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To: The Lakes Distillery Company PLC (the Target)
Low Barkhouse Farm
Setmurthy
Cockermouth
Cumbria, CA13 9SJ

From: Nyetimber Wines and Spirits Group Limited (the Bidder)
Broughton House
6-8 Sackville Street
London, W1S 3DG

 2 April 2024

Dear all,

Project Fortify

1. Introduction

- 1.1 The Target and the Bidder (each a **Party** and together the **Parties**) intend, on or around the date of this letter, to announce a recommended cash offer by the Bidder for the entire issued and to be issued share capital of Target (the **Acquisition**) pursuant to Rule 2.7 of the Code in the form agreed between the Parties (the **Announcement**).
- 1.2 The Acquisition will be made on the terms and subject to the conditions set out in the Announcement.
- 1.3 The Parties intend that the Acquisition will be implemented by way of the Scheme although the Bidder reserves the right to implement the Acquisition by way of the Takeover Offer.
- 1.4 The Bidder has agreed to issue and the Target has agreed to acknowledge this letter to set out their respective commitments in respect of the Target Share Plans and their respective rights and obligations in relation to such matters.
- 1.5 The Target and the Bidder intend that the following arrangements and acknowledgements will, subject to the Scheme becoming effective in accordance with its terms, apply in respect of the Target Share Plans.
- 1.6 Subject to applicable confidentiality, legal and regulatory requirements, the Bidder and the Target agree to co-operate in order to facilitate the implementation of the arrangements set out in this letter.
- 1.7 The Schedule forms part of this letter and shall have the same force and effect as if set out in the body of this letter and any reference to this letter shall include the Schedule.

2. General

- 2.1 If there is an Agreed Switch and the Acquisition is implemented by way of a Takeover Offer, references to the date on which the Court sanctions the Scheme (the **Court Sanction Date**) and the Effective Date will be read as if they referred to the date on which the Takeover Offer becomes or is declared unconditional.
- 2.2 The Bidder and the Target acknowledge that any exercise of options described in this letter will be subject to the usual deductions for applicable taxes and national insurance or social security contributions, where such taxes or contributions are required to be withheld.

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2.3 The Target and the Bidder agree that if any amendments to the rules of the Target Share Plans are required to implement the terms of this letter that the Target shall make such necessary amendments prior to the publication of the Scheme Document and shall agree such amendments with the Bidder before they are approved by the Target.

3. **Outstanding awards**

3.1 As at 2 April 2024, the following options and awards were outstanding under the Target Share Plans:

Relevant plan	Number of Target Shares under option	Exercise price per Target Share under option
2017 EMI	648,030	£1.50
2019 EMI	350,200	£1.20
2022 LTIP	750,817	£0.02
Standalone Awards	1,174,962	£0.02
	TOTAL: 2,924,009	

3.2 In addition:

- (a) as at 2 April 2024, other than the awards referred to in paragraphs 3.1 above, no additional options or awards are outstanding over the Target Shares which may result in the issue of the Target Shares;
- (b) no additional options or awards have been granted over the Target Shares (whether under the 2022 LTIP or otherwise) since 3 November 2023; and
- (c) other than as set out in this letter, the Target has not agreed to make any payment or provide any benefit to the Target employees in connection with or arising as a consequence of the Acquisition.

4. **Appropriate proposals**

4.1 The Bidder and the Target acknowledge that the Scheme Record Time (as defined in the Announcement) shall take place after the Court Sanction Date, to allow those of the Target Share Plan participants who acquire the Target Shares on or before the Court Sanction Date to have those Target Shares acquired by the Bidder and dealt with through the Scheme.

4.2 Subject to clause 4.3, the Bidder and the Target intend to jointly write to participants of the 2022 LTIP and holders of Standalone Awards on, or as soon as practicable after, the posting of the Scheme Document to inform them of:

- (a) the impact of the Scheme on their awards and the extent to which their awards will vest if not already vested and exercisable;
- (b) the proposals made to 2022 LTIP participants and holders of Standalone Awards under Rule 15 of the Code; and

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(c) any actions they may need to take in connection with their Standalone Awards and 2022 LTIP options as a result of the Scheme.

4.3 To the extent that the Panel agrees, the Bidder and the Target shall not be required to send proposals to holders of EMI options under Rule 15 of the Code. However, in the event the Panel determines it is necessary to send proposals to EMI option holders under Rule 15 of the Code, in accordance with the proposed communication at clause 6.2, the proposal shall state that EMI option holders are advised not to exercise their EMI options, given these will be Underwater.

