

Raglan House Holdings Limited (the **Offeror**)
No. 1 Colmore Square
Birmingham
B4 6AA

and

Cattaneo Corporate Finance Solutions Limited (the **Adviser**)
Livery Place
35 Livery Street
Birmingham
B3 2PB

18 December 2018

Dear Sirs

Proposed offer for Freshwater UK plc (Offeree)

We understand that the Offeror proposes to make an offer for all of the issued and to be issued ordinary shares of £0.10 each in the Offeree (the **Shares**) (being the entire issued share capital of the Offeree) for the consideration, and otherwise substantially on the terms and subject to the conditions, set out in the draft press announcement attached to this letter (the **Announcement**), subject to such amendments or additions to such terms and conditions as may be required by the City Code on Takeovers and Mergers (the **Code**), the Panel on Takeovers and Mergers (the **Panel**) or any applicable law or regulation. The full terms of the Offer will be set out in a formal offer document (the **Offer Document**) addressed to the shareholders of the Offeree.

In this letter, the **Offer** means the proposed offer by the Offeror to acquire the Shares as described above and includes any new, revised, improved or increased offer by the Offeror. Certain other terms used in this letter are defined in paragraph 9.5.

In consideration (subject to paragraph 8.2) of the Offeror agreeing to make the Offer, we undertake, confirm, represent, warrant and agree to and with the Offeror on the terms set out in this letter, which is entered into as a deed.

1. REPRESENTATIONS AND WARRANTIES

1.1 We represent and warrant to you that:

1.1.1 we the registered holder and beneficial owner of, or otherwise able to procure the transfer of and the exercise of all other rights attaching to, the number of Shares specified in the Schedule to this letter (the **Committed Shares**);

1.1.2 the Schedule sets out true, complete and accurate details of:

1.1.3 the registration, ownership and control of the Committed Shares; and

1.1.4 all options, warrants and other rights we may have to subscribe for, purchase or otherwise acquire any securities of the Offeree;

1.1.5 there are no Shares in which we interested or taken to be interested, except for the Committed Shares;

- 1.1.6 the Committed Shares are held free of all liens, charges, options, equities, encumbrances, rights of pre-emption and any other third party rights and interests of any nature; and
- 1.1.7 we have full power and authority to enter into this letter, to accept or procure the acceptance of the Offer in respect of the Committed Shares and to perform our other obligations in this letter.
- 1.2 The warranties and representations in paragraph 1.1 shall not be affected or extinguished by the transfer of the Committed Shares under the Offer.
2. **ACCEPTANCE OF THE OFFER**
- 2.1 We irrevocably undertake to the Offeror that:
- 2.1.1 we shall, no later than ten business days after the publication of the Offer Document, accept or procure the acceptance of the Offer in respect of all the Committed Shares in accordance with the procedure set out in the Offer Document, and shall do or procure to be done all such things as may be required to give effect to such acceptance, whether by delivery of share certificates for the Committed Shares or otherwise;
- 2.1.2 we shall not in any circumstances, for so long as the Offer is open for acceptance, withdraw any acceptance of the Offer in respect of the Committed Shares;
- 2.1.3 the Committed Shares will be acquired by the Offeror free from all liens, charges, options, equities and other encumbrances and third party rights of any nature and together with all rights (including the right to all dividends and distributions) now or at any time attaching or accruing to them; and
- 2.1.4 we shall from time to time promptly complete, execute and deliver such documents and do all such other things as may be necessary to give full effect to each of our undertakings, agreements, warranties, representations, appointments and consents as set out in this letter.
- 2.2 In addition either:
- 2.2.1 by ticking the box below, we undertake to the Offeror that we shall elect only the Cash Offer (as defined in the Announcement) in respect of all the Committed Shares:
- Cash Offer** ; or
- 2.2.2 by ticking the box below, we undertake to the Offeror that we shall elect only the Share Alternative (as defined in the Announcement) in respect of all the Committed Shares:
- Share Alternative**
- 2.3 In this letter, the term **Committed Shares** includes any further shares of the Offeree which (notwithstanding paragraph 4) we may become the registered holder or beneficial owner or in respect of which we may otherwise become entitled to exercise all rights/interests after the date of this letter, whether or not deriving from or attributable to the Committed Shares specified in the Schedule. The undertaking in paragraph 2.1.1 shall take effect in relation to any such further shares as an undertaking to accept or procure acceptance of the Offer in respect of those Shares on or before the later of (a)

two business days after we become their registered holder or beneficial owner or otherwise become entitled to exercise all rights/interests in respect of them and (b) five business days after the publication of the Offer Document.

