

COMMITTED CAPITAL

Strictly Private and Confidential

To: **LightwaveRF PLC**
Innovation Birmingham Campus
Holt Street
Birmingham
B7 4BB

For the attention of Andrew Pearson, CEO and Kevin Edwards, CFO

31 October 2017

Dear Andrew and Kevin,

Appointment of Committed Capital Financial Services Limited

Following ongoing discussions, I am pleased to set out herewith the terms of engagement (the "**Agreement**"), under which Committed Capital Financial Services Limited ("**Committed Capital**" or "**we**") proposes to act as financial adviser to LightwaveRF PLC (the "**Company**") on the proposed capital raising by way of an issue of new ordinary shares to raise some £5,000,000 (the "**Fundraising**"). Committed Capital plans to invest in the Fundraising such that a Committed Capital nominee company will own no more than 29.9% of the issued ordinary shares of the Company as enlarged by the Fundraising. It is envisaged therefore, that Committed Capital investors will likely invest up to £1,250,000 of the total £5,000,000 fund raising, representing approximately 25% of the fund raising, in order that we will maintain our current holding of around 24.5%. We would prefer that any balance of the Fundraising, to the extent required, is procured from investors introduced by the Company's NOMAD, Stockdale. Nevertheless, we reserve the right, if the stock is available, to increase our holding up to a maximum of 29.9%, subject to discussion with the management and Stockdale.

Please note that Committed Capital will undertake a limited due diligence review on the Company as a standard part of our engagement.

The following paragraphs set out the basis upon which Committed Capital will assist the Company.

Section 1. Financial Advisory Services. During the term of this Agreement, Committed Capital shall:

- (a) *Review investment for CC's Portfolio Service entities.* CC will present the opportunity to the investment committee of the CC EIS Growth Portfolio Service and CC Growth EIS Portfolio Service funds, and determine suitable investors within these entities to invest in the Company. Consideration will be given to the timing of completion and inclusion of investors based on the availability of EIS tax relief on the Fundraising.
- (b) *Liaise with Stockdale.* We liaise with Stockdale as required and as requested by the Company, for example, in order to identify and procure subscription from investors for the balance of the round not taken up by Committed Capital investors.
- (c) *Complete a valuation analysis.* Together with members of your team, we will undertake a valuation exercise based on DCF and multiples of current and forecast turnover, EBITDA and cash flows, to the extent that these are available. This analysis will not influence the price per share of the investment round but will provide comfort to Committed Capital on the fair value and value potential of the Company and is **for internal purposes only**.
- (d) *Review and assist in the preparation of updated investor and legal deal documentation.* Assistance in the preparation of material to support the fundraising exercise, to include a brief description of the Company or teaser setting out the opportunity for investors and other investor information as needed. For the avoidance of doubt, given the quoted status of the Company, we expect legal documentation to be simple and prepared swiftly.

Committed Capital Financial Services Limited
Registered in England and Wales under company number: 03810820
Registered Office: 107 New Bond Street, London W1S 1ED, UK
Authorised and regulated by the Financial Conduct Authority

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www.committedcapital.co.uk

- (e) *Arrangement of and attendance at investor meetings as required.* Committed Capital may arrange and attend investor meetings with its syndicate members once material has been prepared.
- (f) *Analyse, negotiate and recommend key terms.* These terms to be considered and formally agreed by the board of the Company.

Committed Capital will generally aim to optimise management time spent on the Fundraising and will handle most of the interaction with Committed Capital's new and existing investors. We will minimise the contact between potential investors and the Company and will also aim to co-ordinate all new investors through the Committed Capital Nominee structures to limit the number of new shareholders.

It is for the Company, taking into consideration its own independent tax, legal, accounting and credit advice, to determine its need to undertake the Fundraising. Committed Capital cannot and will not take decisions unilaterally on behalf of the Company. We will put recommendations (subject to the terms of this Agreement) to the Company for its determination, as required.

