

DEED OF IRREVOCABLE UNDERTAKING

Strictly Private and Confidential

From: Sterling Trust Limited (in Administration)
FAO: Ben Barrett
c/o Dow Schofield Watts
7700 Daresbury Park
Daresbury
Warrington
WA4 4BS

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

26th 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 You understand that:

- 1.2.1 Sterling Trust Limited ("**Sterling**") was placed into administration on 19 October 2015 and John Allan Carpenter and Ben Barrett of Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park, Daresbury, Warrington, WA4 4BS were appointed as the joint administrators of Sterling (the "**Administrators**").

1.3 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, Sterling, acting by the Administrators, undertake, agree and warrant to and with the Offeror in respect of the Shares specified opposite Sterling's details in Schedule 2 to this deed that:

2.1.1 Sterling is the registered holder of the Existing Shares (as defined below). To the best of the Administrators' knowledge and belief, Sterling is the beneficial owner of and 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 Sterling's name in Schedule 2 to this deed (the "**Existing Shares**"). To the best of the Administrators' knowledge and belief, Sterling has 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., Sterling does not have any "**interest**" (as defined in the City Code on Takeovers and Mergers (the "**Code**")) in any securities of the Target.

2.2 Sterling, acting by the Administrators, irrevocably undertakes (subject to paragraph 5 of this deed):

2.2.1 in its 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 it may hereafter become the registered holder, beneficial owner or in which it 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 Sterling becomes 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. Sterling also agrees 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 Sterling's 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 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 we become aware of the relevant matter.

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, Sterling 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 its proxy the Chairman of such meetings.
- 3.2 In the event that a Scheme is announced in accordance with paragraph 3.1 above, this deed and Sterling's 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 Sterling, acting by the Administrators, warrants to and undertakes with the Offeror that:
 - 4.1.1 the Shares include all the shares in the Company registered in Sterling's name or, to the best of the Administrators' knowledge, is beneficially owned by Sterling or in respect of which Sterling is 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 to the best of the Administrators' knowledge, Sterling has full power and authority to accept the Offer or to undertake (in relation to any Shares of which Sterling is 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 Sterling's obligations and warranties under clauses 2 to 4 shall be conditional upon:

5.1.1 the Announcement being ~~not~~ made within one business day of this document being executed;

5.1.2 the Offer being 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

5.1.3 the Offer not lapsing or being withdrawn without having become wholly unconditional.

5.2 In the event of any of such conditions (as specified in paragraph 5.1) failing to be satisfied in accordance with its terms, or if the Offeror notifies Sterling or the Target that it is not proceeding with the Offer, all of the irrevocable undertakings, obligations and warranties contained in this document shall automatically lapse and be of no further force or effect and no party hereto shall have any claim against any other save in respect of any prior breach of this document.

6 CONSENT

Sterling, acting by the Administrators, consents to the issue of the Announcement and understands 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

Sterling, acting by the Administrators, confirm that to the best of the Administrators knowledge Sterling holds no options or awards over shares in the capital of the Target.

8 GENERAL

8.1 The Administrators act as agents for Sterling and neither they nor their representatives shall incur any personal liability whatever in respect of any of the obligations of Sterling or in respect of any failure by Sterling to observe, perform or comply with any such obligations or in relation to any associated arrangements or negotiations or pursuant to any document or assurance made pursuant to this document.

8.2 The Administrators have entered into this document in their personal capacities solely for the purpose of obtaining the benefit of the provisions in their favour.

8.3 Where a warranty or confirmation is expressed to be "to the best of the Administrators' knowledge" the Administrators have not made specific enquiry into the information relating to that warranty or confirmation.

8.4 Save as expressly set out in this document, all representations, warranties, conditions, guarantees and stipulations, express or implied, statutory, customary or otherwise in respect of the Committed Shares or any of the rights, title and interests relating to the Committed Shares are expressly excluded.

26/4/17

- 8.5 Time will be of the essence of this deed.
- 8.6 Sterling recognises and acknowledges that, if it should fail to comply with its 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 Sterling's obligations and undertakings under this deed and no proof of special damages will be necessary for the enforcement by you of your rights.
- 8.7 Sterling acknowledges that it is obliged to make appropriate disclosures under Rule 2.10(c) of the Code no later than 12 noon on the business day after becoming aware that it will not be able to comply with the terms of this deed or no longer intend to do so.
- 8.8 Sterling will not disclose to anyone (other than the Administrators' office, agents and 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 or to the extent that such disclosure is required to be made by the Administrators in performing their duties. Before this time Sterling 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. Sterling acknowledges 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.
- 8.9 Sterling further recognises 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.
- 8.10 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.
- 8.11 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).
- 8.12 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 or in connection with this deed.
- 8.13 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
NUMBER OF SHARES

Number	Type / class	Registered owner
31,794,105	Ordinary	Sterling Trust Limited (in administration)

SIGNED and DELIVERED as a DEED by)
Ben Barrett, as Administrator, for and on behalf of)
Sterling Trust Limited) (in administration) as its)
agent and without personal liability in the)
presence of:)



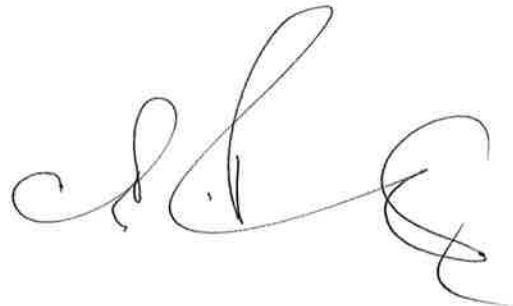
Witness signature: 


Name: PHILLIPPA BURNUP

Address: QUANTUMA LLP VERNON HOUSE
23 SICILIAN AVE LONDON WC1A 2QS

Occupation: EXECUTIVE ASSISTANT

SIGNED and DELIVERED as a DEED by)
Ben Barrett, as Administrator, without personal)
liability in the presence of:)



Witness signature: 

Name: PHILLIPPA BURNUP

Address: QUANTUMA LLP VERNON HOUSE
23 SICILIAN AVE, LONDON, WC1A 2QS

Occupation: EXECUTIVE ASSISTANT