

Rich Pro Investments Limited
Akara Bldg
24 De Castro Street
Wickhams Cay 1
Road Town
Tortola
British Virgin Islands

60 New Broad Street
London EC2M 1JJ

t: +44 (0) 20 7220 0500
f: +44 (0) 20 7220 0597
e: info@finncap.com
www.finncap.com

Hailiang Group Co Ltd
Hailing Building
No.1508 Binsheng Road
Binjiang District
Hangzhou, China

For the attention of Mr Cao

14 June 2017

Dear Sirs,

1 INTRODUCTION

- 1.1 This engagement letter (the "**Engagement Letter**" or "**Letter**") sets out the terms on which finnCap Ltd ("**finnCap**") has agreed to act as financial adviser to Rich Pro Investments Limited ("**Rich Pro**" or the "**Company**") with regard to a potential offer by Rich Pro for Achilles Resources plc (the "**Target**") (including by way of takeover offer, scheme of arrangement or any other comparable transaction structure) (the "**Offer**") together with a shareholder requisition or similar transaction with the effect that Rich Pro acquires control of the board of directors of the Target (the "**Requisition**" and together with the Offer, the "**Transaction**"). Further details of the scope of the Services to be provided by finnCap to the Company are set out in Section 2 of this Letter.
- 1.2 finnCap will provide the services set out in this Letter on and the Company agrees to be bound by the terms and subject to the conditions set out in this Letter and the accompanying standard terms and conditions (the "**Terms and Conditions**") except that paragraph 16.1 of the Terms and Conditions shall be read such that the limitation of finnCap's liability shall be capped at the higher of finnCap's fees under this Letter and £1,000,000. Where there is any inconsistency between the provisions of this Letter and the Terms and Conditions, the provisions of this Letter shall prevail.
- 1.3 It is agreed that the Company will not appoint any other financial adviser in relation to the Transaction (or any comparable transaction) without the prior written agreement of finnCap.
- 1.4 For the avoidance of doubt, Rich Pro will be our client for the purposes of the FCA Rules (as defined below). finnCap understand that Rich Pro is a subsidiary company within the Hercules group of companies, each ultimately owned and controlled by Mr Feng Hailiang. Hailiang Group Co Ltd ("**Hailiang**", together with its subsidiaries and associates) has agreed, by counter-signing this Letter, to guarantee the obligations accepted and undertakings given by Rich Pro pursuant to this Letter (particularly as regard to finnCap's fees as set out in paragraph 3 and the Rich Pro undertakings pursuant to paragraph 4).

2 THE SERVICES

2.1 Under this Engagement Letter, finnCap agrees to act as financial adviser to the Company. In relation to such appointment, finnCap will provide on an on-going basis the following services (the "**Services**"):

- (a) act as financial adviser to the Company for the purposes of the Code in respect of the Transaction;
- (b) assist where requested with respect to the appointment of other advisers;
- (c) evaluate on a preliminary basis the proposed terms of the Offer including the likely stock market reaction to the Offer;
- (d) assist the Company in developing its strategy in relation to the Offer including advice and assistance in the negotiations with the board of the Target and its advisers and / or shareholders and the tactics to be adopted in relation to such negotiations;
- (e) analyse the composition of the Target's shareholder base and monitor any significant changes to the shareholder base;
- (f) advise on applicable regulatory requirements (including, where applicable, under the Financial Conduct Authority ("**FCA**") Listing Rules, Disclosure Guidance and Transparency Rules and Prospectus Rules, the AIM Rules and the Takeover Code) in relation to the Transaction;
- (g) together with the Company's other advisers, provide advice to the Company on the timing, structure and mechanics of the Transaction;
- (h) together with the Company's other advisers, assist in the preparation and of any press announcements, offer documents and other public documentation required in connection with the Transaction;
- (i) together with the Company's other advisers, advise on the Company's responsibilities under the Takeover Code and co-ordinate discussions with the Panel, the London Stock Exchange, or, to the extent that it would be customary in the context of the Offer, any other relevant regulatory body;
- (j) advise generally on any potential financing required in relation to the Offer (if more detailed advice is required, this will be the subject of a separate agreement);
- (k) advise in connection with contingency planning in the event that the Company's involvement in the Offer becomes public prior to a formal announcement;
- (l) assist the Company to procure irrevocable undertakings or letters of intent, as appropriate, to accept the Offer or to support the Requisition from appropriate shareholders of the Target;
- (m) advise and assist the Company with regard to any market purchases of shares in the Target that the Company may wish to make in the context of the Transaction;
- (n) subject to finnCap being satisfied that sufficient resources are available to the Company to satisfy full acceptance of the Offer, provide the confirmation in relation to the Company required by Rules 2.7 and 24.8 of the Takeover Code; and

- (o) liaise with the receiving agent to monitor returns of acceptances from shareholders of the Target

3 FEES AND EXPENSES

- 3.1 It is understood that the Company intends to undertake the Offer before seeking to proceed with the Requisition. The below fee estimate is proposed on that basis. In consideration of finnCap's agreement to provide the Services to the Company in this regard, the Company will pay the following fees to finnCap:
 - 3.1.1 an initial upfront fee of £25,000 plus VAT, where applicable, payable upon signature of this Engagement Letter (the "**Initial Work Fee**");
 - 3.1.2 from signature of this Engagement Letter, a monthly retainer fee of £10,000 plus VAT, where applicable, payable monthly in advance (the "**Monthly Work Fee**");
 - 3.1.3 a fee of £100,000 plus VAT, where applicable, payable upon the posting by the Company of its first offer document in accordance with the Code or, should the Offer proceed by way of a scheme of arrangement, the posting of a scheme document by the Target in respect of the Offer (the "**First Document**" and the "**Posting Fee**"); and
 - 3.1.4 a fee of 1.5% (the "**Multiple**") of the "final offer value" (calculated as set out below) plus VAT, where applicable, payable upon the offer being declared unconditional in all respects or, if the offer is implemented by way of a scheme of arrangement, on the day that the scheme of arrangement becomes effective. The "final offer value" shall be calculated by multiplying the price per share at which the Offer is declared unconditional in all respects by the number of shares of the Target in issue at such date (less the approximately 158.2 million shares held by the Company and its associates at the date of this letter, representing approximately 9.35% of the Company's voting rights) plus the aggregate value of the proposal made by the Company pursuant to Rule 15 of the Code and then deducting from such amount the Initial Work Fee, Monthly Work Fee and Posting Fee. The Multiple shall be reduced to 1% should the Offer have been made on a recommended basis and the Target has not become the subject of any competitive or hostile bid process.
- 3.2 We will be pleased to consider requests to carry out other work for you from time to time, but we are not obliged to do so, unless we expressly agree to do so in writing. Any other work that we carry out for you from time to time will be deemed to be provided on and subject to the terms and conditions of this Letter and the Terms and Conditions, or such other terms and conditions as you and we may agree in writing, including in relation to fees.
- 3.3 Should the Offer become more complex (for example, multiple competing bidders), protracted (for example, that completion of the Transaction has not occurred by 31 December 2017) or otherwise subject to matters which merit (in the reasonable judgment of finnCap) a higher fee, the Company and finnCap shall enter into good faith negotiation regarding an additional fee to reflect the scale and degree of services actually required from finnCap.
- 3.4 In addition the Company will pay all of the costs, charges and expenses of finnCap (plus, where applicable, VAT) incurred in connection with the Services including the fees and disbursements of finnCap's legal advisers, such fees to be capped at £30,000 plus VAT and all reasonable out-of-pocket costs incurred by finnCap including travel expenses and printing costs for any presentations and other documents and any fees and expenses payable to any stock exchange or other regulatory body (including the Takeover Panel) or charges for issuing announcements). It

