

DEED OF IRREVOCABLE UNDERTAKING

Strictly Private and Confidential

From: Peter Earl
49 Wood Vale
London
SE23 3DT

To: Encor Power plc
Unit 1a The Granary
Bulrushes Business Park
Coombe Hill Road
East Grinstead
RH19 4LZ

27 April 2017

Proposed offer for IPSA Group plc (the "Target")

1 INTRODUCTION

1.1 I/we understand that:

- 1.1.1 Encor Power plc (the "**Offeror**") is considering making an offer to acquire all of the issued and to be issued share capital of the Target (the "**Shares**") by way of a contractual offer governed by the City Code on Takeovers and Mergers (the "**Code**") (the "**Offer**");
- 1.1.2 the Offer will be substantially on the terms and conditions set out in the draft 2.7 announcement attached at Schedule 1 to this deed (the "**Announcement**");
- 1.1.3 the Offer will extend to any Shares allotted, issued or transferred while the Offer remains open for acceptance, including any Shares allotted, issued or transferred pursuant to the exercise of any options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares; and
- 1.1.4 the release of a firm intention announcement in respect of the Offer is conditional on, *inter alia*, the recommendation of the Offer by the board of the Target and the signing of this irrevocable and irrevocable undertakings by certain other shareholders of the Target.

1.2 Capitalised terms used but not defined in this deed will have the meanings given to them in the Announcement.

2 UNDERTAKINGS

2.1 In consideration of the Offeror agreeing to make an offer to acquire the whole of the issued share capital of the Target substantially on the terms and subject to the conditions set out in the Announcement, I/we undertake, agree and warrant to and with the Offeror in respect of the Shares specified in Schedule 2 to this deed that:

- 2.1.1 I/we am/are the registered holder and beneficial owner of and I/we am/are able to control (i) the exercise of all rights attaching to, including the voting rights to and the appointment of a proxy in respect of, and (ii) the disposition of the number of Shares specified opposite my/our name in Part 1 of Schedule 2 to this deed and irrevocably undertake that I will procure control of (i) the exercise of all rights attaching to, including the voting rights to and the appointment of a proxy in respect of, and (ii) the disposition of the number of Shares specified in Part 2 of Schedule 2 to this deed which are beneficially owned by certain of my immediate family

members ("**Family Members**") (together, the "**Existing Shares**") and have full power and authority to accept, or procure the valid acceptances of, the Offer in respect of all the Committed Shares (as defined below) and to exercise or to procure the exercise of, all voting rights which they carry in each case as envisaged by the terms of the Offer; and

2.1.2 other than as referred to in paragraph 2.1.1., I/we do not have any "**interest**" (as defined in the City Code on Takeovers and Mergers (the "**Code**")) in any securities of the Target.

2.2 I/we irrevocably undertake (subject to paragraph 5 of this deed):

2.2.1 in my/our capacity as a shareholder of the Target to accept, or procure the acceptance of, the Offer in respect of:

- (a) the Existing Shares;
- (b) any other shares in the Target of which I and my Family Members may hereafter become the registered holder, beneficial owner or in which I and my Family Members may become interested; and
- (c) any other shares in the Target deriving from the shares referred to in paragraphs 2.2.1(a) or 2.2.1(b);

(all of the shares referred to in paragraphs 2.2.1(a) to 2.2.1(c) (inclusive) above together, the "**Committed Shares**");

2.2.2 to fulfil this undertaking, in respect of the shares referred to in paragraphs 2.1.1, above as soon as reasonably practicable and in any event not later than 3.00 pm on the tenth business day after the date of despatch to shareholders of the Company of the formal document containing the Offer (the "**Offer Document**"), (or, in relation to the shares falling within paragraphs 2.2.1(b) and 2.2.1(c) above, as soon as practicable after I/we become the registered holder or, to the extent no undertaking is given by the registered holder, the beneficial owner of such shares), by either;

- (a) returning to you, or procuring the return to you, as you may direct, duly completed and signed form(s) of acceptance relating to the Offer. I/we also agree to forward, or procure to be forwarded, with such form(s) of acceptance the share certificate(s) or other document(s) of title in respect of the relevant shares;
- (b) sending (or procuring that any CREST sponsor sends) to Euroclear UK & Ireland Limited the relevant Transfer to Escrow instruction accepting the Offer (in accordance with the procedures described in the Offer Document) in respect of the relevant shares;

2.2.3 in my/our capacity as a shareholder of the Target:

- (a) notwithstanding the provisions of Code or any terms of the Offer regarding withdrawal, not withdraw such acceptance(s);
- (b) except pursuant to the Offer, not dispose of, charge, pledge or otherwise encumber or grant any option or other right over or otherwise deal with any of the Shares or any interest in them (whether conditionally or unconditionally);
- (c) exercise all voting rights attaching to the Shares in such manner as to enable the Offer to be made and become unconditional and oppose the taking of any action which might result in any condition of the Offer not being satisfied;

- (d) not acquire any interest (as defined in Part 22 of the Companies Act 2006) in any shares in the Company (save as contemplated by clause 2.2.1(c));
- (e) not enter into any agreement or arrangement with any person, whether conditionally or unconditionally, to do any of the acts prohibited by the above terms of this paragraph 2.2.3 and not to accept any other offer made by a third party (whether by contractual offer or by way of scheme of arrangement); and
- (f) to notify you of the details of any approach by any third party made to me/us with a view to the making of any general offer for the Company's ordinary shares from any third party or any proposal for a merger of the Company with any other entity and also of any such solicitation or discussions (whether or not in breach of the obligations set out in this letter) as soon as practicably possible after I/we become aware of the relevant matter,

and I shall procure the same in relation to my Family Members.