4.4 The Parties acknowledge that the Target Remuneration Committee does not currently intend to grant any further awards under the Target Share Plans.

5. Amendment to articles

The Bidder and the Target agree that the Target Shareholders' approval will be sought for an amendment to the articles of association of the Target so that any the Target Shares issued or transferred on or after the Scheme Record Time will be automatically transferred to, or to the order of, the Bidder in exchange for the provision by the Bidder of the same consideration payable per the Target Share under the Scheme.

6. EMI Plans

6.1 The Bidder and the Target acknowledge that 998,230 shares under EMI Plan options are Underwater.

6.2 It is agreed that the Target will send a communication to all holders of EMI Plan options explaining that whilst their options are exercisable, they are Underwater and so they would lose money were they to exercise such options.

6.3 It is agreed that the Target and the Bidder will consult with the Panel as to the requirement to send formal communicates to holders of EMI Plan options under Rule 15 of the Code.

7. Administration of 2022 LTIP

7.1 The Bidder hereby consents, for the purposes of Rule 21.1(c)(ii) of the Code, to the Target testing the performance conditions of the Target under the 2022 LTIP related to the financial years ending 2024 and 2025 on a projected basis (provided that the Bidder is provided with the mechanism and formula used for such projected performance conditions).

7.2 It is agreed that in respect of the performance conditions for the financial year ended 2023 (**FY23 Targets**) for the options granted under the 2022 LTIP, save in respect of the condition related to continued service or employment which has been achieved in full, and the condition relating to Single Malt New Make Spirit production, in which performance had exceeded and outperformed the stipulated condition, such FY23 Targets had not been achieved or achieved in full and this shall be reflected in the Target Remuneration Committee's determination.

7.3 The Parties acknowledge that outstanding 2022 LTIP options which do not vest, either as a result of the rules of the 2022 LTIP or the determination of the Remuneration Committee, shall lapse on the Court Sanction Date. Following the Remuneration Committee's determination of the 2022 LTIP options that will vest on the Court Sanction Date, 120,259 Target Shares under 2022 LTIP options shall lapse on the Court Sanction Date, as a result of performance conditions for the 2022 LTIP options not having been met.

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8. Exercise of Standalone Awards and vested options under the 2022 LTIP

8.1 The Bidder agrees that the Target Shares under 2022 LTIP options or Standalone Awards may vest to the extent the Target Remuneration Committee determines under the terms of the 2022 LTIPs and Standalone Award agreements, as a result of the Acquisition, and in the case of the 2022 LTIP options with performance conditions, based on earlier testing of applicable performance conditions on a projected basis, in accordance with paragraph 7 of this letter. Such vested 2022 LTIP options and Standalone Awards can be exercised by participants prior to and conditional upon the occurrence of the Court Sanction Date, subject to all regulatory restrictions.

8.2 The Target agrees to notify the Bidder if it proposes to take any further action in relation to existing awards or the 2022 LTIP and to:

- (a) provide the Bidder with a reasonable period to respond to such notification; and
- (b) consider in good faith any response received from the Bidder.

8.3 The Target may make any submission to the Panel which it deems necessary to implement the arrangements referred to in this letter, having consulted with the Bidder before making any such submission and having provided the Bidder with reasonable time to consider and comment on any draft submission.

9. Satisfaction of the 2022 LTIP options and Standalone Awards

9.1 The Target and the Bidder agree that the 2022 LTIP options and Standalone Awards which vest as a result of the Acquisition in accordance with their terms and this letter shall be satisfied via the issuance and allotment of new Target Shares.

9.2 The Target and the Bidder further agree that sufficient Target Shares under 2022 LTIP options and Standalone Awards equal in value to both the exercise costs and income tax and national insurance contributions or social security liabilities which arise upon the exercise of the options shall be cancelled and that the participants shall receive a net number of the Target Shares after satisfaction of these exercise costs and liabilities by the relevant participants. The Target and the Bidder agree, provided participants receive such net number of the Target Shares following exercise of their 2022 LTIP options or Standalone Awards, that the Target shall fund the costs of the income tax and national insurance liabilities and pay any taxation or national insurance contributions to HMRC within the statutory deadlines. Where the relevant agreements relating to the Target Share Plans state that deductions for employer national insurance contributions may be recovered from participants under the Target Share Plans, these will not be recovered from participants following the exercise of such options.