is agreed that the Company will have the opportunity to pre-approve any single expense in excess of £500.

- 3.5 All fees, costs, charges and expenses other than those payable pursuant to paragraph 2.1 shall be payable immediately on presentation by finnCap of an invoice in respect of the relevant amount regardless of any grounds to contest payment by a claim in set off or otherwise.
- 3.6 In the course of providing the Services to the Company, finnCap may pay or receive or share fees or other non-monetary benefits with or from any other person (including our associated companies) (to the extent permitted by the rules of the FCA as amended from time to time (the "FCA Rules")). Information as to the essential terms of such arrangements will be provided to you separately on a product or service specific basis.

4 UNDERTAKINGS

- 4.1 In consideration of finnCap agreeing to act as financial adviser to the Company, the Company and Hailiang together agree and, where appropriate, confirm that (reading for the purposes of this paragraph 4 "it" to mean the Company and Hailiang together):
- 4.1.1 it has complied and will comply with all applicable requirements of the Code and will put in place and maintain sufficient procedures, resources and controls to enable the Company to comply with the Code and all other applicable legal or regulatory requirements including to minimise the chance of an accidental leak of confidential information (and particularly price sensitive information);
- 4.1.2 it will promptly provide to finnCap all information, explanations and documentation (including financial information) whatsoever required by finnCap which finnCap believes is necessary to enable it to provide the Services;
- 4.1.3 it will at all times keep finnCap fully informed of all strategies, developments and discussions relevant to the Transaction and that no initiatives or discussions relevant to the Transaction will be taken without prior consultation with finnCap;
- 4.1.4 it will comply in all respects with its constitutional documentation and all applicable laws, rules and regulations in the United Kingdom and elsewhere including, without limitation, the Companies Act 2006, the Financial Services and Markets Act 2000 (as amended) ("FSMA"), the Market Abuse Regulations (EU No. 596/2014) ("MAR"), the Prospectus Rules and Disclosure Guidance and Transparency Rules, published by the Financial Conduct Authority;
- 4.1.5 it will not, without finnCap's prior written consent, make any announcement of the kind required to be notified to a Regulatory Information Service relating directly or indirectly to the Transaction;
- 4.1.6 it will on request provide finnCap with copies of minutes of board meetings and invite a representative of finnCap to attend board meetings in an advisory capacity, in each case only as finnCap may reasonably require from time to time;
- 4.1.7 it will not disclose any information relating to the Transaction of a confidential nature to any party (other than information which is already in the public domain or was lawfully available prior to its disclosure by the relevant party) without the prior written consent of finnCap;

- 4.1.8 it will not and will procure that none of its affiliates or associates or any person acting in concert with the Company will not, without prior consultation with finnCap:
- (a) purchase or sell any shares in the Target, or securities carrying conversion or subscription rights into any such shares, or options in respect of any such shares or securities;
 - (b) do, anything else which would be regarded as a dealing in relevant securities for the purposes of Rule 8 of the Code; or
 - (c) enter into any arrangement or understanding (whether or not legally binding) to effect any of the above;
- 4.1.9 it will use all reasonable endeavours to procure that its affiliates and associates and persons acting in concert with the Company will comply with all legal and regulatory provisions relating to the offer in any jurisdiction including (without limitation) the general principles and rules of the Code, the instructions of the Takeover Panel, the Companies Act 2006, Part V of the Criminal Justice Act 1993 (insider dealing), MAR and FSMA; and
- 4.1.10 it will make full written disclosure to finnCap of the identity of its associates and persons acting in concert with the Company (each as defined in the Code), subject to any waiver by the Takeover Panel of such requirement, and of their respective holdings of and dealings in securities of the Target and it will continue to make such full disclosure until the Engagement is completed or terminated. However the Company understands that, notwithstanding such disclosure to finnCap, the Company remains primarily responsible for making the disclosures required of the Company by the Code, the Disclosure Rules and Transparency Rules and any other applicable law or regulation.

5 DUE DILIGENCE

finnCap will be given access to the Company and Target's corporate, financial and other records for the purposes of conducting due diligence, if required, in respect of the Company and Target and their subsidiaries (together the "Group" and each a "Group Company"). The Company confirms that it has or will provide finnCap with all relevant information on the Group to enable finnCap to carry out the Services (and that it will use its reasonable endeavours to ensure that the Company's auditors and professional advisers assist with such a request). If such information becomes untrue, inaccurate or misleading or if you become aware of any new information relevant to the Services, then you will promptly notify finnCap.

6 TERMINATION

- 6.1 This Engagement Letter may be terminated by either party on not less than one month's prior written notice to the other party and, in the case of termination by the Company, such prior written notice not to expire earlier than one month from the date of this letter or, immediately on the occurrence of any of the events specified in clause 10 of the accompanying Terms and Conditions. Such termination shall be without prejudice to any rights or liabilities accrued at the date of termination.
- 6.2 If this Engagement Letter is terminated in accordance with paragraph 5.1 then the Company shall forthwith pay to finnCap the fees, costs, charges and expenses that are due and payable as at

the date of termination in accordance with paragraph 3 of the Letter. The accompanying Terms and Conditions to this Letter incorporating the indemnity shall remain in full force and effect and shall not be extinguished by such termination.