3. VOTING

- 3.1 Unless and until this letter lapses in accordance with paragraph 8.1, we shall exercise or procure the exercise of the voting rights attached to the Committed Shares in respect of any Offer Resolution in accordance with the Offeror's written instructions.
- 3.2 We shall exercise or procure the exercise of the rights attached to the Committed Shares to requisition or join in the requisition of any general meeting of the Offeree as the Offeror may request for the purpose of considering an Offer Resolution.
- 3.3 For the purposes of voting on an Offer Resolution, we shall execute (and shall procure that the registered holder of any Committed Shares shall execute) any form of proxy required by the Offeror in relation to the Committed Shares appointing any person nominated by the Offeror to attend and vote at the relevant general meeting of the Offeree.
- 3.4 An **Offer Resolution** is any resolution (whether or not amended) proposed at a general meeting of the Offeree (or at an adjourned meeting) or otherwise put to shareholders of the Offeree the passing of which is necessary to implement the Offer or which, if passed, might result in any condition of the Offer not being fulfilled or which might impede or frustrate the Offer in any way, and includes any resolution to adjourn a meeting at which such a resolution is to be considered and any resolution to amend a resolution falling within this paragraph 3.4.

4. DEALINGS

- 4.1 Unless and until the Offer closes, lapses or is withdrawn, we shall not, and shall procure that the registered holder of any of the Committed Shares which are not registered in my name shall not:
 - 4.1.1 sell the Committed Shares, or transfer, charge, pledge or otherwise encumber or grant any option or other right over, or otherwise dispose of or deal with or permit any such action to occur in respect of all or any of the Committed Shares or any interest in any of them except by our acceptance of the Offer or to the Offeror;
 - 4.1.2 accept (or vote any Committed Shares in favour of), or give any undertaking or other commitment to accept (or to vote any Committed Shares in favour of), any offer, scheme of arrangement, merger or business combination made or proposed to be made in respect of all or any of the Committed Shares by any person other than the Offeror;
 - 4.1.3 except with the prior written consent of the Panel, purchase or otherwise acquire any further interest in shares or other securities of the Offeree, or any options or other derivative securities referenced to such shares or securities; or
 - 4.1.4 enter into any agreement or arrangement, incur any obligation or give any indication of intent, or permit any agreement or arrangement to be entered into, any obligation to arise or any indication of intent to be given (in any case whether conditionally or unconditionally and whether or not legally binding) to do any of the acts referred to in

this paragraph 4 or which would or might restrict or impede the Offer becoming unconditional or our ability to comply with this undertaking.

5. CONSENTS

5.1 We consent to:

5.1.1 a copy of this letter being disclosed to the Panel;

5.1.2 the inclusion of references to us and particulars of this letter and our holdings of relevant securities being included in the Announcement, the Offer Document and any other announcement made, or document issued, by or on behalf of the Offeror in connection with the Offer; and

5.1.3 this letter being made be available for inspection as required by Rule 26.1 of the Code.

5.2 We shall promptly give you all information and any assistance you may reasonably require relating to us or the Committed Shares for the preparation of the Offer Document and any other document issued, by or on behalf of the Offeror in connection with the Offer in order to comply with the requirements of the Code, the Panel, or any other relevant legal or regulatory requirement in relation to the Offer. We will notify you in writing of any change in the accuracy or import of any such information previously provided by us immediately upon our becoming aware of any such change.

6. SECRECY

We understand that until such time as the Offer is announced, the information we have received from you in connection with the Offer must be kept confidential. We undertake not to disclose to any third party:

6.1.1 the existence or subject matter of this letter or the possibility of the Offer and/or its proposed terms; or

6.1.2 details of our discussions relating to the Offer (whether before or after the release of the Announcement),

except in each case to the extent that such matters have been made public through the issue of the Announcement or any other document published in connection with the Offer. The obligations in this paragraph 6 shall survive termination of this letter.

