

DATED

21 September

2021

**(1) NORTH ATLANTIC SMALLER
COMPANIES TRUST PLC**

(2) ORYX INTERNATIONAL GROWTH FUND LIMITED

and

(3) ELEIA LIMITED

COMPENSATION PAYMENT



BDB PITMANS

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BETWEEN:

- (1) **NORTH ATLANTIC SMALLER COMPANIES INVESTMENT TRUST PLC**, a company incorporated in England and Wales under company number 01091347, the registered office of which is at 6 Stratton Street, London, W1J 8LD (**NASCIT**);
- (2) **ORYX INTERNATIONAL GROWTH FUND LIMITED**, a company incorporated in Guernsey under company number 28917, the registered office of which is at Bermuda House, St Julian's Avenue, St. Peter Port, United Kingdom, GY1 1WA (**Oryx**); and
- (3) **ELEIA LIMITED**, a company incorporated in England and Wales under company number 13512747, the registered office of which is at c/o Ancala Partners LLP, Kings House, 36-37 King Street, London, England, EC2V 8BB (**Bidder**).

WHEREAS:

- (A) On 30 July 2021, Antwerp Management Limited (**MSI Bidco**) announced a firm intention to make an offer to acquire Augean plc (**Company**) at an offer value of 280 pence in cash plus a contingent value right of up to a further 20 pence by way of loan notes per Augean share (the **Original MSI Offer**).
- (B) On 24 August 2021, Eleia Limited (**Eleia Bidco**) announced a firm intention to make an offer to acquire the Company at an offer price of 325 pence in cash per Augean share (the **Eleia Offer**).
- (C) On 8 September 2021, MSI Bidco announced a revision to the terms of the Original MSI Offer, increasing the consideration payable to Augean shareholders to 340 pence in cash per Augean share with no contingent value right (the **Increased MSI Offer**). In light of the superior value of the Increased MSI Offer as compared to the Eleia Offer, the board of directors of the Company stated that it intended to recommend the Increased MSI Offer to Augean shareholders and, accordingly, was withdrawing its recommendation of the Eleia Offer.
- (D) On the basis that neither MSI Bidco nor Eleia Bidco have declared their offers final, such that either offer may be further increased or otherwise revised, a competitive situation continues to exist. Accordingly, in the absence of a "no increase" statement by either MSI Bidco or Eleia Bidco prior to 5.00 p.m. (London time) on 21 September 2021, the Panel Executive has, at the request of the Company, MSI Bidco and Eleia Bidco, established an auction procedure in relation to the acquisition of the Augean shares (**Auction**) which will apply on and from that time. The Auction will consist of a maximum of five rounds which will all take place on the evening of 22 September 2021. As soon as practicable following the completion of the Auction on the evening of 22 September 2021, the Panel Executive will make an announcement setting out the prices of the offers to be announced or confirmed by MSI Bidco and Eleia Bidco by no later than 7.00 a.m. (London time) on 23 September 2021.
- (E) Each of NASCIT and Oryx have agreed with the Bidder that in the event the offer by MSI Bidco for the Company becomes unconditional or, if such offer is implemented by way of scheme of arrangement, such scheme becomes effective (in each case a **Successful Offer**), NASCIT and Oryx will pay to the Bidder or to an Affiliate of the Bidder as directed by the Bidder in writing a sum as compensation for its costs incurred in connection with its offer for the Company on the terms and conditions of this Agreement.

IT IS AGREED as follows:

1 Definitions and Interpretation

1.1 In this agreement the following words and expressions have the following meanings unless the context requires otherwise:

Affiliate	in relation to any person, any subsidiary undertaking or parent undertaking of that person and any subsidiary undertaking of any such parent undertaking, and where any parent undertaking is a fund (a " Parent Fund "), any advisor to, manager and/or general partner of such Parent Fund, in each case from time to time;
Augean Shares	ordinary shares of £0.10 each;
Business Day	a day (other than Saturday, Sunday or a public holiday) on which banks are generally open for business in the city of London; and
Harwood Entities	each of Harwood Capital Nominees Limited, NASCIT and Oryx.