- 6.3 You hereby undertake, unless this Letter was terminated by Rich Pro as a result of finnCap's breach of the terms of this Letter or a failure by finnCap to provide the Services in the manner anticipated at the date of this Letter, that that finnCap will be offered the opportunity to act as financial adviser should the Company, Hercules, or its associates, actively consider or seek to undertake during a period of one year from the date of termination an Offer or a Requisition in substantially the manner contemplated in this Letter (howsoever such a transaction would be effected) on terms to be agreed with us in good faith, and based on the terms of this Letter.

7 ANNOUNCEMENTS

The Company shall not make any announcement concerning the subject matter of this Engagement Letter, whether formal or informal, without finnCap's prior written consent, unless the Company is required to do so by any applicable laws or the rules issued by the Panel on Takeovers and Mergers or the AIM Rules, in each case as amended from time to time, in which case the Company shall notify finnCap in writing prior to making any such announcement.

8 INSIDER LISTS

During the course of acting for you members of the finnCap team will come into contact with Inside Information (as defined by MAR) in relation to quoted securities in the Target. finnCap maintains insider lists for the purposes of Article 18 of MAR of those people working at finnCap on your behalf who are insiders. These lists will be updated promptly in accordance with MAR when changes to them occur, will be available to you and any regulatory authority in the United Kingdom requesting them and will be kept for a period of five years. In signing this letter we acknowledge to you that such finnCap employees are aware of their legal and regulatory duties in relation to inside information and are aware of the sanctions applicable to insider dealing and the unlawful disclosure of inside information.

Stuart Andrews, Henrik Persson, James Thompson and Hannah Boros may be taken as being a party to such information and may be added to your insider lists from time to time once informed of Inside Information by you. From time to time, in acting for the Company, we may need to make other employees within finnCap a party to such information; such individuals will also be added to finnCap's insider lists promptly by us at the appropriate time.

9 ACCEPTANCE

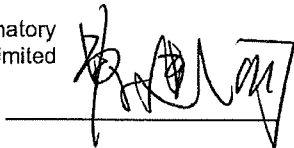
Please confirm the Company's acceptance of the terms of this Engagement Letter and the Terms and Conditions by signing below and returning one executed copy to Henrik Persson at finnCap.

Yours faithfully



Henrik Persson
Director/Authorised Signatory
finnCap

Director/Authorised Signatory
Rich Pro Investments Limited

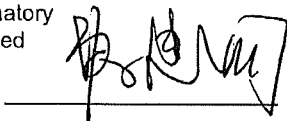


Director:

Dated:

2017.6.14

Director/Authorised Signatory
Hailiang Group Co Limited



Director:

Dated:

2017.6.14

1. APPLICATION

These terms and conditions (the "Terms and Conditions") will apply to the services which finnCap will provide to the Company (the "Engagement") pursuant to the letter of engagement to which these Terms and Conditions are attached (the "Engagement Letter").

2. AUTHORITIES

- 2.1 finnCap is authorised by the Company to do anything which, in finnCap's opinion, is reasonably necessary or desirable either to carry out the Engagement (including acting as the Company's agent or through agents) or to act in accordance with any applicable laws, rules, regulations, authorisations, consents or practice as may reasonably be appropriate. The Company agrees to ratify and confirm everything lawfully and reasonably done by finnCap in the exercise of such authority and discretion.
- 2.2 finnCap shall not be responsible for providing specialist advice in any circumstances including where the Company has agreed to procure, or would usually procure, such advice from others (for example, accounting, regulatory, legal, pensions or taxation matters) and finnCap shall not be liable in relation to any advice or services provided to the Company by persons other than finnCap even if finnCap has introduced the Company to those advisers or advised on the scope of that advice or received or helped to co-ordinate that advice or the provision of the underlying information.
- 2.3 Except when the Company expressly instructs finnCap otherwise, finnCap shall be entitled to believe that any information and/or instructions in connection with the Engagement given or purported to be given (in whatever form given) by an individual or person who is or purports to be a director, duly authorised employee or authorised agent of the Company have been properly authorised by the Company.
- 2.4 In providing any advice to the Company, finnCap will be entitled to rely on the

Company's directors' assessment of the commercial and financial benefits, risks and effect of any proposed transaction, and the Company's directors will be responsible for that assessment accordingly. The commercial assessment as to whether or not the Company decides to enter into any transaction or arrangement is a decision that can only be taken by the Company's directors and/or shareholders. Except as part of finnCap's provision of corporate finance advice, finnCap does not provide advice on the merits of buying and selling investments generally.

- 2.5 finnCap shall not be obliged to sell, buy, place, underwrite or sub-underwrite any issue or sale of any securities, or to lend money. Except with prior written agreement between finnCap and the Company, finnCap shall not be obliged to make market purchases of securities in the Company on its or the Company's behalf.
- 2.6 For the avoidance of doubt, finnCap has agreed to provide services to the Company alone under the Engagement Letter and finnCap does not regard any person other than the Company (including, without prejudice to the generality of the foregoing, any of the Company's investors, lenders, shareholders, directors, officers, employees, agents or advisers) as its client in relation to the Engagement. Any such other person should seek his, her or its own advice. Only the Company may use and rely on finnCap's advice, and then only for the purpose for which it is initially given. If and to the extent that the Company receives, reads or hears of advice which finnCap may from time to time have given to anyone other than the Company, or of any analyst's report, equity research, investor note or similar material that finnCap may from time to time have produced, that does not constitute advice to the Company and the Company may not rely on it for any purpose whatsoever.

