

FB Investors LLP
Lopian Gross Barnett & Co.
6th Floor
Cardinal House
20 St. Mary's Parsonage
Manchester
Lancashire
M3 2LG
United Kingdom

28 November 2017

Dear Sirs

Project Saturn/Galene – Costs

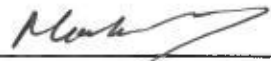
- 1 We understand that you are considering making a recommended cash partial offer (the **Partial Offer**) to acquire up to 67,393,960 ordinary shares (**Ordinary Shares**) in the issued share capital of Sutton Harbour Holdings plc (the **Company**) (representing approximately 70% of the issued Ordinary Shares of the Company) at a price per share of 29.5 pence, on the terms and subject to the conditions to be set out in a press announcement (the **Press Announcement**) to be released in relation to the Partial Offer in accordance with Rule 2.7 of the City Code on Takeovers and Mergers.
- 2 We acknowledge that:
 - (a) The Royal Bank of Scotland plc (**RBS**) has been paid the sum of £20,250 (the **Initial RBS Arrangement Fee**) in partial satisfaction of the arrangement fee that will become payable by the Company pursuant to the terms of the conditional amendment and restatement agreement to be entered into between, amongst others, the Company and RBS prior to the release of the Press Announcement, pursuant to which, amongst other things, the term of the existing facilities agreement dated 3 March 2016 between, amongst others, RBS (as agent for National Westminster Bank plc) and the Company (as borrower) will be extended from 3 March 2019 to 31 March 2021 (the **RBS Conditional Amended and Restatement Agreement**);
 - (b) the RBS Conditional Amended and Restatement Agreement provides that the Company shall be responsible for paying:
 - (i) the balance of the arrangement fee (being £114,750) to RBS in the event that the RBS Conditional Amended and Restatement Agreement becomes effective in accordance with its terms (the **Final RBS Arrangement Fee**); and
 - (ii) the fees incurred by Osborne Clarke LLP, as legal adviser to RBS, in connection with the RBS Conditional Amended and Restatement Agreement, estimated to be no more than £15,000 (exclusive of VAT and any disbursements) (the **OC Legal Fees**);
 - (c) Burges Salmon LLP (**Burges Salmon**) has been advising on the terms of the RBS Conditional Amended and Restatement Agreement (the **BS Banking Advice**) and, subject to the Partial Offer being completed in accordance with its terms, will engage us as a client on substantially the same terms and conditions as you have been engaged as their client so that we may rely fully on the BS Banking Advice;

- (d) Burges Salmon has estimated that its fees in relation to the BS Banking Advice are not expected to exceed £15,000 (exclusive of VAT and any disbursements) (the **BS Banking Legal Fees**);
 - (e) Burges Salmon has made available to the Company the advice it has provided in relation to the planning inspectorate process regarding the Plymouth and South West Devon Joint Local Plan (the **Planning Inspectorate Process**) which has been of benefit to the Company's own strategy in relation to the Planning Inspectorate Process (the **BS Planning Advice**) and, subject to the Partial Offer being completed in accordance with its terms, will engage us as a client on substantially the same terms and conditions as you have been engaged as their client so that we may rely fully on the BS Planning Advice; and
 - (f) Burges Salmon has estimated that its fees in relation to the BS Planning Advice are not expected to exceed £6,490 (exclusive of VAT and any disbursements) (the **BS Planning Legal Fees**).
- 3 We irrevocably confirm that:
- (a) subject to the Partial Offer becoming unconditional in accordance with its terms, we shall, within five business days, pay you (or your nominee) an amount equal to the Initial RBS Arrangement Fee;
 - (b) subject to the Partial Offer becoming unconditional in accordance with its terms and Burges Salmon engaging us as a client on substantially the same terms and conditions as you have been engaged as their client so that we may rely fully on the BS Banking Advice and the BS Planning Advice, we shall, within five business days, pay you (or your nominee):
 - (i) up to £15,000 (exclusive of VAT and any disbursements) in respect of the BS Banking Legal Fees; and
 - (ii) up to £6,490 (exclusive of VAT and any disbursements) in respect of the BS Planning Legal Fees; and
 - (c) we shall, in accordance with the terms of the RBS Conditional Amended and Restatement Agreement, pay the Final RBS Arrangement Fee and OC Legal Fees to RBS.
- 4 This deed constitutes the entire agreement and understanding of the parties with respect to the subject matter of this deed and neither of the parties has entered into this deed in reliance upon any representation, warranty or undertaking by or behalf of any party which is not expressly set out in this deed.
- 5 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts shall together constitute one deed.
- 6 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 and construed in accordance with English law and be subject to the exclusive jurisdiction of the English courts.

Executed and delivered as a Deed
by **SUTTON HARBOUR HOLDINGS
PLC**

)
)
) Director 
) Name: GRAHAM MILLER

Witness:

Signature: 
Name: MANI LOE
Address: EVERSHEDS SUTHERLAND (INTERNATIONAL) LLP
ONE WOOD STREET,
LONDON,
EC2V 7WS

Executed and delivered as a Deed
by **FB INVESTORS LLP**

)
)
) Authorised Representative
) Name: _____

Witness:

Signature: _____
Name: _____
Address: _____


Executed and delivered as a Deed
by **SUTTON HARBOUR HOLDINGS
PLC**

)
)
) Director
) Name: _____


Witness:

Signature: _____
Name: _____
Address: _____

Executed and delivered as a Deed
by **FB INVESTORS LLP**

) 
) Authorised Representative
) Name: PHILIP BEINHAUER

Witness:

Signature: 
Name: MICHAEL SAPERZYNski
Address: _____

