

AUKETT SWANKE GROUP PLC (1)

- and -

THE TFG PARTIES (2)

- and -

STRAND HANSON LIMITED (3)

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**RELATIONSHIP AGREEMENT**

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**BETWEEN:**

- (1) **AUKETT SWANKE GROUP PLC**, a company incorporated in England and Wales (registered number 02155571) whose registered office is at 10 Bonhill Street, London, England, EC2A 4PE (the "**Company**");
- (2) **THE PERSONS** whose names and addresses are set out in the Schedule (the "**TFG Parties**"); and
- (3) **STRAND HANSON LIMITED** incorporated and registered in England and Wales with company number 02780169 whose registered office is at 26 Mount Row, London, W1K 3SQ (the "**Nomad**").

**WHEREAS**

- (A) The Company has appointed the Nomad to advise it in connection with and following its acquisition (the "**Transaction**") of the entire issued share capital of Torpedo Factory Group Limited (company number: 03298917) (the "**Target**").
- (B) Immediately following completion ("**Completion**") of the Transaction in accordance with the terms of a transaction agreement entered into between, amongst others, the Company and the TFG Concert Party (the "**Transaction Agreement**"), the TFG Concert Party will be interested in 89,159,484 Shares, representing 32.38% of the issued share capital of the Company.
- (C) At Completion, the Company will grant Freddie Jenner and Jason Brameld options over 3,700,000 Shares and 4,700,000 Shares respectively (the "**CP Options**"). If the CP Options are exercised, assuming no further Shares are issued by the Company, the TFG Concert Party will, upon such exercise, be interested in 97,559,484 Shares, representing 34.38% of the issued share capital of the Company.
- (D) In the event that any of the option holders in the Target exercise their options after Completion, additional Shares will be allotted and issued to those option holders and the TFG Concert Party Members' interest in the issued share capital of the Company will be diluted. The minimum interest the TFG Concert Party will have as a result of such dilution, assuming the CP Options are not exercised, will be 31.96% of the entire issued share capital of the Company and 34.38% of the entire issued share capital if the CP Options are exercised.
- (E) The parties have agreed to enter into this Deed to manage the relationship between them to ensure that:
  - (a) the Company will at all times be capable of carrying on the Business independently of the TFG Concert Party and each TFG Concert Party Member; and
  - (b) all transactions and arrangements between (i) the Company; and (ii) the TFG Concert Party, will be at arm's length and on normal commercial terms.

**IT IS AGREED** as follows:

**1. Interpretation**

1.1 The definitions and rules of interpretation in this clause 1 apply in this Deed.

**"Act"** means Companies Act 2006;

**"AIM"** means a market operated by the Exchange;

<b>"AIM Rules"</b>	means the AIM Rules for Companies as published by the Exchange from time to time;
<b>"Applicable Laws"</b>	means the Act, FSMA, the AIM Rules, the Nomad Rules, the Takeover Code and the Market Abuse Regulation (EU 596/2014) as it applies in the UK (UK MAR);
<b>"Articles"</b>	means the articles of association of the Company as amended from time to time;
<b>"Associate"</b>	means in relation to any party: <ul style="list-style-type: none"> <li>(a) any subsidiary or holding company of that party and each and any subsidiary of a holding company of that party;</li> <li>(b) any person that Controls, is Controlled by or is under common Control with that party; and</li> <li>(c) any person who is a connected person (as defined in section 1122 of CTA 2010) of that party.</li> </ul>
<b>"Board"</b>	means the board of Directors from time to time;
<b>"Business"</b>	means the business carried on by the Group;
<b>"Business Day"</b>	means a day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which dealings in domestic securities may take place on, and with the authority of, the Exchange;
<b>"Conditions"</b>	has the meaning given in clause 2.1;
<b>"Confidential Information"</b>	has the meaning given in clause 4.3;
<b>"Control"</b>	means with respect to any person, the direct or indirect power to: <ul style="list-style-type: none"> <li>(a) direct or cause the direction of the management and policies of such person;</li> <li>(b) elect a majority of the directors, partners or other persons exercising similar authority in respect of such person; or</li> <li>(c) direct or cause the direction of a voting interest of more than 50%,</li> </ul>
<b>"Controls"</b>	means "Controlling" and "Controlled by" shall be construed accordingly;
<b>"Director"</b>	means a director of the Company from time to time;
<b>"Exchange"</b>	means London Stock Exchange plc;