1.2 In this agreement, unless the context otherwise requires:

- 1.2.1 references to clauses are references to the clauses of this agreement;
- 1.2.2 the headings to clauses are inserted for guidance only and shall not affect the meaning or interpretation of any part of this agreement;
- 1.2.3 a reference to a particular statute, statutory provision or subordinate legislation is a reference to it as it is in force at the date of this agreement, taking into account any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts and subordinate legislation (including any rules, orders, regulation or instruments) for the time being in force made under it;
- 1.2.4 **writing** or **written** shall include any methods of reproducing words, symbols or other information in a legible and non-transitory form by any method or combination of methods (including, for the avoidance of doubt, by email);
- 1.2.5 words importing the singular shall include the plural and vice versa and words importing the masculine shall include the feminine and neuter and vice versa;
- 1.2.6 **person** shall include natural persons, firms, partnerships, companies, body corporates, corporations, unincorporated associations, organisations, governments, states, foundations and trusts (in each case whether or not having separate legal personality); and
- 1.2.7 references to a **party** or to **parties** shall mean a party or parties to this agreement, their successors and permitted assigns.

2 Compensation Payment

- 2.1 Subject at all times to the Auction taking place and to clauses 2.2 and 3.1, Oryx and NASCIT hereby agree with the Bidder that, in the event of a Successful Offer, they shall pay to the Bidder or to an Affiliate of the Bidder as directed by the Bidder in writing in aggregate in accordance with clause 3.1, as compensation for the Bidder's costs incurred in connection with its offer for the Company, a sum calculated as follows:

$$A = \frac{(B \times 25,100,000) - \pounds 85,340,000}{5}$$

Where:-

A is the amount to be paid to the Bidder; and
B is the final offer price per share paid for each Augean Share sold by the Harwood Entities pursuant to the Successful Offer.

- 2.2 Oryx and NASCIT shall not be liable in any circumstances to pay to the Bidder (or to any Affiliate of the Bidder) any amount pursuant to this agreement:
- 2.2.1 in excess of £1,000,000 in aggregate; or
- 2.2.2 unless and until there is a Successful Offer.
- 2.3 The maximum liability of each of Oryx and NASCIT under this agreement shall be:
- 2.3.1 in the case of Oryx £320,000; and
- 2.3.2 in the case of NASCIT £680,000.
- 2.4 Any payment to be made by NASCIT and Oryx under this agreement shall be borne as to 68 per cent by NASCIT and 32 per cent by Oryx.
- 2.5 Any sum paid by Oryx and NASCIT pursuant to clause 2.1 shall be inclusive of any applicable value added tax such that no amount in respect of value added tax shall be payable in addition to such sum.

3 Payment

- 3.1 Any payment shall be made:
- 3.1.1 in pounds sterling;
- 3.1.2 within 15 Business Days of receipt by Oryx and NASCIT of first written demand from the Bidder; and

- 3.1.3 by electronic transfer of immediately available funds to such account as the Bidder may specify in writing to NASCIT and to Oryx.

4 Announcements

- 4.1 Subject to clause 5.6, no announcement, circular or other publicity in connection with the subject matter of this agreement shall be made by or on behalf of any of the parties without the prior written approval of the other as to its content, form and manner of publication (such approval not to be unreasonably withheld or delayed) save that any announcement, circular or other publicity may be made or issued without such approval if it is required to be made or issued pursuant to the City Code on Takeovers and Mergers or any other legal or regulatory authority.

5 General

- 5.1 No variation of this agreement shall be effective unless made in writing and signed by or on behalf of each of the parties.
- 5.2 The parties shall pay their own costs and expenses in relation to the preparation, execution and carrying into effect of this agreement.
- 5.3 If at any time any provision of this agreement is or becomes invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severed from this agreement but the validity, legality and enforceability of the remaining provisions of this agreement shall not be affected or impaired.
- 5.4 This agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, and which together shall constitute one and the same agreement.
- 5.5 Transmission of an executed counterpart of this agreement (but for the avoidance of doubt not just a signature page) by (a) fax or (b) email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this agreement.
- 5.6 The parties consent to this agreement:
 - 5.6.1 being disclosed to the Panel on Takeovers and Mergers and in any offer or scheme documentation that is published in connection with the offers by MSI Bidco and/or Eleia Bidco for the Company; and/or
 - 5.6.2 being published as required by the City Code on Takeovers and Mergers or any other applicable law or regulation.

