provider or any of its Associates. The Recipient agrees that none

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of the Providers nor any of their Associates accepts any responsibility or liability whatsoever for, makes any representation or gives any warranty (whether express or implied) with respect to, the accuracy, adequacy or completeness of any Confidential Information (or any other information made available by any Provider or any of its Associates) or any oral communication made in connection with it. The Recipient undertakes to the Providers (for itself and as trustee for its Associates) to waive absolutely and unconditionally any and all liability which such parties may incur by reason of the Recipient's use of, or reliance upon, any of the Confidential Information (or any other information made available by any Provider or any of its Associates) or any oral communication made in connection with it. Nothing in this letter shall exclude any liability in respect of fraud.

**15 PRINCIPAL**

The Recipient confirms that it is acting on behalf of funds it manages or advises not as agent or broker for any other person.

**16 COSTS**

The Recipient confirms that it will be responsible for any costs incurred by it or by its Associates on its behalf in connection with the Potential Transaction and the review of the Confidential Information.

**17 GENERAL**

- 17.1 No variation of this letter shall be effective unless in writing and signed by or on behalf of each of the parties.
- 17.2 Each provision of this letter is severable and distinct from the others. The parties intend that every such provision shall be and remain valid and enforceable to the fullest extent permitted by law. If any such provision is or at any time becomes to any extent invalid, illegal or unenforceable it shall to that extent be deemed not to form part of this letter.
- 17.3 No failure or delay by any Provider in exercising any right, power or privilege under this letter shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any right, power or privilege hereunder or otherwise.
- 17.4 The Recipient agrees that the rights of the Company under this letter may be assigned in whole or in part to any third party which acquires a direct interest in the Company and that such third party may enforce this letter to the same extent and in the same manner as the Company can enforce this letter.

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17.5 For the purpose of section 1(2) of the Contracts (Rights of Third Parties) Act 1999 the parties do not intend that any term of this letter should be enforceable by any third party, save that:

- (a) Shore Capital Corporate Limited, Shore Capital Stockbrokers Limited and Craven Street Capital Limited shall have the right to enforce relevant provisions; and
- (b) any third party right which exists or is available independently of that Act is preserved.

**18 GOVERNING LAW**

This letter and any non-contractual obligations in connection with it shall be governed by and construed in accordance with English law and the parties submit to the exclusive jurisdiction of the English courts.

Please confirm the Company's acceptance of the terms of this letter by signing the enclosed copy of this letter and returning it to us.

Yours faithfully

Signed by Owen Wilson for and on behalf of  
EPIRIS LLP

  
.....  
Authorised Signatory

We agree to the terms of your letter dated ● of which a copy is set out above.

Signed by [NAME OF DIRECTOR] for and  
on behalf of **NUCLEUS FINANCIAL  
GROUP PLC**

.....  
[Signature of director] Director

Dated: .....



We agree to the terms of your letter dated ● of which a copy is set out above.

Stuart Geard

Signed by [NAME OF DIRECTOR] for and  
on behalf of **NUCLEUS FINANCIAL  
GROUP PLC**

.....  
[Signature of director] Director

25 November 2020  
Dated: .....