3. PROVISION OF INFORMATION

- 3.1 The Company agrees to provide and shall procure that its directors, employees and professional advisers provide finnCap with all material information in its or their possession

relevant to the Engagement including without limitation such information as finnCap may request in connection with the Engagement. finnCap will rely on the Company to ensure that any information made available to finnCap and/or third parties or otherwise published is information that the Company is legally entitled to provide for the purpose for which it is intended to be used and without committing a breach of any obligation owed by the Company to a third person or otherwise infringing any legal, regulatory or equitable rights of any third parties whatsoever and that it, when taken as a whole and each statement of fact or opinion or intention therein, is true, fair, complete and accurate and not misleading in any material respect and does not contain any material omissions and that each statement of opinion or intention contained in information made available to finnCap and/or third parties will be honestly held and fairly based. If the Company subsequently becomes aware that any such information is untrue, unfair, incomplete or misleading in any material respect it will notify finnCap immediately. The Company agrees with finnCap that finnCap will not be responsible for the verification of any such information and shall accept no responsibility for its accuracy. The Company shall ensure that all statements and documents made and/or published by it (the "Materials") or on its behalf in relation to the Engagement and the actions and activities contemplated therein will only be made or published after finnCap has been consulted.

- 3.2 The Company agrees to ensure that any financial promotion which finnCap is asked to approve on behalf of the Company for the purposes of the FSMA and/or any other document or announcement issued to the LSE:
- 3.2.1 is true, accurate and not misleading and all expressions of opinion, intention or expectation it contains are made on reasonable grounds, and that there are no facts known the omission of which would make any such financial promotion, document or announcement misleading; and

3.2.2 contains all information required by and otherwise complies with all applicable laws and regulations.

3.3 For the avoidance of doubt, finnCap shall be under no obligation to approve a financial promotion on behalf of the Company.

3.4 finnCap shall be entitled to assume that matters which may be material for disclosure or otherwise in the context of the Engagement Letter will be brought to its attention and, furthermore, it will only provide its services on the basis of information disclosed to it. Accordingly, the Company undertakes to provide all material necessary for finnCap to fulfil its obligations pursuant to the Engagement in a timely manner.

4. USE OF MATERIAL

4.1 Any written or oral advice given by finnCap to the Company, (in the case of written advice, communications, reports or papers, in either draft or final form), will be exclusively for the use of the Company and will not be used, relied on or disclosed to other persons unless otherwise agreed by finnCap in writing. Notwithstanding any consent granted by finnCap, it shall not under any circumstances have any responsibility whatsoever to any third party to which any such written or oral advice, communications, reports or papers are disclosed or otherwise provided.

4.2 No reference to finnCap or to its advice is to be made in any publication made by the Company or by its directors, officers or employees or any holding company of the Company or any subsidiary or associated company of any such holding company (or directors, officers or employees thereof) or on their behalf (together the "Associates"), without the prior consent of finnCap unless such reference is required by any legal or regulatory obligation and in such instances the Company shall use all reasonable endeavours to inform finnCap as soon as the Company becomes aware that such a reference is required by a legal or regulatory obligation.

4.3 All correspondence and papers in finnCap's possession or control relating to the

Engagement Letter or the Engagement shall be the sole property of finnCap, save for original contracts, share certificates and other original documents held to the Company's order.

5. CONFIDENTIALITY

5.1 The Company and finnCap agree not to use any information or material obtained from the other for any unlawful purpose and to keep confidential and not to disclose any material non-public information about the other to any person, except that:

5.1.1 finnCap may disclose any information which becomes publicly available other than by reason of wrongful disclosure by or on behalf of finnCap;

5.1.2 finnCap may disclose any information which is or may be necessary or desirable to be disclosed by law or rule or regulation or pursuant to any court or administrative order or ruling or in any pending legal or administrative proceeding or investigation or the requirement of any regulatory authority, governmental body or investment exchange; and

5.1.3 finnCap may disclose any information to its employees, agents, legal and other professional advisers ("finnCap Associates") and, with the consent of the Company (not to be unreasonably withheld or delayed), to any other person that finnCap considers necessary or desirable in order to perform any of the services contemplated in the Engagement Letter.

5.2 The Company and finnCap will procure that each of their respective subsidiaries, employees, agents, legal and other professional advisers (if any) comply with the obligations in paragraph 5.1 above.

6. MATERIAL INTERESTS

6.1 finnCap is engaged in a wide range of investment business as described in paragraph 13.1. This may give rise to situations where finnCap:

6.1.1 may have interests, relationships and/or arrangements which conflict with those of the

Company whether in relation to the Engagement or otherwise; and/or

6.1.2 may have other clients whose interests conflict with those of the Company;

(each of such interests being "Conflicts of Interest").

6.2 It is finnCap's policy in either case, in providing services to its clients, to do so on a consistent basis thus ensuring, so far as is practicable, that all clients are treated in a fair and equal manner.

6.3 The Company acknowledges and accepts, so as expressly to override, to the extent permissible, any duties, obligations or restrictions which would otherwise be implied by FCA Rules, law or regulation, that finnCap may have Conflicts of Interests.

6.4 The employees of finnCap assigned to the Engagement may (due, for example, to a Chinese wall) be oblivious to, and in any event are required to disregard, any Conflicts of Interests.

6.5 The Company agrees that finnCap may act for it despite any Conflicts of Interests and that any profit or remuneration from such interests may be retained by finnCap and need not be accounted for to the Company.

6.6 The Company agrees that neither finnCap nor any finnCap Associates have a duty to disclose any matter that comes to its or their notice in the course of finnCap's business if doing so would or may constitute a breach of duty owed to any other persons or any law or any rules of relevant regulatory authority or investment exchange.

6.7 finnCap may, subject to the provisions of the Engagement Letter, undertake research on and prepare reports in relation to the Company for and behalf of our other clients. finnCap shall be under no obligation to disclose such reports or their existence to you.

7. INDEMNITY

7.1 No claim shall be made against finnCap (or any successor or assignee) or any partner, director, officer, employee of or consultant or adviser to finnCap from time to time (each of which is

referred to in these Terms and Conditions as an "Indemnified Person") by the Company or any of its subsidiaries (each of which is referred to in these Terms and Conditions as "the Company") to recover any loss, damage, liability, cost, charge or expense ("Losses") which the Company, the directors of the Company, any investor in, guarantor of, any lender of debt financier to the Company, or any subscriber/purchaser of any of the securities or any subsequent purchaser or transferee thereof, may suffer or incur by reason of, arising directly or indirectly out of or in connection with the carrying out by or on behalf of finnCap of its obligations under the Engagement Letter or the provision by or on behalf of finnCap of Services to the Company whether under the Engagement Letter or otherwise unless such loss, damage, liability, cost, charge or expense arises from the fraud, negligence or wilful default of finnCap or a breach by finnCap of its duties or obligations under FSMA, the FCA Rules or MAR.