6 Notices

- 6.1 Any notice, consent or other communication given under this agreement shall be in writing and in English, and signed by or on behalf of the party giving it, and shall be delivered by email or by hand or sent by prepaid first-class or special delivery post (or prepaid international recorded airmail if sent internationally) to the following at their addresses as follows:

6.1.1 **to NASCIT and Oryx:**

Address: at its registered office from time to time

Email: [REDACTED]

With a copy to:

Address: BDB Pitmans LLP
One Bartholomew Close
London
EC1A 7BL

Ref: PRL/NCM

Email: [REDACTED]

6.1.2 **to the Bidder:**

Address: at its registered office for the time being

Email: [REDACTED]

With a copy to:

Address: Fiera Infrastructure
3rd Floor, 3 Old Burlington Street
London
W1S 3AE

Email: [REDACTED]

6.2 Any notice, consent or other communication given in accordance with clause 6.1 shall be deemed to have been received:

6.2.1 if sent by email, at the time of transmission;

6.2.2 if delivered by hand and left at the appropriate address before 5.30pm local time on a Business Day, at the time of delivery, or if delivered by hand and left at the appropriate address after 5.30pm local time on a Business Day or on any day which is not a Business Day, at 9.00am local time on the next Business Day after the day of delivery;

6.2.3 if sent by prepaid first-class or special delivery post, two Business Days after the date of posting; and

6.2.4 if sent internationally by prepaid international recorded airmail, seven Business Days after the date of posting.

7 Third Party Rights

- 7.1 A person who is not a party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any term of this agreement. This clause shall not affect any right or remedy of a third party which exists or is available apart from that Act.

8 Assignment and Successors

- 8.1 No party may assign or otherwise dispose of any rights under this agreement, at law or in equity, including by way of declaration of trust. Any purported assignment in breach of this clause shall be void and confer no rights on the purported assignee.
- 8.2 This agreement shall be binding upon and continue for the benefit of each party's permitted assigns and successors.

9 Entire Agreement

- 9.1 Without prejudice to the Harwood Undertakings (as defined below), this agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter of this agreement and any other prior agreements between the parties relating to the subject matter of this agreement are terminated and of no further effect.
- 9.2 Each of the parties acknowledges that it has not been induced to enter into this agreement in reliance upon any statement, warranty, agreement, undertaking or representation of any nature other than as are expressly set out in this agreement and, to the extent that any of them has been, the relevant party unconditionally and irrevocably waives any claims, rights or remedies which it might otherwise have had in relation to such statement, warranty, agreement, undertaking or representation.

10 Harwood Undertakings

- 10.1 For the avoidance of doubt, nothing in this deed shall modify, amend or terminate the irrevocable undertakings provided by each of NASCIT, Oryx and Harwood Capital Nominees Limited to Eleia Bidco on 28 August 2021 (the "**Harwood Undertakings**").

11 Governing Law and Jurisdiction

- 11.1 The validity, construction and performance of this agreement and any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes, claims and matters) shall be governed by the laws of England and Wales.
- 11.2 Each party irrevocably submits to the exclusive jurisdiction of the courts of England and Wales for the resolution of any dispute, claim or matter arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes, claims and matters).
- 11.3 Nothing contained in this agreement shall affect the right to serve process in any other manner permitted by law.

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
NORTH ATLANTIC SMALLER COMPANIES
TRUST PLC
acting by
in the presence of

)
)
)
)
)
...
Authorised Signatory

Witness Signature

[Redacted]

Witness Name
(block capitals)
Witness Address

[Redacted]
[Redacted]

Executed as a deed by
ORYX INTERNATIONAL GROWTH FUND
LIMITED
acting by
in the presence of

)
)
)
)
)
...
Authorised Signatory

Witness Signature

[Redacted]

Witness Name
(block capitals)
Witness Address

[Redacted]
[Redacted]

Executed as a deed by
Eleia Limited
acting by
in the presence of

)
)
)
)



Witness Signature

Witness Name
(block capitals)
Witness Address