3 CONVERSION TO SCHEME

- 3.1 If the Offer is withdrawn or cancelled and the Offeror announces (pursuant to paragraph 8 of Appendix 7 of the Code) an offer by way of a scheme of arrangement under Part 26 of the Companies Act 2006 ("**Scheme**") which is made on similar terms at least as favourable as the terms of the Offer, I/we will vote in favour of the Scheme at the Court Meeting and any General Meeting of the Company in respect of the Committed Shares) and will appoint as my/our proxy the Chairman of such meetings and I shall procure that my Family Members vote accordingly and appoint the Chairman of such meetings as their proxy.
- 3.2 In the event that a Scheme is announced in accordance with paragraph 3.1 above, this deed and my/our obligations under it will continue to apply with any necessary changes in respect of the Scheme.
- 3.3 References in this deed to:
 - 3.3.1 the Takeover Offer becoming or being declared unconditional in all respects Scheme becoming effective will be read as references to the Scheme becoming effective; and
 - 3.3.2 the closing or lapsing of the Takeover Offer will be read as references to the Scheme lapsing or being withdrawn.

4 WARRANTIES

- 4.1 I/we warrant to and undertake with the Offeror on my behalf and on behalf of my Family Members:
 - 4.1.1 the Shares include all the shares in the Company registered in my/our name or beneficially owned by me/us or in respect of which I/we am interested (as defined in Part 22 of the Companies Act 2006);
 - 4.1.2 the Shares will be transferred pursuant to the Offer free from all charges, liens and encumbrances and with all rights now or hereafter attaching to them, including the right to all dividends declared, made or paid hereafter (other than as provided by the terms of the Offer); and
 - 4.1.3 I/we have full power and authority to accept the Offer or to undertake (in relation to any Shares of which I am not both registered holder and beneficial owner) that the Offer will be accepted, in respect of all the Shares.
- 4.2 Such warranties and undertakings shall not be extinguished or affected by the sale of the Shares pursuant to the Offer.

5 CONDITIONS AND LAPSE

5.1 My/our obligations under clause 2 shall lapse if:

5.1.1 the Offer is not made (by the publication of an Offer Document) within 28 days of the release of the Rule 2.7 Announcement (or such later date as the Panel may permit); or

5.1.2 the Offer lapses or is withdrawn without having become wholly unconditional,

provided that the lapsing of my Obligations shall not affect any rights or liabilities under this letter in respect of prior breaches of them.

6 CONSENT

I/we consent and I have authority to consent for my Family Members to the issue of the Announcement and understand that particulars of this deed will be contained in the Announcement, the Offer Document and any related document and that this deed will be available for inspection until the Offer becomes or is declared unconditional in all respects or closes or lapses.

7 OPTIONS AND AWARDS

I/we confirm that neither I nor my Family Members hold no options or awards over shares in the capital of the Target.

8 GENERAL

8.1 In this deed, references to the Offer will include any revised offer which in the reasonable opinion of an independent financial adviser is at least as favourable as the Offer; and references to actions or omissions in relation to the Offer will be taken to be references to the equivalent actions or omissions in relation to any revised offer.

8.2 Time will be of the essence of this deed.

8.3 I/we recognise and acknowledge that, if I/we should fail to comply with my obligations and undertakings under this deed, damages may not be an adequate remedy. You will be entitled to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of any of my obligations and undertakings under this deed and no proof of special damages will be necessary for the enforcement by you of your rights.

8.4 I/we acknowledge that I am obliged to make appropriate disclosure under Rule 2.10(c) of the Code no later than 12 noon on the business day after becoming aware that I will not be able to comply with the terms of this deed or no longer intend to do so.

8.5 I/we will not disclose to anyone (other than my professional advisers) the possibility, terms and conditions of the Offer and the Scheme and the existence and terms of this deed save to the extent that such matters are or have been made public through the issue of the Announcement or any other documentation relating to the Offer or the Scheme. Before this time I will not use any information relating to the same in relation to any qualifying investments or related investments (as defined in FSMA) which would amount to market abuse for the purposes of the Market Abuse Regulation. I/we acknowledge that the matters referred to in this deed may constitute inside information for the purposes of the Criminal Justice Act 1993 and the Market Abuse Regulation and consent to being made and having information as an insider as defined in such laws and regulations. The obligations in this paragraph will survive the termination of this deed.

8.6 I/we further recognise that this deed is being given for the benefit of the Target and the Target will be entitled to enforce the terms of this deed pursuant to the Contracts (Rights of Third Parties) Act 1999.

- 8.7 This deed and any disputes or claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) are governed by and construed in accordance with the laws of England.
- 8.8 The parties irrevocably agree that the courts of England have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims).
- 8.9 This deed will be governed by and construed in accordance with English law and I irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this deed.
- 8.10 Nothing in this deed shall require a Party to exercise a right in respect of the Offer in a manner not permitted by law.

This document has been executed and delivered as a deed on the date stated at the beginning of it.

SCHEDULE 1 – PRESS ANNOUNCEMENT

SCHEDULE 2

PART 1 – NUMBER OF SHARES HELD IN MY NAME

Number	<i>Type / class</i>	<i>Registered owner</i>
250,000	Ordinary	WH Ireland Nominees

PART 2 – NUMBER OF SHARES HELD BY MY IMMEDIATE FAMILY

Number	<i>Type / class</i>	<i>Registered owner</i>
1,000,000	Ordinary	Charles Stanley Nominees
500,000	Ordinary	Park Avenue Nominees

EXECUTED as a deed by
PETER EARL in the presence of:

Signature


Witness signature 

Name (in BLOCK CAPITALS) ELEANOR A SHAW

Address 52 WOODWARDE ROAD, LONDON SE22 8UJ
