

**DEED OF IRREVOCABLE UNDERTAKING**

To: FirstRand International Limited ("**Bidder**")  
La Plaiderie House  
Saint Peter Port  
Guernsey  
GY1 4NL

5 November 2017

Dear Sirs

**PROPOSED ACQUISITION OF ALDERMORE GROUP PLC ("TARGET")**

**1. Interests in Target shares**

1.1 I warrant and represent to you that:

1.1.1 I am the registered holder and/or beneficial owner of (or am otherwise able to control, for the purposes of this letter, the exercise of all rights attaching to) the shares in the capital of the Target specified in column 1 of the Schedule ("**Existing Shares**");

1.1.2 I have been granted options and awards over shares in the Target under the Target's share scheme(s) ("**Share Scheme(s)**") as specified in column 2 of the Schedule ("**Awards**"), the Awards are still subsisting and I am beneficially entitled to the Awards;

1.1.3 the Schedule contains full and accurate details of all the shares and other securities in the capital of the Target of which I am the registered holder, beneficial owner or controller; and

1.1.4 I have full power, authority and the right, free from any legal or other restrictions, and will at all times continue to have all relevant power, authority and right, to enter into and perform my Obligations, subject to the terms and conditions of this letter.

**2. Exercise of voting rights**

2.1 I undertake to you that I shall exercise (and procure the exercise of):

2.1.1 the votes attached to:

2.1.1.1 the Existing Shares;

2.1.1.2 any other shares in the Target of which I may become the registered holder or beneficial owner or in respect of which I may otherwise become entitled to exercise all rights/interests after the date of this letter; or

2.1.1.3 any other shares in the Target attributable to or derived from any shares referred to in paragraph 2.1.1.1 or 2.1.1.2,

(collectively the "**Shares**") on any Relevant Resolution; and

2.1.2 the rights attached to the Shares to requisition or join in the requisition of any general or class meeting of the Target for the purpose of considering a Relevant Resolution, in each case in favour of the Scheme.

2.2 I shall, after the posting of the Acquisition Document (without prejudice to any right I have to attend and vote in person at any general or class meeting of the Target ("**General Meeting**") or at any meeting of holders of shares in the Target convened by a court ("**Court Meeting**")):

2.2.1 execute and return (or procure the execution and return by the registered holder of any Shares) the forms of proxy enclosed with the Acquisition Document in accordance with the instructions printed on them; and

2.2.2 if applicable, in respect of any Shares held in uncertificated form, take or procure the taking of any action which may be required by the Target or its nominated representative in order to make a valid proxy appointment and give valid proxy instructions,

in each case at least ten days prior to the General Meeting or Court Meeting (as applicable), and instructing the proxy to vote in favour of the resolutions to implement the Acquisition.

2.3 A Relevant Resolution is:

2.3.1 a resolution proposed at a General Meeting or a Court Meeting, or at any adjourned General Meeting or Court Meeting, the passing of which is necessary to implement the Acquisition;

2.3.2 a resolution to adjourn a meeting at which a resolution falling within paragraph 2.3.1 is to be considered; and

2.3.3 any resolution to amend a resolution falling within paragraph 2.3.1 or 2.3.2.

2.4 I undertake to you that prior to the Acquisition becoming effective or my Obligations terminating in accordance with this letter, I shall not and (if applicable) I shall procure that the registered holder of any Shares shall not, without the consent of the Bidder, requisition, or join in requisitioning, any general or class meeting of the Target which would or might restrict or impede the Scheme becoming effective or, as the case may be, the Offer becoming unconditional.

### **3. Acceptance of Offer**

3.1 If the Bidder elects to implement the Acquisition by way of an Offer (subject to the consent of the Panel and in accordance with the terms of the Cooperation Agreement), I undertake to you as follows:

3.1.1 I will be able to and I shall accept or, where applicable, procure the acceptance of, the Offer in accordance with paragraph 3.2 in respect of the Shares;

3.1.2 notwithstanding any rights of withdrawal in the Acquisition Document or otherwise conferred by any Relevant Requirements, I shall not withdraw or otherwise revoke any acceptance of the Offer in respect of any of the Shares and will not cause or permit the registered holder of any Shares to do so;