Section 2. Remuneration. The remuneration payable to Committed Capital in connection with this Agreement shall be as follows:

- (a) A retainer fee (the "**Retainer Fee**") of £7,500, chargeable on signing this letter and payable on the first fund closing for the Company.
- (b) A debt and equity-related success fee (the "**Success Fee**") of 5.0% of Committed Capital sourced investment funds, any consideration paid or payable from investors as part of the Fundraising for new or existing ordinary shares, or equity-related instruments such as convertible preference shares or convertible loan stock, and/or any funds made available by way of any debt instruments. To be clear, any funds sourced by Stockdale will not be subject to this success fee.

We note that the Fundraising may, in certain circumstances, be completed in a series of stages or tranches. The Success Fee is payable in respect of any completed stage of the Fundraising. A stage of the Fundraising shall be deemed to have completed when part or all of the funds envisaged under the Fundraising are received by the Company.

Committed Capital will be entitled to receive the Success Fee provided for in this Section 2.(b) if the Fundraising or stage thereof is successfully completed (i) during the term of this Agreement; or (ii) funds are raised from investors (that were introduced to the Company by Committed Capital during the term of this Agreement) following termination of this Agreement but within eighteen months of the termination in writing of this Agreement, as specified in Section 4, provided that the Company has terminated this Agreement other than as a result of gross negligence, wilful misconduct or material breach of this Agreement (which if capable of remedy is not remedied within 14 days of notification of the breach) by Committed Capital.

To the extent that all or part of the Funds Raised are payable in phases or on a deferred or contingent basis or held in escrow, the Success Fees shall be calculated and paid on a pro-rata basis to coincide with the timing of actual receipt thereof to the Company. For the avoidance of doubt any Success Fee related to a debt instrument shall be calculated as a percentage of the total facility (rather than the amount actually drawn down) and shall be paid when the facility becomes available to the Company.

If, in lieu of a Fundraising or part thereof, the Company completes an alternative transaction with the direct assistance of Committed Capital (including, inter alia, any acquisition, merger or other business combination of the business of the Company with that of a third party company or companies; or the direct or indirect sale of all or a portion of the assets, properties and/or businesses of the Company by lease, licence, exchange, joint venture or other means), Committed Capital and the Company will negotiate in good faith appropriate equivalent compensation in monetary terms for Committed Capital, which will take into account, among other things, the results obtained and the custom and practice among investment bankers acting in similar transactions.

Section 3. Expenses and Payments. In addition to Committed Capital's fees for professional services, the Company agrees to reimburse Committed Capital for, and Committed Capital shall separately bill, its reasonable expenses including travel costs, document production and other similar expenses, and reasonable fees of lawyers and other professional advisers incurred with respect to the Fundraising, provided that, where any such individual costs shall amount to more than £200, or total costs amount to more than £1,000, Committed Capital shall obtain the prior approval of the Company before such costs are incurred. Save as specified in Section 2, all amounts payable under this Agreement (including the Standard Terms and Conditions) shall be paid in immediately available funds without set-off and without deduction for any withholding, value-added or other similar taxes, charges, fees or assessments save as required by law.

Section 4. Term. This Agreement shall be effective as of the date of signing of this letter (the "Effective Date") and shall expire on the date eighteen months after the Effective Date. The provision of services by Committed Capital hereunder may be earlier terminated with or without cause by the Company or by Committed Capital at any time by letter, and without liability or continuing obligation from or to either party (except for any fees payable to or expenses incurred by Committed Capital prior to the date of termination in accordance with the provisions of Sections 2 and 3); provided that in the event that the Company terminates this Agreement, other than as a result of bad faith, gross negligence, wilful misconduct or material breach of this Agreement by Committed Capital (which, if capable of remedy, is not remedied within 14 days of notification of the breach), the provisions of Sections 2 and 3 hereof (to the extent applicable) shall survive such termination. In addition, Sections 1, 2 and 3 of the Standard Terms and Conditions shall survive termination or expiration of this Agreement by any other means. This Agreement may also be extended with the prior written agreement of both parties.