10. Termination

10.1 Subject to paragraphs 10.2 and 10.3, this letter shall terminate and all obligations of the Parties under this letter shall cease, as follows:

- (a) if agreed in writing between the Parties;
- (b) if the Announcement is not released at or before 6.00 p.m. on 2 April 2024 (unless prior to that time the Parties have agreed another time and date in accordance with that paragraph);
- (c) if the Acquisition is, with the permission of the Panel, withdrawn or lapses in accordance with its terms prior to the Long Stop Date (other than where such lapse or

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withdrawal is as a result of the exercise of the Bidder's right to effect an Agreed Switch);

- (d) if the Acquisition is implemented by way of the Scheme:
 - (i) the Scheme is not approved by the requisite majority of Target Shareholders at the Court Meeting;
 - (ii) the Target Resolutions are not passed by the requisite majority of the Target Shareholders at the Target General Meeting; or
 - (iii) the Court refuses to sanction the Scheme or grant the order sanctioning the Scheme at the Court Sanction Hearing;
- (e) unless otherwise agreed by the Parties in writing, if the Effective Date has not occurred on or before the Long Stop Date;
- (f) upon service of written notice by the Bidder to the Target if the Target Board:
 - (iv) withdraws, adversely qualifies or adversely modifies the Target Board Recommendation;
 - (v) does not include the Target Board Recommendation in the Scheme Document (other than where an Agreed Switch has occurred); or
 - (vi) prior to the publication of the Scheme Document, withdraws, adversely qualifies or adversely modifies its intention to make the Target Board Recommendation in the Scheme Document.
- (g) upon service of written notice by the Target to the Bidder if a Competing Proposal completes, becomes effective or is declared or becomes unconditional in all respects; or
- (h) upon service of written notice by either Party to the other Party if, prior to the Long Stop Date any Condition has been invoked by the Bidder (where (if permission is required) the invocation of the relevant Condition is permitted by the Panel).

10.2 Termination of this letter shall be without prejudice to the rights of the Parties which have arisen prior to termination, including any claim in respect of a breach of this letter.

10.3 Paragraphs 13 to 19 (inclusive), paragraphs 22 to 26 (inclusive), this paragraph 10 and all related provisions of paragraph 1 and schedule 1 shall survive termination of this letter.

11. Takeover Code

11.1 Nothing in this letter shall in any way limit the Parties' obligations under the Code, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this letter shall take precedence over such terms of this letter.

11.2 The Parties agree that, if the Panel determines that any provision of this letter that requires Target to take or not to take any action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.

11.3 Nothing in this letter shall oblige Target or the Target Directors to recommend any Takeover Offer or any Scheme proposed by Bidder or any member of the Wider Bidder Group.

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11.4 Without prejudice to the representations and warranties given by the Parties pursuant to paragraph 12, nothing in this letter shall be taken to restrict the directors of any member of the Target Group or the Wider Bidder Group from complying with applicable Law, orders of court or regulations, including the Code and the rules and regulations of the Panel.

12. Representations and warranties

Each Party represents and warrants to the other Party on the date of this letter that:

- (a) it has the requisite power and authority to enter into and perform its obligations under this letter;
- (b) this letter constitutes its legal, valid and binding obligations in accordance with its terms; and
- (c) the execution and delivery of, and performance of its obligations under, this letter will not:
 - (i) result in any breach of any provision of its constitutional documents;
 - (ii) result in a breach of, or constitute a default under, any instrument to which it is a Party or by which it is bound; or
 - (iii) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a Party or by which it is bound.

13. Costs

Except as otherwise provided in this letter, each Party shall pay its own costs incurred in connection with negotiating, preparing and completing this letter or otherwise in connection with the Acquisition.

14. Entire agreement

14.1 Without prejudice to the terms of the Announcement or the Acquisition Document, this letter, sets out the entire agreement between the Parties relating to the subject matter of this letter and supersede any previous draft, agreement, arrangement or understanding, whether in writing or not, relating thereto.

14.2 Each Party acknowledges that in entering into this letter it is not relying upon any pre-contractual statement that is not set out in this letter.

14.3 Except in the case of fraud or fraudulent misrepresentation, no Party shall have any right of action against any other Party to this letter arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this letter.

14.4 For the purposes of this paragraph, pre-contractual statement means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this letter made or given by any person at any time prior to the entry into of this letter.

14.5 Nothing in this letter shall limit any liability for (or remedy in respect of) fraud or fraudulent misrepresentation.