<b>"Group"</b>	means the Company and its subsidiary undertakings from time to time. Each company in the Group is a "member of the Group";
<b>"holding company"</b>	has the meaning given in clause 1.11;
<b>"Independent Director"</b>	means a Director other than Nick Clark or any other member of the Concert Party or their Associates;
<b>"interest"</b>	means an interest as interpreted in accordance with sections 820 to 824 of the Act (inclusive) and "interested": shall be construed accordingly;
<b>"Lock-In Deed"</b>	means the lock-in and orderly market deed between the Company, the Nomad, the TFG Concert Party and Zeus Capital Limited entered into on or around the date of this Deed;
<b>"Nomad Rules"</b>	means the AIM Rules for Nominated Advisers published by the Exchange from time to time;
<b>"QCA Code"</b>	means the Corporate Governance Code published by the Quoted Companies Alliance;
<b>"Representatives"</b>	has the meaning given in clause 4.3;
<b>"Shareholder"</b>	means a holder of Shares;
<b>"Shares"</b>	means the ordinary shares in the capital of the Company from time to time;
<b>"subsidiary"</b>	has the meaning given in clause 1.11;
<b>"subsidiary undertaking"</b>	has the meaning given in clause 1.12;
<b>"Takeover Code"</b>	means the City Code on Takeovers and Mergers;
<b>"Takeover Panel"</b>	means the Panel on Takeovers and Mergers;
<b>"TFG Concert Party" and each a "TFG Concert Party Member"</b>	means together (i) Nick Clark & Siobhan Robinson; (ii) Keith McCullagh & Jean McCullagh; (iii) Freddie Jenner & Melanie Jenner; (iv) Jason Brameld; (v) Pamela Clark; and (vi) Simon Clark & Amanda Boyce;
<b>"Voting Rights"</b>	means all rights and powers (including, without limitation, voting rights) attaching to the Shares in which any TFG Concert Party Member is interested from time to time.

- 1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this Deed.
- 1.3 References to clauses and the Schedule are to the clauses and Schedule of this Deed and references to paragraphs are to paragraphs of the Schedule.
- 1.4 The Schedule forms part of this Deed and shall have effect as if set out in full in the body of this Deed. Any reference to this Deed includes the Schedule.

- 1.5 A reference to **this Deed** or to any other agreement or document referred to in this Deed is a reference to this Deed or such other agreement or document as varied or novated in accordance with its terms from time to time.
- 1.6 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.7 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.8 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives and successors.
- 1.9 A reference to any party shall include that party's successors.
- 1.10 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.11 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act.
- 1.12 A reference to a **subsidiary undertaking** means a subsidiary undertaking as defined in section 1162 of the Act.
- 1.13 A reference to **writing** or **written** excludes email.
- 1.14 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.15 A reference to a statute, statutory provision, code, regulation or rule (including, without limitation, each of the Applicable Laws) is a reference to it as amended, extended, consolidated, replaced or re-enacted from time to time.
- 1.16 A reference to a legislative or regulatory provision, rule or code shall include all subordinate legislation, regulations, rules and codes made from time to time under that provision, rule or code.
- 1.17 Any reference to an 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 deemed to include a reference to that which most nearly approximates to the English legal term in that jurisdiction.
- 1.18 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

## **2. Duration**

- 2.1 This Deed shall come into force on Completion and shall continue in full force and effect for so long as:
- 2.1.1 the Shares are admitted to trading on AIM (including for the purposes of this clause 2.1.1, any period of suspension of trading); and
- 2.1.2 the TFG Concert Party is interested in Voting Rights representing 20% or more of the rights to vote at a general meeting of the Company attaching to Shares,  
  
(together, the "**Conditions**").

- 2.2 If the Condition in clause 2.1.2 ceases to be satisfied (the date in respect of which being a “**Suspension Date**”), all parties to this Deed shall, without prejudice to any claims, rights, action or demands that either party may have against the other, under or in connection with this Deed, arising before the relevant Suspension Date, for a period commencing on the relevant Suspension Date and ending on the date (if any) that the Conditions are satisfied, cease to have any rights and obligations under this Deed.
- 2.3 Termination of this Deed shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the deed which existed at or before the date of termination.
- 2.4 On termination of this Deed, clause 1 and clause 4 to clause 20 (inclusive) shall continue in force.