Section 5. Terms of Business. Committed Capital's standard "TERMS OF BUSINESS FOR PROVISION OF CORPORATE FINANCE SERVICES" are enclosed below and conditions should be taken as applying in the context of this engagement as well as generally in relation to any advice given by us to the Company. If there is any conflict and/or inconsistency between the terms of this letter and the Terms of Business, the terms of this letter shall prevail.

Your attention is drawn to the provision of section 23 of the attached Terms of Business, which include a limit of £1.5 million on our aggregate liability.


If the terms of Committed Capital's engagement as set forth in this Agreement (including the TERMS OF BUSINESS FOR PROVISION OF CORPORATE FINANCE SERVICES are satisfactory, kindly sign the enclosed copy of this letter and return it to the undersigned. We look forward to working with the Company.

Yours sincerely,



Steven Harris
Chief Executive Officer
For and on behalf of Committed Capital Financial Services Limited

* * *
Accepted and agreed as of the date first written above:

Signature: 

Name and position: R EDWARDS DIRECTOR

For and on behalf of LightwaveRF PLC

Date: 31/10/17

APPENDIX

TERMS OF BUSINESS FOR PROVISION OF CORPORATE FINANCE SERVICES

1. APPLICATION

These terms of business apply to the services described in the letter (the '**Appointment Letter**') above and to any ancillary or related, additional services which we agree to you following our appointment (together, the '**Services**').

In these terms of business, references to '**we**' '**us**' or similar expressions refer to Committed Capital Financial Services Limited (a company registered in England with number 03810820). References to '**you**' '**your**' or similar expressions refer to the corporate entity or entities to which the Appointment Letter is addressed (and do not include the directors, other officers or shareholders of any such entity, unless expressly stated otherwise in the Appointment Letter).

The terms of the Appointment Letter shall prevail to the extent that they are inconsistent with these terms.

The Appointment Letter and these terms of business (together with any agreed amendments and any other documents expressly incorporated in the Appointment Letter) comprise and are referred to as the '**Agreement**' between us.

The Agreement will override any other terms previously stipulated by you or us; or referred to in any previous agreement or understanding, whether relating to the Services or otherwise.

The Agreement will apply from the date on which we begin to supply the Services, even if you do not acknowledge the Appointment Letter until after that date, or at all.

2. SERVICES TO BE PROVIDED

We will provide the Services to you with reasonable skill and care, in return for the fees and payments set out in the Appointment Letter or otherwise payable in accordance with these terms of business.

We are authorised by you to do anything which is reasonably necessary either to carry out the Services (including acting as your agent or, through agents, which may include our Associates) or to comply with any applicable laws, rules, regulations, authorisations, consents or practices as may reasonably be appropriate.

We shall not be responsible for providing specialist advice in connection with those matters for which you have agreed to provide or procure or can reasonably be expected to, or would usually, provide or procure such advice (for example, legal, accounting or taxation matters), and we shall not be liable in respect of any services or advice provided to you by persons other than ourselves.

3. CLIENT CLASSIFICATION

We have classified you and agreed to treat you as a Professional Client for the purposes of the FCA Rules. Accordingly, the rules of the Financial Services Ombudsman do not apply and you will not have the benefit of the Financial Services Compensation Scheme.

You must inform us if there is any change in your circumstances which could affect this categorisation.

You may request that we re-categorise you (for example, so that you are treated as a 'Retail Client' with higher protection). However, we do not have to agree to your request. Any such request must be made in writing to us and we will consider your request at our discretion.

4. CONSENTS AND REGULATORY UNDERTAKING

You confirm that (save as disclosed to us in writing) you have maintained, and agree that you will maintain, all necessary consents and authorisations (other than any we are required to maintain) for us to carry out the Services and for the transaction or matters contemplated by the Agreement to be implemented in full.