3.1.3 I shall accept any proposal made by the Bidder to the holders of Awards under the

Share Scheme(s) which comply with the requirements of the Code in respect of my Awards (“**Relevant Proposal**”) and, provided that the Relevant Proposal is consistent with the terms of the Cooperation Agreement, to the extent that the Awards have not lapsed or been exercised, no later than seven business days after receipt of such proposal, or otherwise allow such Awards to lapse;

- 3.1.4 the Shares will be transferred pursuant to the Offer in accordance with the terms set out in the Acquisition Document; and
  - 3.1.5 I shall from time to time promptly complete, execute and deliver such documents and do all such other things as shall be necessary to give full effect to each of my Obligations.
- 3.2 I shall fulfil the undertaking in paragraph 3.1.1 in accordance with the procedure for acceptance set out in the Acquisition Document no later than 3.00 pm on the tenth business day after the publication of the Acquisition Document.

#### **4. Dealings**

- 4.1 I further undertake to you that I shall not and (if applicable) I shall procure that the registered holder of any Shares shall not:
- 4.1.1 sell, transfer, encumber or otherwise dispose of, or grant any option or other right over, any of the Shares or any interest in them except pursuant to the Acquisition;
  - 4.1.2 accept any offer made or proposed to be made in respect of any of the Shares or vote in favour of any resolution of Target shareholders to approve any offer made in respect of Target in competition with the Acquisition; or
  - 4.1.3 enter into any agreement or arrangement, incur any obligation or give any indication of intent, or permit the registered holder or beneficial owner of the Shares to enter into any agreement or arrangement, incur any obligation or give any indication of intent (in any case whether conditionally or unconditionally and whether or not legally binding) to do any of the acts referred to in paragraphs 4.1.1 to 4.1.2, or which would or might restrict or preclude me from complying with any of my Obligations, including any agreement, arrangement, obligation or indication of intent which is to take effect following termination of this letter.
- 4.2 Without prejudice to my undertakings in paragraph 4.1, I shall notify the Bidder promptly with details of any dealings by me, my close relatives and any related companies and trusts in any shares of the Company as soon as reasonably practicable and, in any event, before 12 noon (London time) on the business day following the relevant dealing.
- 4.3 For the avoidance of doubt, nothing in this Agreement shall restrict me from (i) exercising any Awards, or (ii) selling such number of Shares as may be required to cover any liability for income tax and employee National Insurance contributions in respect of the vesting and/or exercise of my Awards, in each case following the Court Meeting and the General Meeting but prior to the Scheme Record Time (as that term is defined in the Acquisition Document).

#### **5. Consents**

I consent to:

- 5.1 this letter being disclosed to the Panel;

5.2 details of this letter being set out in the Announcement substantially in the terms attached, in the Acquisition Document and in any other related or ancillary announcement or document as required by the Code; and

5.3 this letter being available for inspection as required by the Code during the offer period.

## 6. Termination

6.1 This letter shall terminate, and all Obligations will lapse and cease to have effect (except as otherwise expressly stated), on the date the Acquisition becomes or is declared unconditional in all respects, or prior to that date if:

6.1.1 the Announcement is not released by 8.00am on 6 November 2017 or such later date as the Bidder and the Target may agree;

6.1.2 the Acquisition Document is not published within 28 days of the date of release of the Announcement (or within such longer period as the Panel may agree); or

6.1.3 the Bidder announces, with the consent of the Panel, and before the Acquisition Document is published that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by the Bidder in accordance with Rule 2.7 of the Code;

6.1.4 the Acquisition lapses or is withdrawn without having become wholly unconditional, provided that this paragraph 6.1.4 shall not apply:

6.1.4.1 where the Acquisition is withdrawn or lapses as a result of the Bidder exercising its right to implement the Acquisition by way of an Offer rather than by way of a Scheme or vice versa; or

6.1.4.2 if a new, revised or replacement scheme of arrangement pursuant to Part 26 of the Companies Act 2006 or takeover offer (within the meaning of section 974 of the Companies Act 2006) is or has been announced, in accordance with Rule 2.7 of the Code, within 10 business days after any such lapse or withdrawal. If the Bidder announces a new, revised or replacement scheme of arrangement or offer within such period, this letter shall continue to apply in respect of such scheme or offer so that references to the Acquisition shall be read as references to such scheme or offer and references to the Announcement shall be read as references to the Bidder's announcement of the such scheme or offer.