- 7.2 In consideration of finnCap agreeing to provide the Services to the Company, the Company hereby undertakes to finnCap to indemnify each Indemnified Person against all or any claims, actions, liabilities, demands, proceedings or judgments made, brought or established against or by any Indemnified Person in any jurisdiction:
- 7.2.1 by reason of, arising directly or indirectly out of or in connection with the carrying out by or on behalf of finnCap of the Services under or in connection with the Engagement Letter; or
- 7.2.2 arising out of an actual or alleged breach by the Company of any provision of the Engagement Letter; or
- 7.2.3 arising out of any documents issued in connection with the activities contemplated by the Engagement Letter (the "Company Documents") not containing, or being alleged not to contain, all information required by statute or otherwise to be stated therein, or any statement contained therein being, or being alleged to be, incomplete, untrue, incorrect, inaccurate, unfair, misleading, unreasonable,

defamatory or being derived, directly or indirectly, from information obtained improperly or illegally in any respect whatsoever by any person; or

- 7.2.4 any of the Company Documents failing or being alleged to fail to disclose all material information necessary to enable an informed assessment to be made of the assets and liabilities, financial position, profits and losses, and prospects of the Company or of the rights attaching to any of the securities issued by the Company in connection with the activities contemplated by the Engagement Letter; or
- 7.2.5 arising out of the failure or alleged failure by the Company to comply with applicable provisions of the Companies Act 2006 as amended (the "Companies Act"), FSMA, the Listing Rules published by the FCA, the Prospectus Rules published by the FCA, the Disclosure and Transparency Rules published by the FCA, MAR, the AIM Rules, or any other requirements of statute or regulation in any jurisdiction;
- including (without limitation) any loss, damage, liability, cost, charge or expense (including, without limitation, professional and legal fees) incurred by an Indemnified Person as a result of investigating, preparing, disputing, defending or settling any actual or potential claim or mitigating any loss on its part.
- 7.3 The indemnity in these Terms and Conditions in favour of an Indemnified Person shall not apply to the extent that the loss, damage, liability, cost, charge or expense arises from the fraud, negligence or wilful default of or a breach by an Indemnified Person of the Engagement Letter or of its duties or obligations under FSMA, MAR or the FCA Rules.
- 7.4 finnCap enters into this indemnity for itself (and as agent and trustee for each of its other Indemnified Persons) and finnCap hereby declares itself to be a trustee accordingly on the following terms:
- 7.4.1 only finnCap may decide whether or not to enforce the right of any Indemnified Person under the trust (and only it may decide the

- terms of that enforcement) or investigate a matter or give information to another Indemnified Person in connection with the trust;
- 7.4.2 notwithstanding the trust, finnCap may enter into any agreement, arrangement or transaction with any person (including, without limitation, any other party to this Letter) and may deal with its rights or the rights of any other Indemnified Person under this Letter without regard to the interest of any other Indemnified Person and shall not be liable to account to any other Indemnified Person for any benefit realised by that agreement, arrangement or transaction; and
- 7.4.3 finnCap shall not be liable to any Indemnified Person for any of its acts or omissions as trustee.
- 7.5 For the avoidance of doubt, the indemnity in these Terms and Conditions is in addition to, and not in substitution for, any other rights or indemnities to which finnCap is entitled at law as agent of the Company or otherwise.
- 7.6 This indemnity shall be without prejudice to the warranties and the indemnities subsequently given by the Company and any other parties to finnCap in any Placing Agreement.
- 7.7 If you become aware of any claim which may give rise to a liability of an Indemnified Person under this paragraph 7, you shall:
- 7.7.1 as soon as reasonably practicable give finnCap written notice of such claim; and
- 7.7.2 procure that no member of the Company shall, without finnCap's prior written consent (such consent not to be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim in respect of which indemnification or contribution may be sought under the Engagement Letter (whether or not any Indemnified Person is an actual or potential party to such claim) unless such settlement, compromise or consent includes an unconditional release of each Indemnified Person from all liability arising out of such claim and does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnified Person.
- 7.8 Notwithstanding anything in paragraph 7.1 above, where any Indemnified Persons are the subject of a claim alleging liability in respect of any Losses then the total amount of such Losses recoverable from any such Indemnified Persons shall be limited to such proportion of the Losses as is finally determined by a court of competent jurisdiction to be just and equitable, having regard to the relative responsibility of (i) each Indemnified Person so liable and (ii) any other person (including both the Company and any other person unrelated to the Company) who is jointly or severally liable for the Losses or any part thereof (a "Third Party"). For the avoidance of doubt, any limitation or exclusion or restriction on the liability of any Third Party under any jurisdiction, whether arising under statute or contract or resulting from death, bankruptcy or insolvency, shall be ignored for the purposes of determining the extent of responsibility of that Third Party under (ii) above;
- 7.9 All sums payable to any Indemnified Person pursuant to this indemnity shall be paid free and clear of all deductions and withholdings unless the deduction or withholding is required by law, in which case the payer shall pay such amount as shall be required to ensure the net amount received by the relevant Indemnified Person equals the full amount which would have been received by it had such deduction or withholding not been made. If Her Majesty's Revenue and Customs ("HMRC") or any taxing authority in any jurisdiction brings any sum payable pursuant to these Terms and Conditions into charge to tax (or into any computation of income, profits or gains for the purpose of any charge to tax) then (to the extent that the loss, damage, liability, cost, charge or expense in respect of which the sum is payable is not allowable as a deduction for tax purposes against the sum so payable and in the same accounting period as that in which such sum is brought into charge to tax) the amount payable shall be increased by such amount as shall ensure that after deduction of

the tax so chargeable there remains a sum equal to the amount that would otherwise have been payable under these Terms and Conditions.

8. LEGAL AND REGULATORY REQUIREMENTS

8.1 The Company confirms and undertakes that it possesses all necessary powers and has obtained all necessary authorisations, consents and approvals validly and lawfully to enter into the Engagement Letter.