You agree that you will comply with all relevant laws and regulations in any jurisdiction, including, in relation to the United Kingdom, the Financial Services and Markets Act 2000, Part V of the Criminal Justice Act 1993 (Insider Dealing), the City Code on Takeovers and Mergers (the "**Code**"), the Financial Conduct Authority by whom we are regulated, the instructions of the Panel on Takeovers and Mergers, the Listing Rules of the UK Listing Authority, a division of the Financial Conduct Authority, the Rules of the London Stock Exchange regarding trading of shares on the London Stock Exchange and that you will procure that your Associates and, in the case of a transaction which is subject to the Code, any persons with whom you are acting in concert (within the meaning of the Code) and, abide by all such regulations.

5. PROVISION OF INFORMATION

You agree to provide or procure the provision to us of all information concerning your business or affairs which we reasonably require for the proper provision of the Services and all such further information as we may reasonably request.

You will ensure that any information you supply to us, including statements of opinion, will be true, fair and accurate and not misleading. You agree that, if anything occurs within a reasonable time thereafter to render any such information untrue, unfair or misleading, you will promptly notify us and take all such steps as we reasonably require to correct any statement or publication based on such information.

6. FEES, EXPENSES AND INTEREST

Our fees for providing the Services to you shall be as set out in the Appointment Letter, or as otherwise agreed in writing between us from time to time or, if not agreed in writing, a reasonable fee. If not otherwise specified, all sums shall be subject to value added tax, in addition, at the then-applicable rate.

Unless otherwise agreed in writing, you shall bear and be responsible for the payment of all reasonable costs and expenses of, or incidental to, or incurred in connection with, the transaction(s) or matter(s) in respect of which our Services are provided.

You shall on request promptly reimburse us with the amount of any such costs or expenses which we may have paid on

your behalf and we are authorised to deduct such costs or expenses from any amounts received or held by us.

Where any such amount is reimbursed to us, you shall in addition pay to us in respect of value added tax:

- (a) if any reimbursement constitutes part of the consideration for any supply of services to you, such amount as equals any input tax payable by us in respect of the same costs or expenses for which we are unable to take any credit or make any recovery, as well as the amount of any value added tax for which we are properly liable in respect of that supply; and
- (b) if any costs or expenses constitute disbursements incurred by us as agent on your behalf, any valued added tax thereon.

You agree that all sums payable to us or any Associate (including any amounts payable pursuant to clause 14) shall be paid free and clear of all deductions or withholdings unless the deduction or withholding is required by law, in which event you shall pay such additional amount as shall be required to ensure that the net amount received by us or our Associate will equal the full amount which would have been received had no such deduction or withholding been made.

You and we acknowledge that the Late Payment of Commercial Debts (Interest) Act 1998 applies to this Agreement and agree that all sums (other than interest) due to us under this Agreement shall be deemed to be due as the price for the Services.

7. CONFLICTS OF INTEREST

We and our Associates are engaged in a wide range of investment business, both for our and their account and for clients. This may give rise to situations in relation to the proposed transaction in respect of which our Services are provided where we or one of our Associates may have (i) interests which may conflict with your interests, (ii) a client whose interests may conflict with your interests, or (iii) some other interest, relationship or arrangement that is material (in each case, a "Material Interest"). The following are examples of interests or conflicts which may arise:

- (a) we or any of our Associates may be the financial adviser or lending banker to the company whose securities you may be acquiring or selling or with whom you may be transacting or to another party with whom you are connected or with whom you have a business relationship;
- (b) any of our Associates may effect or advise on the purchase, sale, sub-underwriting or retention of securities in your company or securities of a company whose securities you may be acquiring or selling or with whom you may be transacting or may exercise or advise on the exercise of rights attached to or arising from the holding of those securities.