6.2 On termination of this letter neither party shall have any claim against the other save in respect of any prior breach thereof.

## 7. Interpretation

7.1 In this letter:

**"Acquisition"** means the proposed acquisition by the Bidder of the issued and to be issued ordinary share capital of the Target not already owned by the Bidder which may be implemented by way of an Offer or a Scheme, and includes any new, revised, improved or increased offer by or on behalf of the Bidder to acquire shares in the Target (and, if made by a

subsidiary of the Bidder, all references to **"you"** or the **"Bidder"** shall be deemed to include that subsidiary);

**"Acquisition Document"** means the formal document containing the terms of the Offer or, if applicable, the explanatory memorandum in respect of the Scheme;

**"Announcement"** means the offer announcement in relation to the Bidder's firm intention to make the Acquisition under Rule 2.7 of the Code in the agreed form;

**"business day"**, **"offer"** and **"offer period"** have the meanings set out in the Code;

**"Code"** means the City Code on Takeovers and Mergers;

**"Cooperation Agreement"** means the cooperation agreement entered into between the Bidder and the Target in relation to the implementation of the Acquisition on or around the date of this letter;

being **"interested in"** or having **"interests in"** shares or securities shall be interpreted in accordance with the Code and Part 22 of the Companies Act 2006;

**"Obligations"** means each and all of my undertakings, agreements, warranties, representations, appointments and consents set out in this letter;

**"Offer"** means the Acquisition implemented by way of a takeover offer within the meaning of section 974 of the Companies Act 2006;

**"Panel"** means the Panel on Takeovers and Mergers;

**"Relevant Requirements"** means the requirements of the Code, the Panel, any applicable law or regulation, the High Court of Justice in England and Wales, the Financial Conduct Authority, London Stock Exchange plc, the Market Abuse Regulation, the Listing Rules, Prospectus Rules and the Disclosure Guidance and Transparency Rules, or the requirements of any other relevant regulatory authority;

**"Scheme"** means the Acquisition implemented by way of a scheme of arrangement pursuant to Part 26 of the Companies Act 2006; and

**"subsidiary"** includes subsidiary undertaking, both terms having the meanings set out in the Companies Act 2006.

7.2 References to time are references to the time in London, United Kingdom.

7.3 Any time, date or period referred to in this letter may be varied by mutual agreement between the parties but, as regards any time, date or period originally fixed or so varied in accordance with this paragraph 7.3, time shall be of the essence.

## **8. Obligations**

8.1 Except to the extent specified in this letter, my Obligations are unconditional and irrevocable.

8.2 In respect of any Shares not registered in my name, I undertake to procure that their registered holder(s) comply with the Obligations.

8.3 This letter has been signed in my capacity as a shareholder (including, where appropriate, in my capacity as beneficial owner of the Shares and/or as a person able to control the exercise of all rights, including voting rights, attaching to Shares) and not in any other capacity.

**9. Whole agreement**

This letter contains the whole agreement between us relating to the subject matter of this letter at the date of this letter to the exclusion of any terms implied by law which may be excluded by contract. I acknowledge that I have not been induced to sign this letter by any representation, warranty or undertaking not expressly incorporated into it.

**10. Specific performance**

I acknowledge and agree that damages may not be an adequate remedy for breach of any of my Obligations and that, without prejudice to any other remedies you may have, you shall be entitled to seek the remedies of injunction, specific performance and other equitable relief.

**11. General**

11.1 **Personal representatives:** This letter (except to the extent it relates to my position as a director of the Target) will bind my estate and personal representatives.

11.2 **Rights of third parties:** No term of this letter is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not party to it.

11.3 **Severability:** The invalidity, illegality or unenforceability of any provision of this letter shall not affect the continuation in force of the remainder of this letter.

**12. Governing law**

This letter and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law. I submit to the exclusive jurisdiction of the English courts for all purposes in relation to this letter.

I intend this letter to be a deed and sign and deliver it as a deed.

**THE SCHEDULE**

<b>No. of Existing Shares</b>	<b>No. of Shares under Award</b>	<b>Name and address of registered holder</b>	<b>Name and address of beneficial owner</b>
20,000		HSBC Group nominee company	John Hitchins