14.6 Each Party agrees to the terms of this paragraph 14 on its own behalf.

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15. Assignment

Unless the Parties specifically agree in writing, no person shall assign, transfer, charge or otherwise deal with all or any of its rights under this letter nor grant, declare, create or dispose of any right or interest in it.

16. Notices

16.1 Any notice to be given by one Party to the other Party in connection with this letter shall be in writing in English and signed by or on behalf of the Party giving it. It shall be delivered by hand, e-mail, registered post or courier using an internationally recognised courier company.

16.2 A notice shall be effective upon receipt and shall be deemed to have been received (i) at the time of delivery, if delivered by hand, registered post or courier or (ii) at the time of transmission if delivered by e-mail. Where delivery occurs outside Working Hours, notice shall be deemed to have been received at the start of Working Hours on the next following Business Day.

16.3 The addresses and e-mail addresses of the Parties for the purpose of paragraph 16.1 are:

(a) Bidder

Broughton House

Address: 6-8 Sackville Street
London, W1S 3DG

E-mail: [REDACTED]

For the attention of: [REDACTED]

With a copy (which shall not constitute notice) to:

Ashurst LLP

Address: London Fruit & Wool Exchange
1 Duval Square
London, E1 6PW

E-mail: [REDACTED]

For the attention of: [REDACTED]

(b) Target

Low Barkhouse Farm

Address: Setmurthy
Cockermouth
Cumbria, CA13 9SJ

E-mail: [REDACTED]

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For the attention of: [REDACTED]

With a copy (which shall not constitute notice) to:

Address: Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne, NE1 4BF

E-mail: [REDACTED]

For the attention of: [REDACTED]

16.4 Each Party shall notify the other Party in writing of any change to its details in paragraph 16.3 from time to time.

17. Language

Each language of communication under or in connection with this letter shall be in English.

18. Waivers, Rights and Remedies

18.1 The rights and remedies provided for in this letter are cumulative and not exclusive of any other rights or remedies, whether provided by applicable Law or otherwise.

18.2 No failure to exercise, or delay in exercising, any right under this letter or provided by applicable Law shall affect that right or operate as a waiver of the right. The single or partial exercise of any right under this letter or provided by applicable Law shall not preclude any further exercise of it.

18.3 Without prejudice to any other rights or remedies that the other Party may have, each Party acknowledges and agrees that damages may not be an adequate remedy for any breach by it of this letter and that accordingly the other Party may be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief, or any combination of these remedies, for any threatened or actual breach of this letter by any Party and no proof of special damages shall be necessary for the enforcement by any Party of the rights under this letter and no Party shall oppose a remedy on the grounds that damages would be an adequate alternative (without prejudice to any right to assert that there has been no breach of the terms of this letter).

19. No Partnership

No provision of this letter creates a partnership between the Parties or makes a Party the agent of the other Party for any purpose. A Party has no authority or power to bind, to contract in the name of, or to create a liability for the other Party in any way or for any purpose.

20. Time of Essence

Except as otherwise expressly provided, time shall be of the essence in this letter both as regards any dates, times and periods mentioned and as regards any dates, times and periods which may be substituted for them in accordance with this letter or by agreement in writing between the Bidder and the Target.

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21. Further Assurances

At its own Cost, each Party shall (and shall procure that members of the Target Group or the Wider Bidder Group (as applicable) shall and shall use all reasonable endeavours to procure that any necessary third Party shall) execute such documents and do such acts and things as may be necessary for the purpose of giving the full benefit of this letter.

22. Counterparts

This letter may be executed in any number of counterparts, and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this letter by e-mail attachment will be an effective mode of delivery.

23. Variations

23.1 No variation of this letter shall be valid unless it is in writing and duly executed by or on behalf of all of the Parties to it.

23.2 If this letter is varied:

- (a) the variation shall not constitute a general waiver of any provisions of this letter;
- (b) the variation shall not affect any rights, obligations or liabilities under this letter that have already accrued up to the date of variation; and
- (c) the rights and obligations of the Parties under this letter shall remain in force, except as, and only to the extent that, they are varied.

24. Invalidity

24.1 Each of the provisions of this letter are severable.

24.2 If and to the extent that any provision of this letter:

- (a) is held to be, or becomes, invalid or unenforceable under the Law of any jurisdiction; but
- (b) would be valid, binding and enforceable if some part of the provision were deleted or amended,

then the provision shall apply with the minimum modifications necessary to make it valid, binding and enforceable and neither the validity or enforceability of the remaining provisions of this letter, nor the validity or enforceability of that provision under the Law of any other jurisdiction, shall in any way be affected or impaired as a result of this paragraph 24.2.