Besides the above examples, we may act as lender and/or as agent for lender(s) to you, in addition to providing our Services to you. Whilst this will not normally involve us in a conflict of duty in relation to you or in the context of our Services, if and to the extent that it does so, you acknowledge and accept that, subject to your rights of termination under clause 22, we may both continue to provide our Services to you and continue to

act as lender or as agent for lender(s) to you despite and without regard to any such conflict.

You acknowledge and accept, so as expressly to override any duties, obligations or restrictions that would otherwise be implied by the COB or by law, that we or our Associates, individually or taken as a whole, may have Material Interests.

We and our Associates have established procedures, including "Chinese Walls", designed to ensure that your interests are not prejudiced, notwithstanding any Material Interest, including ensuring that the investment banking business is managed separately from the trading and lending businesses.

8. DIRECT APPROACHES

You agree not to approach potential counterparty/(ies) introduced by us or our Associates (a list of which may be agreed and updated from time to time between you and ourselves), directly or through any agent or independent contractor, and will expressly prohibit any agent, officer, employee, independent contractor or other person purporting to act for you from approaching or dealing with such counterparty/(ies) for the purpose of carrying out the transaction to which our Services relate, or any other transaction in relation or incidental thereto, so long as we are engaged to perform the Services.

9. ADVICE and NON-RELIANCE BY THIRD PARTIES

You agree that any advice rendered by us is provided solely for the purposes of the Services provided by us and for your benefit and may not be used or relied upon for any other purpose without our prior written consent.

Any written reports or other information that we provide to you in connection with the Services shall be passed to you solely for your benefit and cannot be provided to, or be relied upon by, any third party.

Any information supplied by us to you ("Data") may include purely indicative or historic market prices. We do not warrant that the Data represents or indicates prices at which transactions may be or were effected at any time. We hereby exclude liability to the fullest extent permitted by law, in relation to the Data. We do not accept any responsibility or liability for, and cannot and do not warrant, the accuracy, quality, correctness or completeness, merchantability or fitness for a particular purpose or requirement of the Data whether arising from the negligence of ourselves or our employees or otherwise, and, without limiting the foregoing, shall not be liable for any economic loss or any indirect or consequential loss or damage including loss of business or profits suffered by you or any third party in relation to the Data. Any opinion expressed or assumption made in association with the Data is a reflection of our judgement at the time of compiling the Data and is subject to change.

10. CONFIDENTIALITY and PROPRIETARY INFORMATION

Subject to the next two paragraphs, you and we undertake to keep confidential any confidential information concerning the business, affairs, directors or employees of the other that comes into its possession in the course of the provision of the Services and not to use any such information for any purpose other than that for which (subject to the next two paragraphs) it was provided.

Notwithstanding the foregoing, you expressly acknowledge and agree that:

- (a) As part of providing you with the Services agreed, whilst confidential information provided by you may be of a proprietary and secret nature, it may be necessary for us to disclose some or all of that information to potential counterparties, provided that we have obtained an appropriate confidentiality agreement from such counterparty(-ies). In consideration of the provision of that confidential information, we undertake not to disclose it, in whole or in part, to any person other than to a person who is a potential counterparty to a relevant transaction or other than to our professional advisers;
- (b) we may advise you and/or other clients notwithstanding that we are in possession of information which is confidential to one or more of such clients and which is or may be of interest or relevance to you or them;
- (c) in such circumstances, we are under no obligation to disclose such confidential information to you or to such other clients (save where we have received the prior express consent of the person(s) who has provided such information);
- (d) in circumstances where we are in possession of information which is confidential to you, notwithstanding that there may be an increased or potentially increased risk of disclosure of such confidential information you expressly acknowledge and agree that we are not prevented or precluded from acting or continuing to act for such other clients in the circumstances set out above.