7. POWER OF ATTORNEY

In order to secure the performance of our obligations under paragraphs 2 and 3, we irrevocably appoint any director for the time being of the Offeror to be our attorney in our name and on our behalf to execute such deeds and documents, and to take such other action, as may be necessary for or incidental to the acceptance of the Offer and/or the performance of our other obligations under paragraphs 2 and 3 (including to execute any form of acceptance of the Offer or any form of proxy required by the Offeror appointing any person nominated by it to attend and vote on an Offer Resolution), provided that this appointment shall not take effect unless we fail to comply with any such obligation within the relevant time specified for compliance. We undertake to ratify any act properly performed by our attorney in accordance with the terms of this paragraph 7. This power of attorney is given by way of security and is irrevocable in

accordance with section 4 of the Powers of Attorney Act 1971 until such time as this letter lapses under paragraph 8.1.

8. LAPSE OF OBLIGATIONS

8.1 This letter will lapse and our obligations under this letter will cease to have effect if:

8.1.1 a press announcement substantially in the form of the Announcement is not released by 5.00 p.m. on 21 December 2018 (or such later date as the Offeror and the Offeree may agree);

8.1.2 the Offer Document is not published within 28 days of the date of release of the Announcement (or within such longer period as the Panel may agree); or

8.1.3 the Offer lapses or is withdrawn.

8.2 If this letter lapses, no party shall have any claim against any other save in respect of any prior breach and (subject the requirements of the Code, the Panel and any applicable law or regulation) nothing in this letter shall oblige the Offeror to announce the Offer or, if announced, to make the Offer.

9. GENERAL

9.1 We confirm that we not the customer of your financial adviser, Cattaneo Corporate Finance Solutions Limited, and that Cattaneo Corporate Finance Solutions Limited owes us no duties or responsibilities whatsoever in relation to the Offer or this letter as its customer or deemed customer.

9.2 We confirm that we have been given an adequate opportunity to consider whether or not to enter into this letter and to obtain independent advice.

9.3 We agree that if we should fail to accept or procure the acceptance of the Offer in accordance with our obligations under this letter or should otherwise breach any of such obligations, damages would not be an adequate remedy and that, without prejudice to any other remedies you may have, you shall be entitled to the remedies of injunction, specific performance and other equitable relief.

9.4 Any time, date or period referred to in this letter may be varied by mutual agreement between the parties but, as regards any time, date or period originally fixed or so varied, time shall be of the essence.

9.5 In this letter:

9.5.1 **Act** means the Companies Act 2006;

9.5.2 **business day, offer** and **offer period** have the meanings set out in the Code; and

9.5.3 being **interested in** or having **interests in** shares or securities shall be interpreted in accordance with the Code and Part 22 of the Act.

9.6 This letter shall be binding on my estate and personal representatives.

9.7 In respect of any Committed Shares not registered in our name, we undertake to take all steps within our power to cause] their registered holder to comply with our obligations under this letter.

- 9.8 No term of this letter is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not party to it.
- 9.9 The invalidity, illegality or unenforceability of any provision of this letter shall not affect the continuation in force of the remainder of this letter.

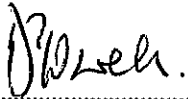
10. **GOVERNING LAW**

This letter and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England and Wales.

I intend this letter to be a deed and sign and deliver it as a deed.

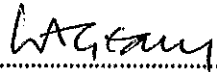
Executed as a deed by a director

for and on behalf of
HILLCO INVESTMENTS (UK) LIMITED



.....
Director

In the presence of:



.....
Witness

Witness Name: *LOUISE GEARY*
Witness Address: *19 SILVER STREET, GREAT BARFORD*
Witness Occupation: *BEDS MK44 3HU*
OFFICE Manager

Schedule - The Committed Shares

Registered holder	Beneficial owner (if different)	Number of Shares
Hilco Investments (UK) Limited	N/A	3,025,000