8.2 The Company undertakes that (save as expressly disclosed to finnCap in writing) it has and undertakes that it shall maintain at the relevant time all necessary consents and authorisations which are necessary or desirable in relation to the Engagement and the performance by finnCap of its obligations under the Engagement Letter. The Company agrees that it will comply and will procure that all of its subsidiaries will comply with all relevant laws and regulations in any jurisdiction including *inter alia*, in relation to the United Kingdom, the Companies Act, FSMA, the Prospectus Regulations 2005, the rules and regulations published by the FCA from time to time (including the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules), the Market Abuse Regulation (EU No.596/2014)(“MAR”) the Criminal Justice Act 1993, the City Code on Takeovers and Mergers, and the rules issued by AIM from time to time, the rules of the LSE and any and all successors thereto and re-enactments thereof. In fulfilling its obligations to the Company pursuant to the Engagement Letter, finnCap is also subject to (as well as the range of applicable laws) several rules and regulations and the requirements of various regulators. The Company agrees that the duties of finnCap to it will not restrict the freedom of finnCap to take all steps that it deems necessary in order for it to comply with any applicable laws, rules and regulations.

8.3 The Company undertakes to obtain appropriate advice (including legal advice) in respect of all laws and regulations which may be applicable to it in the UK or any other jurisdiction in

connection with any engagement and to communicate such advice to finnCap if it is or may be relevant to the provision by finnCap of its services to the Company, provided that finnCap has notified the Company in advance when the actions of finnCap would make the obtaining of such advice necessary or desirable.

8.4 Where finnCap is appointed as NOMAD to the Company, the responsibilities of finnCap as NOMAD as set out in the AIM Rules are owed solely to the LSE.

8.4 Where finnCap is appointed as sponsor to the Company, the responsibilities of finnCap as sponsor as set out in the Listing Rules are owed to the FCA.

9. FEES AND EXPENSES

9.1 The Company agrees to make all payments under or in connection with the Engagement Letter free of any rights of set off and without any deduction or withholding of any nature save only as may be required by law.

9.2 The Company authorises finnCap to deduct from any amounts received or held by finnCap on the Company's behalf the amount of any fees, commission or expenses payable to finnCap from time to time.

9.3 The Company acknowledges that time shall be of the essence as regards the payment of fees and expenses due to finnCap as a result of it carrying out the Engagement and that finnCap may suspend further work on any matter which is the subject of the Engagement until any overdue payment is received and will consider its legal remedies. The Company further agrees that interest will be payable to finnCap at the rate of 4% above the base rate of HSBC Bank plc or 10% per annum, whichever is the higher, from time to time where fees and expenses are not paid in full on time and indemnifies finnCap for any costs in pursuing such overdue fees.

10. TERMINATION

10.1 If at any time:-

10.1.1 the Company is in material breach of the terms of the Engagement Letter and such breach, if

- capable of remedy, remains unremedied for a period of 7 days; or
- 10.1.2 a material breach by the Company or any of its directors of any applicable law or regulation occurs; or
- 10.1.3 there occurs a fraudulent act by the Company or any of its directors; or
- 10.1.4 the Company has failed to comply with finnCap's advice; or
- 10.1.5 the Company becomes unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or has a liquidator, receiver, administrative receiver or administrator appointed in respect of it or any of its assets, or makes or seeks to make any arrangements with its creditors or passes a resolution for its winding up or a petition is presented for its winding up or administration or any event in any jurisdiction outside England and Wales similar or analogous to any of the events described in this paragraph 10.1.5 occur in respect of the Company; or
- 10.1.6 the ordinary shares of the Company cease to be admitted to or are suspended from trading on AIM, a market operated by the LSE; or
- 10.1.7 finnCap is of the opinion that its name or reputation is likely to be prejudiced by continuing as the Company's sponsor (to the extent that the Company's shares are admitted to trading on the Official List), NOMAD (to the extent that the Company's shares are admitted to trading on AIM) or broker, finnCap may (without prejudice to its other rights or remedies in respect of any such breach) terminate forthwith the Engagement by written notice of such termination to the Company.
- 10.2 If at any time finnCap is in material breach of the terms of the Engagement Letter and such breach, if capable of remedy, remains unremedied for a period of 14 days after notification of such breach to finnCap, the Company may (without prejudice to its other rights or remedies in respect of such breach) terminate forthwith the Engagement Letter by written notice of such termination to finnCap.
- 10.3 In circumstances where there are any facts or circumstances giving rise to an entitlement on the part of finnCap and/or any Indemnified Person (as defined in paragraph 7 to these Terms and Conditions) to make a claim under the Indemnity then finnCap may by notice in writing to the Company terminate its obligations under the Engagement Letter with immediate effect.
- 11. MONEY LAUNDERING AND BRIBERY**
- 11.1 The Company has authorised finnCap to make such enquiries and obtain such references as it may consider necessary to fulfil its statutory obligations under the UK Money Laundering legislation. The Engagement Letter authorises finnCap to make such further enquiries and obtain such further references as it may from time to time consider necessary for continuing compliance with its statutory obligations under such legislation.
- 11.2 finnCap has a zero tolerance approach to bribery and corruption. By agreeing to these Terms and Conditions, the Company are agreeing to abide by finnCap's zero tolerance approach to bribery and corruption and to report any such activity which comes to its attention during the course of it engaging finnCap.
- 11.3 finnCap is obliged to report to the Serious Organised Crime Agency ("SOCA") any knowledge or suspicion it may have of money laundering or terrorist financing, or if it has reasonable grounds for knowing or suspecting money laundering or terrorist financing, finnCap may not be able to tell you that a report has been made and it may not be able to continue to act unless and until SOCA permits it to do so. finnCap may also need to report such knowledge or suspicion to its regulator. In such circumstances finnCap's retainer shall be suspended to the extent necessary.
- 11.4 It may be necessary for finnCap to report any knowledge or suspicion of bribery or corruption which comes to its attention to relevant authorities, which may include SOCA and the Serious Fraud Office. finnCap may also need to report such knowledge or suspicion to its

regulator. In such circumstances finnCap's retainer shall be suspended to the extent necessary.