You acknowledge and accept that we may be required or it may be appropriate for us to disclose information and deliver documentation relating to you or matters arising from or in connection with our Services to governmental or regulatory agencies and authorities and you expressly authorise such disclosure or delivery.

Without prejudice to the foregoing, you further acknowledge and accept that we may be prohibited from disclosing, or that it may be inappropriate for us to disclose, information to you by reason of law or duties of confidentiality owed to other persons or the COB or our own "Chinese Wall" policies.

You expressly recognise and agree that we are the owner of all data, concepts, ideas, business processes, financial product structuring schemes, know-how and techniques relating to the Services, whether or not patentable; and that any trademark, design, copyright or other right, title or interest created in connection with, affecting or relating to the Services, shall be and remain our confidential and proprietary information.

11. PUBLICITY

You undertake that you will not, and you will procure that none of your Associates or persons acting in concert (within the meaning of the Code) with you or your Associates will, take any material step or action in relation to, or publish or procure or solicit the publication of, any document, statement or communication about any transaction or matter in connection with which we have provided or are providing services without our prior consent, such consent not to be unreasonably withheld. If for any reason any such document, statement or communication is made in breach of this undertaking, you acknowledge that we shall be entitled to publish any

documents, statements or communications as we think fit in our interest without liability.

You shall ensure that any document, statement or communication issued by you or on your behalf (whether in the form of a formal announcement or otherwise) in connection with the transaction or matter in respect of which our Services are provided will be true, fair and accurate and not misleading, that every statement of opinion or intention or expectation contained therein will be honestly and fairly based, and that there will be no facts not disclosed therein which by their omission make any statement therein misleading.

You agree to provide us with or to procure the provision to us of such confirmations and other evidence as we require in order to satisfy ourselves that any financial promotions (as defined in the Rules of the FCA) which we are asked to approve on your behalf and/or any document or announcement or information issued or to be issued in connection with any matter in respect of which we are advising complies with the Rules of the FCA and any other applicable regulations. Any financial promotion that we approve may only be used for the purposes of the transaction to which the Services relate.

In the event of consummation of any transaction to which our Services relate, you agree that a summary of that transaction may be publicly disclosed, the contents of any press release to be agreed with you in advance of such publication and, at a minimum, including the names of the adviser, the client, the target as applicable and a brief description of the nature of the transaction.

12. CORRESPONDENCE and PAPERS

All correspondence and papers in our possession or control relating to any services provided to you or the subject matter of such services shall be our sole property, save for original contracts, share certificates, other documents of title or any other document expressly held on your behalf.

During the provision of the Services we and our Associates may from time to time communicate with you electronically. However, as you are aware, the electronic transmission of information cannot be guaranteed to be secure or error-free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Accordingly, whilst we and our Associates will use commercially reasonable procedures to check for the then most commonly known viruses and notwithstanding any collateral contract, warranty or representation, neither we nor our Associates shall have any liability to you on any basis, whether in contract, tort or otherwise, in respect of any error or omission arising from or in connection with the electronic communication of information to you and your reliance on such information and including (but not limited to) the acts or omissions of relevant service providers. Such exclusions of liability shall not, however, apply in the event of such acts, omissions or misrepresentations to the extent that they are in any case criminal, dishonest or fraudulent on the part of that person.

If the communication relates to a matter of significance on which you wish to rely and you are concerned about the possible effects of electronic transmission, you should request a hard copy of such transmission from us or our Associate as appropriate. If you wish us or any of our Associates to protect all or certain documents transmitted by the use of a password,

you should discuss this with the relevant person so that appropriate arrangements can be made.

13. YOUR MONEY

We draw to your attention the fact that any funds we hold on your behalf will not be treated as client money for the purposes of the Client Money Rules (as defined in COB), which do not apply to such funds that we hold for you in an account with ourselves. We will not hold your funds in a separate or segregated account.