25. Third Party Enforcement Rights

A person who is not a Party to this letter shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

26. Governing Law and Jurisdiction

26.1 This letter and any non-contractual obligations arising out of or in connection with this letter shall be governed by, and interpreted in accordance with, English law.

26.2 The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with this letter including, without limitation disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, termination or the legal relationships

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established by, this letter; and (ii) any non-contractual obligations arising out of or in connection with this letter. For such purposes each Party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction. Each Party also irrevocably waives any objection to the recognition or enforcement in the courts of any other country of a judgment delivered by an English court exercising jurisdiction pursuant to this paragraph.

Please acknowledge receipt of this letter by signing and returning the enclosed copy.

Yours faithfully,

A solid black rectangular redaction box covering the signature of the sender.

Nyetimber Wines and Spirits Group Limited

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We acknowledge receipt of this letter and agree to the terms therein:

James Pennefather

.....



duly authorised for and on behalf of

The Lakes Distillery Company PLC

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SCHEDULE 1

DEFINITIONS AND INTERPRETATION

1. Definitions

1.1 In this letter:

2017 EMI means the EMI adopted in 2017;

2019 EMI means the EMI adopted in 2019;

2021 Share Plan means the 2021 share plan;

2022 LTIP means the 2022 long term incentive plan;

Acceptance Condition means the acceptance condition to any Takeover Offer;

Acquisition has the meaning given to it in paragraph 1.1;

Acquisition Document means (i) if the Scheme is (or is to be) implemented, the Scheme Document; or (ii) if a Takeover Offer is (or is to be) implemented, the Offer Document;

Agreed Switch means the implementation of the Acquisition by way of a Takeover Offer rather than a Scheme with the consent of the Panel;

Announcement has the meaning given to it in paragraph 1.1;

Bidder means Nyetimber Wines and Spirits Group Limited;

Business Day means a day other than a Saturday or Sunday or public holiday in England and Wales on which banks in London are open for general commercial business;

Code mean the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel;

Companies Act means the Companies Act 2006, as amended from time to time;

Competing Proposal means an offer, scheme of arrangement, merger, demerger, acquisition or business combination involving the Target, the proposal of which is to acquire all or a majority of the issued and to be issued share capital of the Target or all or a majority of its business and assets, whether implemented by a single transaction or a series of transactions;

Conditions means:

(a) for so long as the Acquisition is being implemented by means of the Scheme, the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix I to the Announcement and to be set out in the Acquisition Document;

(b) for so long as the Acquisition is being implemented by means of a Takeover Offer, the conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the Acceptance Condition,

and **Condition** shall be construed accordingly;

Cost means loss, damage, cost (including reasonable legal cost) and expense (including taxation), in each case of nature whatsoever;

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Court means the High Court of Justice in England and Wales;

Court Meeting means the meeting(s) of the eligible Target Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of approving the Scheme, including any adjournment thereof;

Court Sanction Date has the meaning given to it in paragraph 2.1;

Court Sanction Hearing means the sanction hearing at the Court in respect of the Scheme;

Effective Date means:

- (a) the date on which the Scheme becomes effective in accordance with its terms; or
- (b) if the Acquisition is implemented by way of a Takeover Offer, the date that a Takeover Offer becomes or is declared unconditional in accordance with the requirements of the Code;

EMI means the enterprise management incentive plan;

EMI Plans means the 2017 EMI and the 2019 EMI, and each an **EMI Plan**;

FY23 Targets has the meaning given to it in paragraph 7.2;

HMRC means His Majesty's Revenue & Customs;

Law means any applicable statute, law, rule, regulation, ordinance, code, order, judgment, injunction, writ, decree, directive, policy, guideline, interpretation or rule of common law issued, administered or enforced by any Regulatory Authority, or any judicial or administrative interpretation thereof;

Long Stop Date has the meaning given to it in the Announcement;

Offer Document means, if the Bidder elects to implement the Acquisition by way of a Takeover Offer in accordance with the terms of this letter and the Announcement, the document to be sent to (among others) Target Shareholders setting out, among other things, the full terms and conditions of such Takeover Offer;

Panel means the Panel on Takeovers and Mergers;