12. STANDARD POLICY ON ALLOCATIONS IN THE EVENT OF A PLACING UNDERTAKEN BY FINNCAP ON BEHALF OF THE COMPANY

Recommendations On Allocation and Pricing

- 12.1 As agreed with you, the Corporate Finance team may, if appropriate, obtain independent or other analyst reports in order to assist the valuation and pricing recommendations to be made.
- 12.2 At an initial meeting the Corporate Finance team will agree objectives with you relating to allocation and pricing, and will keep you informed of changes throughout the marketing of the issue.
- 12.3 All recommendations on allocation and pricing will be prepared by the Corporate Finance team, in accordance with the objectives agreed with you at the initial meeting. Members of staff whose responsibility is ordinarily to provide services to investment clients will not be involved in decisions relating to recommendations on allocation and pricing or in the meetings, discussions or paperwork relating to them.

Target Investor Groups

- 12.4 A list will be agreed with you in advance of institutions and private client brokers whom we would like to approach, taking into account the size and nature of the issue.
- 12.5 The target investor group may well include:
 - 12.5.1 institutional clients of finnCap; and
 - 12.5.2 other clients of finnCap, including associates of finnCap.

Conflicts of Interest

- 12.6 While there is a potential conflict of interest in making allocations to the groups listed in paragraph 12.5 above, such conflicts will be managed through established procedures for dealing with conflicts of interest in compliance with the requirements of the FCA, through whom we are authorised to carry on investment

business. When carrying out a mandate to manage an offering of securities, our overriding duty is to you as the issuing corporate finance client, while our responsibilities to provide services to our other clients remain unchanged.

13. CONFLICTS OF INTEREST MANAGEMENT POLICY

Summary

- 13.1 finnCap provides or carries out a diverse range of financial services and activities, including corporate finance and capital markets activities, securities issuing, securities distribution, research, sales, trading and other investment business relating thereto.
- 13.2 finnCap may as a result have a material interest, or there may be conflicts of interest, in relation to the services carried out for clients.
- 13.3 finnCap is however bound by the FCA Principles for Business, and in particular Principle 8 which provides that "a firm must manage conflicts of interests fairly, both between itself and its customers and between a customer and another client." The FCA Handbook also contains further detailed rules on managing conflicts of interest.
- 13.4 Accordingly, we have organisational and administrative arrangements in place to take all reasonable steps to manage conflicts of interest that arise between finnCap and its clients, and between its different clients, with a view to preventing such conflicts from constituting or giving rise to a material risk of damaging clients' interests. On occasion we may have to decline to act for a client if conflicts cannot otherwise be properly managed.

Identifying Conflicts Of Interest

- 13.5 To identify the types of conflicts of interest that may arise, and which may entail a material risk of damage to clients' interests, we take into account whether we, or an associate or employee of ours:
 - 13.5.1 are likely to make a profit or avoid a loss at the expense of the client;
 - 13.5.2 have an interest in the outcome of a service provided to the client or of a transaction carried

- out on behalf of a client, which is distinct from the client's own interest in that outcome;
- 13.5.3 have a financial or other incentive to favour the interests of another client or group of clients over the interests of the client;
- 13.5.4 carry on the same business as the client;
- 13.5.5 receive or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard fee or commission for that service.
- 13.6 Conflicting interests or duties may arise because:
- 13.6.1 finnCap, or its associates or employees, may be dealing as principal, or have a long or short position, in the investments which are the subject of an activity performed for a client;
- 13.6.2 finnCap may be a financial or other adviser to, or have other business arrangements with, the issuer of such investments or any other party in connection with an activity performed for a client;
- 13.6.3 finnCap may be sponsoring a new issue in relation to such investments;
- 13.6.4 finnCap may be conducting an agency cross by matching one client's order with the order of another client of finnCap;
- 13.6.5 finnCap may be giving advice and providing other services to one client in relation to investments which are the subject of an activity performed for another client;
- 13.6.6 finnCap may pay fees or commissions to an intermediary who has introduced a client to the firm;
- Managing Conflicts of Interest*
- 13.7 We take all reasonable steps to treat clients fairly, and we require all members of our firm to comply with an independence policy which obliges them to disregard any interest, relationship or arrangement that we may have in relation to the client's transaction or investment.
- 13.8 Entities and departments within finnCap have rules and procedures pursuant to their conflicts management arrangements to ensure that they operate independently of each other with systems and controls to ensure that there is no flow of information between them which would harm the interests of one or more clients.
- 13.9 Conflicts are managed using the following measures:
- 13.9.1 procedures to prevent or control the exchange of information e.g. between staff responsible for advising corporate clients of finnCap and staff providing investment advisory or management services to investment clients;
- 13.9.2 separate supervision of staff whose principal functions involve carrying out activities for or providing services to clients whose interests may conflict;
- 13.9.3 avoiding direct links between the remuneration of staff principally engaged in one activity and the remuneration of different relevant persons engaged in another activity, where a conflict of interest may arise;
- 13.9.4 avoiding remuneration arrangements that reward behaviour that disadvantages the interests of clients in favour of the firm or other clients;
- 13.9.5 procedures to prevent or limit any person from exercising inappropriate influence;
- 13.9.6 procedures to prevent or control the simultaneous or sequential involvement of a member of staff in separate services where such involvement may impair the proper management of conflicts of interest;
- 13.9.7 allocation policies in relation to orders placed for more than one client;
- 13.9.8 staff personal account dealing policies;
- 13.9.9 policies which require staff not to solicit or accept inducements that could conflict with our obligations to our clients, nor offer or give inducements which could conflict with the recipient's obligations to clients;
- 13.9.10 detailed policies and procedures in place on the giving and receiving of gifts and hospitality;

13.9.11 disclosure to the client - where all other reasonable steps to manage a particular conflict of interest have failed.

13.10 The firm's Compliance department is responsible for monitoring finnCap policies and procedures for identifying and managing conflicts of interest, and for ensuring that any significant issues identified as a result of this monitoring are reported to senior management and handled appropriately.

Commission Paid to Intermediaries Who Introduce Clients to The Firm

13.11 finnCap may pay a share of the dealing commission and fees charged to the client to the intermediary who introduced the client to the firm. Information about any commission and fee sharing arrangement relating to their business are provided to the relevant clients, and further details will be provided on request.

14. RECORDING OF TELEPHONE CONVERSATIONS

finnCap may record telephone calls. These records (if made) will be the sole property of finnCap and will be evidence of orders or instructions given by the Company.

15. ILLEGALITY

If any provision of the Engagement Letter contravenes any applicable regulations or law or shall be declared void or unenforceable by a Court or administrative body of competent jurisdiction, the validity of the remaining provisions of the Engagement Letter shall not be affected thereby.