14. ANTI-CORRUPTION

Our policy is to conduct our business in an honest and ethical manner and to comply with all applicable legislation, including the Bribery Act 2010. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally and with integrity in all of our activities, whether in the UK or overseas. We expect our clients and our sub-contractors to observe the same standards. We will implement proportionate, risk-based procedures with the aim of preventing bribery or corrupt acts in connection with the Services and may terminate this Agreement immediately and without liability if in our absolute discretion we consider that you or any third party is acting (or might act) in a manner which is inconsistent with our policy and procedures.

15. AUTHORISATION

We are entitled to assume that any instructions, notices or requests (whether in writing or not and however communicated to us) have been properly authorised by you if they are given or purported to be given by an individual or person who is or purports to be and is reasonably believed by us to be a director or employee or your authorised agent.

16. TRANSFERABILITY AND DELEGATION

Subject as follows, this Agreement is not transferable by either you or us (in whole or in part, and whether in relation to the benefit or the burden or otherwise).

We may delegate or sub-contract any of our obligations under this Agreement at our discretion, but this shall not in any way limit or affect our liability to you in respect of such obligations.

17. INDEMNITY

You must fully indemnify us and each of our Associates and keep us and each of them so indemnified against:

- (a) any and all claims, damages, demands or proceedings brought or made or alleged (or threatened to be brought or made or alleged) in any jurisdiction (whether or not successful, compromised or settled) (collectively "claims") against us or any of them; and
- (b) any losses, liabilities, costs, charges or expenses suffered or incurred by us or any of them (collectively "losses") (including, without limitation, all losses (including reasonable legal fees) suffered or incurred in connection with investigating, responding to, preparing for or defending any claim, whether or not in connection with pending or threatened litigation to which we or any of our Associates is a party, or in enforcing any rights under the Agreement

in connection with or arising directly or indirectly from any Services provided to you or in respect of the transaction or matter to which such Services relate except that you shall not be responsible for any such claims or losses if and to the extent that they result from our or our Associate's fraud, negligence or wilful default.

We will promptly, upon becoming aware of it, notify you of any claim against us or any of our Associates which is relevant under this paragraph **Error! Reference source not found.** We will consult with you on our conduct of the claim and will supply you with copies of all information and documents relating to the claim which you reasonably request, subject to:

- (i) our obligations of confidentiality and privilege;
- (ii) we and our Associates being indemnified against any increased losses that may result from consultation with you; and
- (iii) the requirements of our insurers.

This indemnity shall be in addition to any rights that we or any of our Associates may have at common law or otherwise. You acknowledge and accept that our Associates may enforce the indemnity directly against you.

18. COMPLAINTS AND DISPUTE RESOLUTION

We have internal procedures for handling complaints. If you have a complaint about us please submit it to us in writing. You can write to your usual contact at CC or to our CEO, Steven Harris.

We will attempt in good faith to resolve any dispute or claim arising out of this Agreement or the Services promptly through negotiations between your senior executives and our management.

If the dispute arises out of or relates to this Agreement including any question regarding its existence, validity or termination, and is not resolved through negotiation, you and we shall seek settlement of that dispute by mediation in accordance with the LCIA Mediation Rules, which Rules are deemed to be incorporated by reference into this clause.

If the dispute is not settled by mediation within 60 days of the commencement of the mediation, or such further period as the parties shall agree in writing, the dispute shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this clause.

The language to be used in the mediation and in the arbitration shall be English. In any arbitration commenced pursuant to this clause the number of arbitrators shall be one and the seat, or legal place, of arbitration shall be London, England.

19. CONTROL OF CLAIMS

If you become aware of any third party claim or potential claim against you (a "third party claim") which might also reasonably be expected to lead to a claim being made against us or one of our Associates relating to the Services, you:

- (a) shall procure that notice of such third party claim is promptly given to us;
- (b) shall not make (or, as appropriate, shall co-operate to procure that your group company shall not make) any admission of liability, agreement or compromise with any person, body or authority in relation to any such third party claim without prior consultation with us and with our prior agreement; and
- (c) shall take (or, as appropriate, shall co-operate to procure that your group company shall take) such action as we may reasonably request to avoid, dispute, resist, appeal, compromise or defend such third party claim or any adjudication in respect of that third party claim, the expense of such action to be agreed in good faith between the parties.