Regulatory Authority means any central bank, ministry, government or governmental, quasi-governmental (including the European Union), supranational, statutory, regulatory or investigative body or authority or tribunal (including any national or supranational anti-trust, competition or merger control authority, any sectoral ministry or regulator and any foreign investment review body), any national, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, any trade agency, association, institution, any professional or environmental body or any other body or person in any jurisdiction, including, for the avoidance of doubt, the Panel;

Scheme means the scheme of arrangement proposed to be made under Part 26 of the Companies Act between the Target and eligible Target Shareholders, with or subject to any modification, addition or condition either agreed between the Target and the Bidder, approved or imposed by the Court and agreed to by the Target and the Bidder;

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Scheme Conditions means the Conditions referred to in paragraph 2 of Appendix I to the Announcement;

Scheme Document means the circular to be sent to (among others) Target Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the Target General Meeting, including (as the context requires) any supplemental circular or document to be published in connection with such circular;

Scheme Record Time has the meaning given to that term in the Announcement;

Standalone Awards means the standalone share awards granted under various option agreements between the Target and individual employees and directors of the Target Group including, without limitation, the 2021 Share Plan;

Takeover Offer means a takeover offer (within the meaning of section 974 of the Companies Act) to be made by or on behalf of Bidder to acquire the entire issued and to be issued share capital of the Target on the terms and conditions to be set out in the Offer Document, such offer, including any subsequent revision, amendment, variation, extension or renewal;

Target means The Lakes Distillery Company PLC;

Target Board means the board of directors of the Target from time to time;

Target Board Recommendation means a unanimous recommendation from the Target Directors to the Target Shareholders in respect of the Acquisition to (i) vote in favour of the Target Resolutions; or (ii) if the Bidder elects to proceed with a Takeover Offer in accordance with the terms of this agreement, accept such Takeover Offer;

Target Directors means the directors of the Target from time to time and **Target Director** shall be construed accordingly;

Target General Meeting means the general meeting of the Target to be convened in connection with the Scheme, notice of which will be set out in the Scheme Document, including any adjournment thereof;

Target Group means the Target and its subsidiaries and subsidiary undertakings and a member of the Target Group shall be construed accordingly;

Target Remuneration Committee means the existing remuneration committee of the Target;

Target Resolutions means the shareholder resolution(s) of the Target which are necessary to approve, implement and effect the Scheme and the Acquisition and related changes to the Target's articles of association;

Target Share Plans means the EMI Plans, the 2022 LTIP and the Standalone Awards;

Target Shareholders means the holders of Target Shares from time to time;

Target Shares means the ordinary shares of 2 pence each in the capital of the Target and **Target Share** shall be construed accordingly;

Underwater means having an exercise price which is greater than £1.16 per Target Share in respect of the Acquisition;

Wider Bidder Group means the Bidder and any person or entity who or which, directly or indirectly, is owned, managed or controlled by the Bidder (including any other body corporate,

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partnership, joint venture or person in which the Bidder has a significant interest or is otherwise acting in concert with it) and member of the Wider Bidder Group shall be construed accordingly; and

Working Hours means 9.30 a.m. to 5.30 p.m. in the relevant location on a Business Day.

2. Interpretation

2.1 In this letter, unless the context otherwise requires:

- (a) the expressions subsidiary and subsidiary undertaking have the meanings given in the Companies Act;
- (b) the expressions acting in concert and concert Parties shall be construed in accordance with the Code;
- (c) references to any person having an interest in shares or securities shall be construed in accordance with the Code;
- (d) a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
- (e) references to a person include any individual, an individual's executors or administrators, a partnership, a firm, a body corporate (wherever incorporated), an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality);
- (f) references to a recital, paragraph, clause or Schedule (other than a schedule to a statutory provision) shall refer to those of this letter unless stated otherwise;
- (g) headings do not affect the interpretation of this letter, the singular shall include the plural and vice versa, and references to one gender include all genders;
- (h) references to time are to London time;
- (i) any reference to a day (including within the phrase Business Day) shall mean a period of 24 hours running from midnight to midnight;
- (j) references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;
- (k) references to £, pounds sterling, pence and p are references to the lawful currency from time to time of the United Kingdom;
- (l) any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (m) references to writing or written means any method of reproducing words in a legible form and shall include email but shall exclude writing in a transitory form;

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- (n) a reference to any other document referred to in this letter is a reference to that other document as amended, varied or supplemented at any time; and
- (o) references to this letter include this letter as amended or supplemented in accordance with its terms.