### **3. The TFG Party undertakings**

- 3.1 Each TFG Party undertakes to each of the Company and the Nomad that it shall exercise its Voting Rights and shall procure that each of their Associates shall exercise their respective Voting Rights to procure (to the extent that they are able by the exercise of such rights to procure) that:
- 3.1.1 the Group and the Business shall be managed at all times for the benefit of the Shareholders as a whole and independently of the TFG Concert Party and any TFG Concert Party Member, and they shall take no action that would undermine the ability of the Group to carry on the Business independently of the TFG Concert Party and any TFG Concert Party Member;
- 3.1.2 all transactions, agreements and arrangements between:
- 3.1.2.1 any member of the Group; and
- 3.1.2.2 the TFG Concert Party or any TFG Concert Party Member,
- shall be on an arm's length basis and on normal commercial terms, and shall be approved and their enforcement determined, on behalf of the Group, by the Independent Directors;
- 3.1.3 subject to the Applicable Laws and the provisions of this Deed, the Company shall be managed in accordance with the corporate governance regime as adopted as applied by the Board from time to time; and
- 3.1.4 the provisions of this Deed are properly and promptly observed and given full force and effect according to the spirit and intention of this Deed.
- 3.2 Each TFG Party undertakes to each of the Company and the Nomad that it shall not and shall procure that each of its Associates shall not:
- 3.2.1 take any action that would have the effect of preventing or might reasonably be expected to prevent any member of the Group from complying with its obligations under any of the Applicable Laws including, without limitation, AIM Rule 13;
- 3.2.2 exercise its Voting Rights in respect of any resolution relating to a transaction, agreement or arrangement with or relating to the TFG Concert Party or any TFG Concert Party Member other than in accordance with a recommendation of the Independent Directors;
- 3.2.3 exercise its Voting Rights in respect of any resolution to cancel the Company's admission to trading on AIM other than:
- 3.2.3.1 with the recommendation of the Board; or

- 3.2.3.2 in connection with an offer for the entire issued share capital of the Company made by a person other than the TFG Concert Party or any TFG Concert Party Member; or
- 3.2.4 requisition a general meeting of the shareholders of the Company to seek to propose a resolution to appoint or remove any Director, nor shall they otherwise seek to appoint or remove any Director other than in accordance with a recommendation of the Independent Directors;
- 3.2.5 exercise its Voting Rights to procure or seek to procure any amendment to the Articles which would be inconsistent with the provisions of this Deed.

#### **4. Confidentiality**

- 4.1 Keith McCullagh undertakes that he shall not, at any time, disclose to any person any Confidential Information or use any Confidential Information for any purpose other than to perform his obligations under this Deed or any employment contract or other engagement with any member of the Group, except in each case as permitted by clause 4.2.
- 4.2 Keith McCullagh may disclose Confidential Information:
  - 4.2.1 to his Representatives who reasonably require such disclosure. Keith McCullagh shall procure that his Representatives to whom he discloses Confidential Information understand the confidential nature of the Confidential Information and comply with this clause 4;
  - 4.2.2 in compliance with any law, regulation or the rules of a governmental or regulatory authority or any relevant tax or value added tax authority or stock exchange (including, without limitation, the Exchange, the Financial Conduct Authority and the Takeover Panel); and
  - 4.2.3 as required by a court of competent jurisdiction.
- 4.3 For the purposes of this clause 4, “**Confidential Information**” means all confidential information (however recorded or preserved) disclosed by a party or its employees, officers, representatives or advisers (together its “**Representatives**”) to Keith McCullagh and his Representatives whether before or after the date of this Deed, concerning any information that would be regarded as confidential by a reasonable business person relating to:
  - 4.3.1 the business, affairs, customers, clients, suppliers, or plans, intentions, or market opportunities of the disclosing party (or of any Associate of the disclosing party); and
  - 4.3.2 the operations, processes, product information, know-how, designs, trade secrets or software of the disclosing party (or of any Associate of the disclosing party).
- 4.4 The provisions of this clause 4 shall not apply to any Confidential Information that:
  - 4.4.1 is or becomes generally available to the public (other than as a result of its disclosure by the receiving party or any of its Representatives in breach of this Deed);
  - 4.4.2 was available to the receiving party on a non-confidential basis before disclosure by the disclosing party;
  - 4.4.3 was, is or becomes available to the receiving party on a non-confidential basis from a person who, to the receiving party's knowledge, is not bound by a confidentiality agreement with the disclosing party or otherwise prohibited from disclosing the information to the receiving party;



- 4.4.4 the parties agree in writing is not confidential or may be disclosed; or
- 4.4.5 is developed by or for the receiving party independently of the information disclosed by the disclosing party.