16. LIMITATION OF LIABILITY

16.1 Notwithstanding any provisions to the contrary, the maximum liability to you (including that of any of finnCap Associate) under the Engagement Letter or otherwise, shall not exceed £500,000. This limitation of liability shall not apply to the extent that the loss, damage, liability, cost, charge or expense arises as a result of fraud, or a breach of duties or obligations under FSMA or the FCA Rules, by finnCap or any finnCap Associate.

16.2 In no event shall finnCap be liable to or required to compensate any other adviser of the Company in connection with the Engagement.

17. WAIVERS

No neglect, delay or indulgence on the part of either party in enforcing any right or remedy in respect of the Engagement Letter shall be construed as a waiver of any such right or remedy or of any condition. No single or partial exercise of any right or remedy on the part of either party shall preclude or restrict the further exercise or enforcement of any such right or remedy. No consent or approval which may be given by finnCap for the purposes of the Engagement Letter shall constitute a waiver by finnCap of any condition or of any breach of the Engagement Letter by the Company unless and to the extent that such consent or approval is expressed to do so.

18. ENTIRE AGREEMENT

The Engagement Letter including these Terms and Conditions and such additional Schedules as are attached thereto and any documents referred to in the Engagement Letter represent the entire agreement and understanding between the Company and finnCap in connection with the Engagement.

19. AMENDMENTS

These terms and conditions are subject to change at any time by finnCap sending to the Company a written notice describing the relevant change(s). Such change(s) will become effective on the date specified in the notice, which will be on or after the date on which the notice is received by the Company. No such change will affect any legal rights or obligations which may have previously accrued to or been incurred by finnCap or the Company.

20. THIRD PARTIES

Other than the rights of Indemnified Persons under paragraph 7, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Engagement Letter but

this does not affect any right or remedy of a third party which exists or is available apart from that Act. The parties may rescind or vary any provision of the Engagement Letter, including this paragraph, at any time without the consent of any third party.

21. FINANCIAL SERVICES AND MARKETS ACT 2000

21.1 finnCap is authorised and regulated by the FCA and the Company acknowledges that all services provided by finnCap under this Letter are subject to the FCA Rules. In providing its services, finnCap is proposing to treat the Company as a Professional client as defined in the FCA Rules. Pursuant to FCA Rule CASS 7.1.7D R, subject to CASS 7.1.7B R, as a Professional client, the Company acknowledges and agrees that when finnCap holds money on behalf of, or receives it from the Company:

21.1.1 such money will not be subject to the protections conferred by the client money rules;

21.1.2 as a consequence, such money will not be segregated from the money of finnCap in accordance with the client money rules and will be used by finnCap in the course of its own business; and

21.1.3 the Company will rank only as a general creditor of finnCap

21.2 finnCap aims to offer the Company an efficient and effective service but is required by the FCA Rules to inform the Company, that if it should feel unhappy with any aspect of the service it receives from finnCap, it should not hesitate to contact Mark Tubby, finnCap, 60 New Broad Street, London EC2M 1JJ.

22. WITHHOLDING AND GROSSING-UP

Each sum payable by the Company under the Engagement Letter shall be paid free and clear of all deductions or withholdings of any kind save as may be required by law. If any such deduction or withholding is required or if HMRC or any other taxing authority in any jurisdiction brings any such sum into any charge to taxation, such sum shall be grossed up by such

amount as will ensure that after such deduction or withholding or charge the remainder of the gross sum paid or payable shall equal the sum which would otherwise be payable pursuant to the Engagement Letter (additional payments being made by the Company as may be necessary from time to time).

23. MISCELLANEOUS

23.1 The Engagement Letter has been and is made solely for the benefit of the Company and finnCap, in the case of finnCap for itself and as trustee (with sole discretion as to acting in such capacity) for the benefit where expressly so provided of each Indemnified Persons. Except for such Indemnified Person, and subject to paragraph 18 above, no other person shall acquire or have any rights under or by virtue of the Engagement Letter.

23.2 finnCap may process, store and retain by computer or otherwise any information (including personal data) obtained about the Company as a consequence of this and any other agreement the Company may enter into with finnCap. All collated information, including databases on which such information is stored, held by finnCap is and shall remain the property of finnCap. By signing the Engagement Letter, the Company gives positive consent for finnCap to obtain, store and process such information.

23.3 The Company authorises finnCap to communicate in relation to the Engagement Letter and/or the Engagement with all persons involved in the Engagement Letter and/or the Engagement including, without limitation, its own employees and any third party advisers or agents, by means of electronic mail, including the internet, in addition to other means of communication.

23.4 The Engagement Letter (i) shall be deemed to be entered into once signed by the Company and finnCap and either executed copies are exchanged or are faxed back by the Company to finnCap and by finnCap to the Company and (ii) may be executed in two or more counterparts, each of which shall be deemed an

original, but which together shall constitute one and the same instrument.

- 23.5 Time is of the essence in relation to the Engagement Letter and/or the Engagement with regard to (i) all payments to be made by the Company to finnCap and (ii) all notices to be served by any party to the Engagement Letter.

24. NOTICES

Notices given pursuant to any of the provisions of the Engagement Letter shall be in writing and shall be sent by facsimile transmission, personally delivered or mailed, first class postage prepaid, to: (a) the Company, addressed to the Company's registered office, for the attention of the addressee of the Engagement Letter and (b) finnCap, 60 New Broad Street, London EC2M 1JJ, for the attention of Mark Tubby, Head of Compliance, or to such facsimile number or other address as either party may have notified to the other in accordance with this paragraph. Any such communication shall be deemed to have been received on the same day if sent by facsimile transmission on a Business Day (and if a transmission report from the machine from which the facsimile was sent indicates that the facsimile was sent in its entirety to the facsimile number of the recipient provided that the report is produced during that Business Day), at 9.00 a.m. on the next working day in the place where left if personally delivered, and at 9.00 a.m. on the second working day after the date of mailing if mailed as aforesaid. A "Business Day" shall mean a day other than a Saturday or a Sunday or recognised public holiday in England.

25. GOVERNING LAW

The Engagement Letter shall be governed by, and construed in accordance with, the laws of England. Any suits, claims, causes of action or disputes arising under the Engagement Letter shall be brought in the courts of England and the Company hereby consents to such jurisdiction.