20. THIRD PARTIES

We and you do not intend that any term of the Agreement should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party, other than our Associates, where expressly stated in this Agreement.

21. NOTICES

Any notice or consent to be given under the Agreement may be delivered in person or by letter to the address of our registered office, for notices to us, and to the address last notified by you to us, for notices to you.

22. MEANING OF "ASSOCIATE"

The expression "Associates" in these terms of business, means (i) officers, directors, employees, representatives and agents from time to time; (ii) subsidiaries, holding company (if any) and each of the subsidiaries of such holding company and each of their respective officers, directors, employees, representatives and agents from time to time; (iii) in the case of ourselves, to the extent that they are not included in (i) and (ii) of this definition, associated partnerships in which we and /or other Associates are partners; and (iv) associated companies and companies of which such companies and the companies referred to in (ii) of this definition are associated companies (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status, all within the meaning of paragraph (1) of the definition of "Associate" contained in the Code).

23. LIMITS ON LIABILITY

Nothing in this Agreement shall limit or exclude liability for any fraud, criminal act, negligence causing death or personal injury, or any other act or omission in relation to which liability may not be limited or excluded by law or applicable regulation. Each of the following paragraphs of this Section 23 shall be subject to this paragraph.

Unless expressly stated otherwise in the Appointment Letter, the aggregate liability of us and our Associates for loss, damage, costs and interest in connection with the Services (whether in contract, tort or otherwise) shall be limited to £1.5 million.

Neither we nor any Associate of ours shall have any liability (whether direct or indirect in contract, tort or otherwise) to you or any of your Associates for or in connection with any Services provided to you by us or our Associates except to the extent that the liability has arisen from our or our Associates' negligence or wilful default or our or their wilful breach of duty or obligation under the Financial Services and Markets Act 2000 (or other applicable statute or regulatory requirement).

A claim may only be brought against us (in contract, tort or otherwise) if it can be brought in English law without reliance on the law of any other country.

If you accept any express limitation of liability from any of your other professional advisers (including without limitation accountants and lawyers) in connection with the Services, then (i) our total liability to you in connection with any claims against us by you will be reduced so that it will not exceed the total amount for which we would have been liable to you but for such limitation and (ii) you will promptly inform us that you have accepted such limitation and will provide written confirmation to us in a form and substance reasonably satisfactory to us to give effect to the provisions of (i) of this paragraph.

24. VALIDITY OF CONTRACT PROVISIONS

If any term or terms of this Agreement shall be held to be invalid, illegal or unenforceable, such term or terms shall be deemed not to form part of the Agreement without prejudice to the enforceability of the remaining terms of the Agreement, provided always that if any such deletion substantially affects or alters the commercial basis of the Agreement, the parties to the Agreement shall negotiate in good faith to amend and modify them as may be necessary or desirable in the circumstances.

25. GOVERNING LAW

This Agreement is governed by English law.

Subject to Section 18 and without limiting any right for us to take proceedings in the courts of competent jurisdiction of any other state, you and we each irrevocably submit to the jurisdiction of the courts of England.

26. TERMINATION

Either of us may terminate the arrangements between us by giving the other written notice which shall be effective upon receipt, or, if it is received on a day that is not a business day, then the next business day.

Termination will be without prejudice to the completion of transactions already initiated and will not affect any legal rights or obligations that may already have accrued to or been incurred by either of us or any representations, confirmations or indemnities given by either of us herein.

The provisions of this Section 26 and sections 3, 4, 6, 9, 10 and **Error! Reference source not found.** to 25 shall survive such termination.