## **5. Board observer**

- 5.1 For so long as Keith McCullagh and his Associates are interested in Voting Rights representing more than 10% of the rights to vote at a general meeting, for the period commencing on the date of this Deed and ending on the first anniversary of Completion, Keith McCullagh shall have the right to attend as an observer at each and any meeting of the Board and at each and any meeting of any committee of the Board.

## **6. Status of the deed**

- 6.1 If there is any inconsistency between any of the provisions of this Deed and the Articles, the provisions of this Deed shall prevail as between the parties to the extent permitted by law and regulation.
- 6.2 For the avoidance of doubt, the obligations of each of the parties under this Deed shall be subject to all applicable legal and regulatory requirements including, without limitation, the Applicable Laws and no party shall be required to breach any such law, regulation, rule or code.
- 6.3 Nothing in this Deed shall prevent any TFG Party from exercising its Voting Rights as they, in their discretion, see fit except where to do so would result in a breach of this Deed.

## **7. Further assurance**

- 7.1 Each TFG Party shall (at its own expense) promptly execute and deliver such documents and perform such acts as the Company and the Nomad may each reasonably require from time to time for the purpose of giving full effect to this Deed.

## **8. Assignment**

- 8.1 This Deed is personal to the parties and, subject to clause 8.2, no party shall assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of its rights and obligations under this Deed.
- 8.2 The Nomad shall assign or transfer its rights and obligations under this Deed to any other person appointed by the Company to act as its nominated adviser.

## **9. Entire agreement**

- 9.1 This Deed and the Articles together with the Lock-In Deed constitute the entire agreement between the parties and supersede and extinguish all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to their subject matter.

## **10. Counterparts**

- 10.1 This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one deed.
- 10.2 Transmission of an executed counterpart of this Deed (but for the avoidance of doubt not just a signature page) by e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Deed.

10.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

## **11. Variation and waiver**

11.1 No variation of this Deed shall be effective unless it is made by deed and signed and delivered by the parties (or their authorised representatives).

11.2 A waiver of any right or remedy under this Deed or by law is only effective if it is given in writing and shall not be deemed a waiver of any subsequent right or remedy.

11.3 A failure or delay by a party to exercise any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy.

11.4 No single or partial exercise of such right or remedy provided under this Deed or by law shall prevent or restrict any further exercise of that or any other right or remedy.

## **12. Costs**

12.1 Except as expressly provided in clauses 12.2 and 12.3, each party shall pay its own costs incurred in connection with the negotiation, preparation and execution of this Deed.

12.2 Subject to clause 12.3, the Company shall pay the TFG Parties' reasonable and properly incurred costs of and incidental to this Deed.

12.3 Without prejudice to any other right or remedy the parties may have, in the event that:

12.3.1 the Company terminates the Transaction Agreement in accordance with its terms;  
or

12.3.2 the Transaction Agreement terminates and ceases to have effect in accordance with its terms because any of the definitions (as defined therein) have not been fully satisfied or waived,

all costs and expenses incurred by the TFG Concert Party and the Company in negotiating and preparing this Deed shall be borne by the Company and the Target in the following proportions: (i) 60% for the account of the Company; and (ii) 40% for the account of the Target and the TFG Concert Party shall procure the payment by the Target to the Company for any such costs.

## **13. No partnership or agency**

13.1 Nothing in this Deed is intended to, or shall be deemed to, establish any partnership between the parties or constitute any party as the agent of another party.

13.2 Each party confirms it is acting on its own behalf and not for the benefit of any other person.

## **14. Notices and consents**

14.1 For the purposes of this clause 14, but subject to clause 14.6, notice includes any other communication and consent made or given by or to a party under or in connection with this Deed.

14.2 A notice given to a party under or in connection with this Deed:

14.2.1 shall be in writing and in English;

- 14.2.2 shall be signed by or on behalf of the party giving it;
- 14.2.3 shall be sent to the relevant party for the attention of the contact and to the address specified in clause 14.3, or such other address as that party may notify to the other parties in accordance with the provisions of this clause 14;
- 14.2.4 shall be:
- 14.2.4.1 delivered by hand;
  - 14.2.4.2 sent by pre-paid first class post or special delivery; or
  - 14.2.4.3 sent by pre-paid airmail or by reputable international overnight courier (if the notice is to be served by post to an address outside the country from which it is sent); and
- 14.2.5 unless proved otherwise is deemed received as set out in clause 14.4.
- 14.3 The addresses for services of notices are: (i) in respect of the Company and the Nomad, their registered office for the time being; and (ii) for each TFG Party, his or her address stated in the Schedule or in any case to such other address in England as any party to this Deed may have notified to the other parties for the purposes of this clause.
- 14.4 This clause 14.4 sets out the delivery methods for sending a notice to a party under this agreement and, for each delivery method, the date and time when the notice is deemed to have been received (provided that all other requirements of this clause have been satisfied and subject to the provisions in clause 14.5):
- 14.4.1 if delivered by hand, on signature of a delivery receipt or at a time the notice is left at the address;
  - 14.4.2 if sent by pre-paid first class post or other next working day delivery services providing proof of postage at 9.00 am on the second Business Day after posting; or
  - 14.4.3 if sent by pre-paid airmail providing proof of postage, at 9.00 am on the fifth Business Day after posting or at the time recorded by the delivery service.
- 14.5 If deemed receipt under clause 14.4 would occur outside business hours in the place of receipt, it shall be deferred until business hours resumes. In this clause 14.5, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt.
- 14.6 This clause 14 does not apply to the service of any proceedings or other documents in any legal action.
- 14.7 A notice given under or in connection with this Deed is not valid if sent only by email.
- 15. Severance**
- 15.1 If any provision or part-provision of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this Deed.
- 15.2 If any provision or part-provision of this Deed is deemed deleted under clause 15.1, the parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision. Any such amendment will be made in accordance with clause 11.

**16. Third party rights**

- 16.1 No one other than a party to this Deed and their successors, shall have any right to enforce any of its terms.

**17. Inadequacy of damages**

- 17.1 Without prejudice to any other rights or remedies that the Company or the Nomad may have, each TFG Party acknowledges and agrees that damages alone would not be an adequate remedy for any breach of the terms of clause 3 to clause 4 (inclusive) by any TFG Party. Accordingly, each of the Company and the Nomad shall be entitled to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of clause 3 to clause 4 (inclusive) of this Deed.

**18. Rights and remedies**

- 18.1 Except as expressly provided in this Deed, the rights and remedies provided under this Deed are in addition to, and not exclusive of, any rights or remedies provided by law.

**19. Governing law**

- 19.1 This Deed and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

**20. Jurisdiction**

- 20.1 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Deed or its subject matter or formation.

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



Executed as a deed by )  
**AUKETT SWANKE GROUP PLC** )  
acting by a Director: )  
..... )  
in the presence of: ) Director

Name of witness .....

Signature of witness: .....

Address: .....

.....

Occupation: .....

**THE TFG PARTIES**

Signed as a deed by )  
**NICK CLARK** )  
in the presence of: ) .....

Signature of witness: .....

Name: .....

Address: .....

.....

Occupation: .....

Signed as a deed by )  
**KEITH MCCULLAGH** )  
in the presence of: ) .....

Signature of witness: .....

Name: .....

Address: .....

.....

Occupation: .....

Signed as a deed by )  
**FREDDIE JENNER** )  
in the presence of: ) .....

Signature of witness: .....

Name: .....

Address: .....

.....

Occupation: .....

Signed as a deed by )  
**JASON BRAMELD** )  
in the presence of: ) .....

Signature of witness: .....

Name: .....

Address: .....

.....

Occupation: .....

Executed as a deed by )  
**STRAND HANSON LIMITED** )  
acting by a Director: )  
..... )  
in the presence of: ) Director

Name of witness .....

Signature of witness: .....

Address: .....

.....

Occupation: .....